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CONTENTS

1. DEVELOPMENTS ON THE “NAME ISSUE”	6
1.1. Nimetz: There are Chances to Solve the Name Issue	
1.2. Fule's Initiative for Trilateral Meeting	
1.3. Jolevski-Vassilakis January Meeting	
1.4. Behind the Scenes	
1.5. Greek FM Avramopoulos Meets UN chief Ban ki Moon	
1.6. Bugajski: Macedonia Faces Serious Tests for its Stability	
1.7. The UN April Meeting	
1.8. Besimi and Avramopoulos Urge for Speedy Name Row Settlement	
1.9. President Ivanov Expects Name Issue to be Solved Without Encroaching the Identity	
1.10. FM Poposki Meets Nimetz in New York	
1.11. Poposki: Macedonia is Constructive, the Ball is in Greece's Court	
1.12. Commentaries on PM Gruevski Recent Position on the Name Issue	
2. EU and NATO INTEGRATION PROCESSES	14
2.1. EC Recommendation Remained by end of 2012	
2.2. Ireland's EU Presidency Expects Macedonia to Start Accession Talks Until July	
2.3. Poposki: Macedonia Nourishes Sincere Relations With Neighbors	
2.4. Bulgaria-Macedonia Bilateral Meetings for Enhancing Good Neighbory Relations	
2.5. Macedonian, Greek MoFA Delegations Hold Expert Consultations on EU Agenda	
2.6. EU Reactions on Opposition Boycott	
2.7. Parliament's Rapporteur for Macedonia, Richard Howitt Visits in February	
2.8. February Statement by Enlargement Commissioner Stefan Fule	
2.9. AFET Postpones Voting on Macedonia's Resolution	
2.10. EC Report on April 16, Preceded by EP Resolution	
2.11. Frattini: Macedonia Cannot Remain out of EU, NATO	
2.12. Howitt: Amendments Ready, EP to Issue Positive Resolution	
2.13. EU: Only Fair, Democratic Elections Will Ensure Positive EC Report	
2.14. Commissioner Fule's April Visit in Macedonia	
2.15. Neither Conclusion nor a Date for Macedonia at the EU Summit in June	
2.16. Howitt Statement on the Macedonia Absence at the European Summit Agenda	
2.17. Sekerinska Commenting the Gruevski Interview	
2.18. U.S. Support for Macedonia's EU and NATO Membership Reaffirmed	
2.19. FM Poposki at Session of CoE Committee of Ministers	

2.20. Council of Europe Report on Macedonia	
2.21. Parliamentary Assembly of the Council of Europe - Post-monitoring Dialogue Recommended	
2.22. No NATO Membership for Macedonia Without Name row Settlement	
2.23. Kerry-Poposki Meeting	
2.24. NATO's Door for Macedonia Opens in 2014	
3. ECONOMY.....	39
3.1. Economic Trends	
3.2. Government Support for Small and Medium Enterprises	
3.3. Declining Standard of Living Causes Revolt and Civic Initiatives	
3.4. Opposition Criticizes the Government Economic Policy	
3.5. No Agreement Signed for "South Stream"	
3.6. IMF Executive Board Report for Macedonia on Consultation and First Post-Program Monitoring 2013	
3.7. Concluding Statement of the IMF Mission on Macedonia	
3.8. GDP Growth of 2,9% in the First Quarter	
3.9. Standard & Poor's Long-term Credit Rating for Macedonia Lowered	
3.10. Macedonia Sinks Deeper - Foreign Debt 5,5 billion Euros	
4. HEADLINES/POLICIES.....	47
4.1. Project Skopje 2014 Still Raises Doubts	
4.2. Lustration Process	
4.3. Law on Access to Public Information	
4.4. New Abortion Law Under Heavy Criticism	
4.5. SEECP Summit Cancelled	
4.6. New Government Appointments	
5. LOCAL ELECTIONS.....	52
5.1. General and Political Context	
5.2. Consequences of Dec 24 and Election Agreement	
5.3. Election Campaign	
5.4. OSCE/ODIHR Preliminary Report – First Round	
5.5. OSCE/ODIHR Preliminary Findings – Second Round	
5.6. Election Results According to State Electoral Committee Data	
5.7. Post-Electoral Events	
6. PARTY DEVELOPMENTS.....	75
6.1. SDSM 14 th Congress and Change of Party President	
6.2. SDSM 15 th Congress	
6.3. Buckovski Announced New Party Formation	
6.4. GROM – Another New Party Founded	
7. RESEARCH, POLLS, RATINGS.....	77
7.1. Reporters Without Frontiers - World Press Ranking	
7.2. Eurostat: Macedonia no Longer EU Asylum Threat	
7.3. Citizen's Negative Predisposition Reflected in Polls	

- 7.4. Country Rating on Democracy
- 7.5. State department on Human Rights Practices in Macedonia 2012
- 7.6. UN Special Rapporteur Report on Macedonia

In the political sense, the last six months in the Republic of Macedonia have been very turbulent. In the first couple of months the country was dealing with the consequences of the December 24th events, while at the same time the country was looking at the regular local elections due to take place. At the same time, there was window of opportunity for the country to move forward in the Eurointegration process, a chance which at the last moment was not grasped. In part it was due to the still pending "name issue" for which the contours of a possible agreement started to appear, but not accompanied with the necessary political will, but the other reason was the backward sliding of systemic reform principles, satisfactory criteria and democratic values immanent for a EU candidate country. The backward slide was noted and elaborated in many reports and documents included in the Barometer.

1. DEVELOPMENTS ON THE "NAME ISSUE"

1.1. Nimetz: There are Chances to Solve the Name Issue

In January UN envoy in Macedonian-Greek name dispute negotiations Matthew Nimetz said he was assured that settling of the problem is a top priority of Macedonia's top officials, which 'is an encouragement for him.' Speaking to reporters after meeting Prime Minister Nikola Gruevski, Nimetz said that for the first time after 20 years there was a chance for solving the issue. "We have talked about specifics, various possibilities. I have presented several ideas and gotten certain reactions. And I know that this is something that should be achieved. After my visits to Athens and Skopje I feel that there is a greater, serious interest in possibilities for reaching a solution. It is very important, as it is easy to say let's solve the name and turn to general matters. But, we all know that this is an issue of top priority and its resolving requires serious caution. And certainly great interest to that effect is present here,"..."I am encouraged by the talks in Skopje and Athens", Nimetz said, announcing more intensive name negotiations in New York. Along with the representatives of both countries, Zoran Jolevski and Adamantios Vassilakis, he intended to work on developing the ideas, which are considered constructive and carefully contemplated. "I have been involved in this (negotiating) process since 1994 and I cannot say that the ideas are brand new," Nimetz said. But circumstances have been altering, and the UN mediator considers that "there is always a possibility for creativity and positive outcome".

1.2. Fule's Initiative for Trilateral Meeting

Deutsche Welle reported in January that EU Enlargement Commissioner Stefan Fule has sent a letter to the foreign ministers of Macedonia and Greece - Nikola Poposki and Dimitris Avramopoulos - suggesting a fresh framework with which the European Commission would ensure a direct insight into the name talks. Fule has suggested a trilateral meeting to be organised, including him, Avramopoulos and Poposki. The EU Commissioner has asked both parties to appoint representatives, whereas Stefano Saninno will serve as his personal representative. Fule's new framework aims at upgrading the conclusions on Macedonia reached by the Council of the EU in December.

"Name negotiations are a process brokered by the United Nations and mediator Matthew Nimetz is dedicated, whereas the EC and EU back the process very much urging both sides to find a mutually acceptable solution to the dispute. Last month, the EU members at a summit of the European Council reiterated that it was necessary a name row settlement to be found without delay. The EC supports this position and commissioner Fule is very interested in this process, because obviously it affects Macedonia's accession bid. He backs the UN-brokered process and the EU is doing everything to help. It is necessary a swift solution to the name issue to be found due to the December conclusion over a possible opening of accession talks with Macedonia. The EU endorses the efforts made by the UN, we encourage both sides to accept every initiative and we welcome any measure taken by the two parties in finding a solution" spokesman Stano stated. Off the record, top EU sources have told MIA that the commissioner's letter proposing trilateral meetings is only a beginning of a set of proposals by the Union in an effort to break the deadlock of the negotiations.

The idea was estimated as very positive and was greeted by the Prime minister Gruevski, as well as the Foreign Minister Poposki stating that a positive proposal that could only contribute to additionally strengthening the countries' trust, and that the initiative will not affect the UN-brokered name talks.

Still, Athens believed there is no need of a trilateral meeting. "The Greek side looks forward to the upcoming meeting of the representatives of the two sides with UN envoy Matthew Nimetz in New York, on 29-30 January, to ascertain the extent to which there are prospects for progress, and, consequently, at this stage there is no issue of a meeting of the ministers of the two countries with Fule," Greece's Foreign ministry said. MoFA spokesman Gregory Delavekouras in a written statement says that "Greece is not opposed to meetings in principle, under the condition that there be good preparation and, mainly, that a substantial result be ensured." "It should be noted that the substance of the negotiation process under Nimetz, which was reactivated thanks to the Greek initiative, is not connected in any way with the European Union and its organs, but has been formulated based on the resolutions of the UN Security Council," reads the spokesman's statement. "In his letter of response, Avramopoulos has informed Fule that in the coming time, full use must be made of the existing channels of communication and cooperation between officials of the Greek Foreign Ministry and the Commission, so that the latter can be kept fully abreast of the course of the negotiations under the UN, given that the resolution of the name issue is now a prerequisite for the opening of FYROM's accession negotiations with the EU," it says.

1.3. Jolevski-Vassilakis January Meeting

In January, UN envoy in the Macedonia-Greece name talks Matthew Nimetz wrapped up in New York the two-day meetings with the negotiators of both countries, Zoran Jolevski and Adamantios Vassilakis respectively. Both parties discussed about the essence of the issue, Nimetz told a press conference and announced a new round of talks in the same format. The discussions referred to matters that are difficult for both parties, he added. Neither Nimetz, nor Jolevski and Vassilakis offered more details on this round of negotiations in New York. Nimetz said a great number of countries had been following these negotiations, urging the two parties to reach a rather necessary solution. In regard to the next round of negotiations, Vassilakis said it might be held after a month, month and a half in New York or some neutral location in Europe. There is also a possibility for

Nimetz to visit the two countries, Vassilakis said. Vassilakis refused to take questions about Greece's commitment to the name negotiations, considering Athens' refusal of EU Enlargement Commissioner Stefan Fule's initiative for a trilateral meeting. Jolevski said his country remained committed to finding a solution that would not bring harm to the Macedonian dignity. "Today we have had a productive meeting with mediator Matthew Nimetz...Both parties expressed readiness to seriously talk about finding a mutually acceptable solution. The Government of the Republic of Macedonia remains sincerely committed to this (negotiating) process for swift finding a mutually acceptable solution that will protect the identity and dignity of Macedonian citizens and comply with the international principles and standards. The Republic of Macedonia deserves to become NATO member, open the EU accession talks, which will bring benefit not only to the country, but also to its southern neighbor Greece and the entire region," Jolevski said.

1.4. Behind the Scenes

Rumors are that the Macedonian government has accepted the name suggestion Vardar Macedonia, while in the technical part which is consisted of 11 points, accepted seven of them, while for one of the remaining the country has its own formulation. The name Vardar Macedonia would be used by all countries that have recognized Macedonia as former Yugoslav Republic of Macedonia, while those who recognized the state by its constitutional name would use it as it is formulated according to the Macedonian Constitution. Gruevski's position is the name of the country is not to be changed in the Constitution. The Greek side insisted on the name Vardar Republic of Macedonia to be used as *erga omnes* and out of the 11 offered points accepted eight, for two had a negative stance while for one was suggested small modification. Greece was convinced that regarding language and identity the Cyrillic script on Macedonian and for identity-the term "makedonski" shall be acceptable for Skopje.

Diplomats believe that it is possible Skopje to accept the name Republic Vardar Macedonia and for the language makedonski in Cyrillic and for the identity Macedonian on Latin or both in Latin, but used on Macedonian language, meaning "Makedonski" and not "Macedonian". The main thing on which PM Gruevski is insisting is name changes to be applied on the day of the country's entering in EU, while until then the country to negotiate by the use of the reference. Some diplomats say that for internal purposes the government would accept partly worse conditions, only to throw out of the table decisions that would make her unpopular. It is clear however that if any of the sides refuses pressures and offers would be found in a much unfavorable position.

At the same time, USA and EU put pressure over the opposition to return to parliament in order to jointly solve the name issue. It is said that Gruevski already accepted the new Nimetz suggestion, but asked from the foreign diplomats to put pressure to the opposition to return to the Assembly and solve the matter. Replying to the joint USA and EU missions joint statement for overcoming the political crisis, in which is called the government to secure the political dialogue and transparency of the Assembly, and the opposition to return to the Assembly, SDSM replied that as a party is prepared immediately and in any format to talk about the possibilities for speedier crisis overcoming. However, opposition does not back off from the position that incidents in the Assembly made it illegitimate and seeks from the international community clear condemnation of incidents and the violence upon MPs and media: "SDSM especially appreciates the continuous efforts of EU and USA in the direction of improving and

complete functionality of the democratic processes in the Republic of Macedonia. These efforts are in complete accordance with the SDSM policy and we agree that active political dialogue is the primary postulate for overcoming the current political crisis..having in mind that USA and EU are synonyms for democracy and defending democratic principles throughout the world, we expect that this stepping over of the constitutional order, rule of law and democratic principles, precisely in the name of democracy and its future in the Republic of Macedonia, to be clearly and non-ambiguously condemned, and not to be ignored". "Strategic priority of the Republic of Macedonia cannot and must not be only solving the name dispute with Greece and de-blocking the euroatlantic integration processes, but above all the protection of rights and freedoms of citizens, maintaining the constitutional order and defense of the basic democratic principles, which are in fact civilization values and main precondition for EU and NATO integration" is said.

1.5. Greek FM Avramopoulos Meets UN chief Ban ki Moon

Greece has undertaken significant initiatives in the context of the name row settlement, such as our proposal for signing a memorandum of understanding with Skopje, but we have not seen any response from the other side, said Greek Foreign Minister Dimitris Avramopoulos after the meeting with United Nations Secretary-General Ban ki-Moon in New York in February. "We hope that conditions will soon be created in the neighboring country, leading to a more constructive position by the authorities", said Avramopoulos. The Greek FM briefed the UN chief on the progress of the name talks and Greece's position, highlighting "the country's strong commitment for progress in the efforts invested by mediator Matthew Nimetz over the past 20 years, fully supported by Greece". The UN Secretary-General Office said in a brief press release following the meeting that interlocutors exchanged views on the situation in the Eastern Mediterranean and also focused on prospects for renewed negotiations to find a comprehensive settlement in Cyprus and to resolve the Greece-Macedonia name dispute. "The Secretary-General underlined the importance of accelerating progress in both processes and reiterated his personal commitment to that end", it adds.

1.6. Bugajski: Macedonia Faces Serious Tests for its Stability

"Macedonia is facing serious tests for its stability as a result of two factors. First, the stalemate of the talks with Greece on the name dispute puts the country into oblivion and deprives it from the benefits of NATO, EU membership, and second, the interethnic tensions may become more intensive if the economy keeps deteriorating," says Janusz Bugajski, Director of East European Studies at the Center for Strategic and International Studies (CSIS) in April in an interview with Albanian language magazine 'Senja'. For Bugajski the practice of using nationalism for gaining public support to come to and remain in power also presents a problem.

Referring to the interethnic relations in Macedonia, Bugajski considers that the two major ethnic communities remain divided, while the country's long-term status quo in regard to its accession to the EU and NATO will worsen the prospects of all future government coalitions. "Albanians in Macedonia are the factor of stability, but also a possible source of destabilization if the interethnic political coexistence comes to an end. The country may start to disintegrate if there is no Albanian support for the Macedonian statehood or unitary state. In order to maintain the stability, the incumbent administration should be

more active in admitting that Macedonia is a common heritage not only of Macedonians, but of all ethnic communities, especially of its larger ones," Bugajski says.

1.7. The UN April Meeting

The United Nations special envoy in the Macedonia-Greece name talks, Ambassador Matthew Nimetz invited the countries' negotiators, Zoran Jolevski and Adamantios Vassilakis respectively, for a meeting at the UN Headquarters on 8 and 9 April. At the press conference following the meeting, Ambassador Nimetz said that they talked about concrete suggestions and that he expects the two mediators to transfer them to their governments. He said that the ideas he presented are a new opinion from his side and expressed hope that both sides shall find positive elements in it. He put emphasis on the great interest it exists for these talks underlining that the UN undersecretary Jeffrey Feldsman also was present at the talks, which is the first time in cases of this kind.

Unofficial sources say that this time Ambassador Nimetz suggested two names "Upper Republic of Macedonia" and "Northern Republic of Macedonia", with a special priority on the first mentioned name and that the proposal also encompasses the scope of the name use. Thus, Upper Republic of Macedonia is the name which shall replace FYROM in the next at least seven to eight years as long as will last negotiations for the EU membership, stands in the latest suggestion. The process is to be realized in several phases: Both sides agree for the compromise solution. In this case it is Upper Republic of Macedonia, a suggestion on which insists the Macedonian side, opposing the Greek wish the geographic denominator to be in front of the word Macedonia and not in front of the word Republic, meaning Republic Upper Macedonia. In return, Greece gets guarantees that the name will be included in the constitution; Both sides give up from talks about the difficult identity issues regarding the name of the nation and the language. As soon as such an agreement is going to be achieved Upper Republic of Macedonia gets into use everywhere when now FYROM is used; Greece allows Macedonia to enter with this name in NATO and to start negotiations with EU. In return, Macedonia in the constitution includes in the Constitution an amendment in which it says "From the day Republic of Macedonia becomes an EU member its international name shall be Upper Republic of Macedonia and shall be used erga omnes in all languages other than the official languages of the country".

Unofficially again, Greece is dissatisfied because of the location of the geographic denominator in the name as well as with the unclear proposition of the scope of the use of the name of the country (as said in the proposition "largest possible use"). It is expected that the Greek PM shall immediately refuse the suggestion without any further discussion. The Macedonian side officially remained silent after these developments.

1.8. Besimi and Avramopoulos Urge for Speedy Name Row Settlement

I hope for us to have potential and courage to overcome all challenges, including the open name issue and find a mutually acceptable solution, so that we may become part of the European family one day, as we are ahead of the same future, Macedonian Vice-Premier for European Affairs Fatmir Besimi said in May in Athens after meeting Greek Foreign Minister Dimitris Avramopoulos. "By sincere, open approach and good will we can build trust and talk frankly about issues standing before us, challenges we are facing and meet our common goal," Besimi said. Today's meeting, he said, referred to

Macedonia's European prospect and the bilateral cooperation. "Today I have seen good will, hope, friendship and sincere approach to the European perspective, which is Macedonia's strategic goal and a possibility for preserving peace, sustainable stability," Besimi said.

Besimi highlighted Athens' vital role in promoting the so-called Agenda 2014, which "is a promising approach for the EU accession of Balkan countries". "I wish to remind of Greece's sincerity in the name negotiations. We are certain that the settlement of this matter will open great possibilities for cooperation, which will bring benefit to both nations and the entire region. It is important for moderation and self-discipline to prevail during the UN-sponsored (name) negotiations," he said. Such meetings are rather useful, constructive, as they contribute to building the trust between the two countries, the Greek FM added.

1.9. President Ivanov Expects Name Issue to be Solved Without Encroaching the Identity

The Republic of Macedonia in spite of all the blockades remains firmly committed to EU and NATO membership. The name issue that has been a burden for us for two decades could be resolved if the UN resolutions, the Interim Accord and the judgment of the International Court of Justice are respected. If they are not observed and attempts are made to encroach on the issue of identity, dignity and human rights, then a solution is not possible. This was stated, by President Gjorge Ivanov in an interview with the Macedonian Information Agency – MIA in May.

Macedonia, Ivanov says, plays a constructive role and is seeking solution with the assistance of UN mediator Matthew Nimetz because "we are those who suffer the consequences from the behavior of our southern neighbor since the country doesn't have to face any consequences and could block us for another 100 years." President Ivanov expects the EU leaders at the June summit to finally reach the well-deserved decision for opening of accession talks with Macedonia. He voices hopes that a solution will be also found involving the establishment of a commission to clarify the events of 24 December 2012.

Regarding the name issue, he stated that the issue has been a burden for two decades. "It takes a lot of time and energy. We were pushed in the whole thing by our neighboring country, but in a different surrounding, in a different time when their intensions perhaps after all this time are almost unsustainable. However, despite everything, we are committed to the process and the country's leadership agrees about our position. We are determined that the process could come to an end only if the UN resolutions, the Interim Accord and the judgment of the International Court of Justice are respected. If they are not respected and attempts are made to encroach on the issue of identity, there will be no solution. Because then the issue of human rights and human dignity will be violated. The UN Secretary General Ban Ki-moon in Ohrid had pledged that there was no compromise when it came to human rights. I am pleased with the fact that on his recent visit to Macedonia he saw for himself with what we have been dealing in the past 20 years and the frustrations arising from that. But that is the Balkan politics. A century after the Balkan wars there are still politicians who use the same rhetoric. We live in a new world, the EU is being offered to us as a project that should unite us based on values, criteria and principles. We want that kind of Europe, instead of a Europe that blackmails

or sets ultimatums. If one set of principles was applied for all the members, then Macedonia should not be an exception. Instead, Macedonia is an exception in the UN with an additional condition for membership, also in NATO and now in the EU Macedonia is an exception. This is really frustrating"- he said.

"I've been open about this with all EU leaders. Everything that is our obligation as part of international law and as part of the resolutions, it is acceptable and we take active part. But, when there is an issue encroaching on the sphere of human dignity, I don't know if anybody in the world would agree to such a thing. We see that Ban Ki-moon after his visit to Macedonia is making more efforts insisting a solution to be found. It is similar with Mr. Nimetz and we are constantly pointing out facts, relevant information and practices and experience from similar matters. Still, we are those who are constructive insisting and seeking solution, because the citizens of Macedonia are suffering the consequences from such an irresponsible behaviour of our neighbor. They don't have to face any consequences and could block us for another 100 years" Ivanov said.

1.10. FM Poposki Meets Nimetz in New York

Foreign Minister Nikola Poposki in June held talks in New York with the UN envoy in the Macedonian-Greek name dispute, Matthew Nimetz. "Following the talks held today, our impression was confirmed that in the imposed name dispute we have a clear situation in which one party is constantly abiding by its obligations, making efforts to settle the issue and wants to speed up the process in the spirit of European joint perspective of all the countries in the region, while the other party is continuously breaching the obligations, fails to make steps towards finding a resolution and is simply only waiting time to pass in order the upcoming European Council to avoid the adoption of a formal decision on the opening of negotiations between the EU and Macedonia. This is the reality and I believe it adequately reflects the efforts made in this name dispute by the two parties," FM Poposki told MIA after a meeting with Nimetz.

Poposki also discussed the name issue with UN Secretary General Ban Ki-moon. "The Republic of Macedonia has been a UN member for 20 years under an unprincipled condition set by our southern neighbor - the imposed name dispute. Over the past two decades, Macedonia has fully met its commitments and we are still faced with a situation where the other side in the imposed dispute has not demonstrated any signs of interest while violating its obligations not to hinder Macedonia's path to European and Euro-Atlantic integration. These are the things we shared with the ones who follow the process within the UN. Another significant fact is that the most important institution from the aspect of international law, the International Court of Justice, has ruled in favor of the Republic of Macedonia, saying the blocking is illegal", said FM Poposki after the meeting.

1.11. Poposki: Macedonia is Constructive, the Ball is in Greece's Court

"Macedonia in the name dispute is advocating intensive talks based on arguments, because the arguments are on our side i.e. on the side of setting no hurdles in the country's EU integration process and in seeking solution based on international law. With respect to blaming the other and playing games regarding agendas and decisions on either NATO or EU, Greece is the one holding all the cards. We remain committed to the strategic goals - EU and NATO membership" stated Foreign Minister Nikola Poposki at

the joint press conference after the U.S.-Adriatic Charter ministerial meeting in Skopje in June.

Poposki was asked whether Macedonia would change its strategy towards Greece concerning EU and NATO membership given the fact that the country was facing constant veto from Greece and the possibility of a new one in June. "EU and NATO membership for Macedonia are strategic goals. We will continue making all the efforts to meet these strategic goals. In connection to the imposed Greek-Macedonian dispute, it is clear that the level of motivation is entirely asymmetric and that the instruments for blocking are in the hands of only one side. This is the reality which cannot be changed by Macedonia as long as it is not a member of NATO and EU. For us it is vital to promote a position that we see Greece as a partner in economic, political and security sense. Our approach is positive and constructive and we won't allow to be thrown into any blame games i.e. postponement of decisions and not solving the issues," Poposki said.

Asked whether the latest proposal by UN envoy Matthew Nimetz was acceptable for Macedonia and Greece, the FM highlighted the constructive approach constantly manifested by Macedonia. "I don't want to prejudice the result of this process, but I would like to say loudly and clearly that the Republic of Macedonia has an exceptionally constructive approach, including towards Nimetz's initiative as well. Macedonia is proactive and wants the process to be accelerated. At this moment, there is no such gesture from Greece," minister Poposki stated.

Answering a journalist question, the U.S. Deputy Assistant Secretary for European and Eurasian Affairs, Philip Reeker, said he had sent to Greece as well the same message urging efforts to solve the name issue to be strengthened by focusing on the latest proposal by Nimetz. "It is crucial to have a dialogue, not only between governments, but also in the public. There has been such a development in Kosovo and Serbia where within a year the two countries seized the chance offered by the EU to normalize their relations, and thus a big breakthrough was made. The message from yesterday is that the United States are supporting the UN-brokered process and mediator Matthew Nimetz and the country hopes that the two parties will focus on intensifying their efforts in making a progress in the dispute," Reeker concluded.

1.12. Commentaries on PM Gruevski Recent Position on the Name Issue

Vigorous discussions raised the interview of PM Gruevski publicized in June in the daily "Dnevnik" where he puts all the blame for the Macedonian absence at the June European Summit Agenda on the unsolved name issue blaming the Greek side for it. He interpreted it that all is due to his principles of defending the Macedonian pride and national identity – "they cannot take our soul" he said. He also adds: "If the government in Macedonia changes, the name of the country will be changed and the national identity shall be changed".

On the other hand, in several recent occasions the Greek side and especially the Greek PM Andonis Samaras repeatedly insists on the erga omnes use of the name that will be agreed and "renouncing of irredentism" from the Macedonian side in order a solution to be found for the name issue, stating that Macedonia shall enter the EU if it accepts the Greek red lines.

Macedonian opposition analysts criticized the PM Gruevski rhetoric claiming that the political leadership of VMRO-DPMNE and the Prime Minister himself are not capable to solve the problem that stands in front of Macedonia and which determines the country's and its own people's destiny. The international law university professor Ljubomir Frckovski writes that there are two media spins which are served by the government which are: firstly that the country is blackmailed to accept a Greek solution for the name, otherwise it shall not be obtaining a date for EU; secondly, only those who are a "bending back" consider that an agreement may be achieved without being harmed the Macedonian national identity. Frckovski states that on the contrary, the country is facing a healthy compromise solution offered through the mediator Nimetz and that Macedonia is practically refusing the compromise solution and not the Greek one. Frckovski believes that the compromise solution is healthy because it does not touch the issue of the national identity of the Macedonians and that is why the government hides it from the public debate. He claims that in draft, the suggestion is as follows: International name: Northern (or Upper) Republic of Macedonia. The use of adjective "Macedonian" for the language and the nation shall be written in two ways- either a footnote "Macedonian**" (further in the text shall be explained that these Macedonians are the ones from the state Northern Republic of Macedonia); or the attribute "makedoski" shall be written with two words paralelly: makedonski/macedonian (on Cyrillic and on Latin, by which it is indicated who are these Macedonians and which is their language on which it refers to). Thus, the goal is achieved- to make a difference between us and of "other Macedonians who exist anywhere else"- comments Frckovski. Regarding the scope of the name use suggestion is to be used in all international organizations and bilaterally by the countries that would accept it.

2. EU and NATO INTEGRATION PROCESSES

2.1. EC Recommendation Remained by End of 2012

European Commission remained on its recommendation and request to the European Council to get a date for start of the negotiating process to Macedonia for joining the European Union, as the country fulfills all the criteria, as announced by Petar Stano the Commission's spokesperson. As it was said, EU member countries in the conclusions of the December European council meeting have set a clear schedule and steps expected by Macedonia, and that is what is there to be done in order the country to obtain a positive report. Stano said that there is not yet a precise date for the issuing of the spring report for the country, of which shall depend whether on the June summit the country obtains a positive report. Unofficially it is said that the Commission shall issue the report after the completion of the local elections on March 24 and that political developments and the absence of the opposition from the Assembly shall influence its content. On the other hand, the request for early national elections Brussels considers it as unnecessary at it will distract the country's attention from the Eurointegration process.

"Macedonia cannot have progress towards EU, if parties and ethnic communities are divided. We have need for cooperation and I repeat that at the beginning Macedonia was an example. Now I hope that this country will not turn into a concern" stated President of EU Parliament Martin Shultz on the question of MIA correspondent from Strasbourg. He called upon cooperation among all parties.

The president of the Socialist and democrats group Johannes Svoboda regarding the possibility of Macedonia obtaining a date for negotiations during the Irish presidency said that "it all depends of the way in which shall be solved problems and conflicts in the country". The group of liberals and democrats commented that now Macedonia needs internal compromise.

2.2. Ireland's EU Presidency Expects Macedonia to Start Accession Talks Until July

The Irish presidency of the European Union expects Macedonia to start membership negotiations in the first half of 2013, Ireland's Minister for Foreign Affairs and Trade Eamon Gilmore said speaking before the European Parliament's Foreign Affairs Committee in January. "We want to see a concrete progress to be made for all candidate countries, including aspiring ones. In the first half of 2013, we will have a chance to open negotiations with Serbia and Macedonia, to grant a candidate status to Albania and an association agreement to be signed with Kosovo. We know that this is an ambitious agenda, but Ireland's presidency will work a progress to be made by Western Balkan countries," Gilmore stated while presenting Irish presidency priorities in the EP.

"Surpassing of the political crisis should be a priority of the Government and political parties, as it must not be allowed to obstruct the country's European future, Bucharest-based Ireland's Ambassador to Macedonia Oliver Grogan said in February at a presentation of the priorities of his country's EU Presidency. Grogan emphasised that the enlargement process was an important priority for the Irish Presidency. He recalled that the European Council had responded positively in December to the progress that this country had made; it had provided for a procedure during the Irish Presidency which - depending on the EU's assessment of continuing progress - could lead to the opening of accession negotiations. He urged the relevant institutions of state and all political parties to ensure that the EU could make a positive assessment. He stressed the importance to all candidate countries of the European Union agenda as managed by the Irish Presidency. That agenda, he said, would have a significant impact on the shape of the Union that those countries were working to join, the EU Delegation to Macedonia said in a press release.

2.3. Poposki: Macedonia Nourishes Sincere Relations With Neighbors

Foreign Minister Nikola Poposki and EU Enlargement Commissioner Stefan Fule held talks in Brussels in January, discussing Macedonia's success to fulfill the tasks ahead of the new European Commission's report on the country's progress, which is to be issued in April. Poposki briefed Fule about Macedonia's activities in favor of preserving the reform momentum and obtaining positive progress report, which will enable the country this June to get a date for opening of the accession talks, according to the conclusions of the last summit of the European Council.

"We have tackled many topics, mainly related to what lies ahead after successful closure of the High-Level Accession Dialogue (HLAD). EC will remain engaged in this process and I have informed Mr.Fule about the more significant activities we will undertake with regards to legislation, as well as to resolving of all obstacles, imposed on us. In this respect, our approach is rather open and I believe that what we have achieved in terms of cooperation and initiatives we have presented to our neighbors is something that should help them to pull out from a situation to undermine the EU integration processes

of Balkan countries,"..." It is significant, that all of those initiatives aim towards establishing a kind of European relations in the region, ones that have been nourished between the EU members - a direction Macedonia has been taking as a Chair of the South-East European Cooperation Process (SEECF). I believe that in April EC will highly appreciate what Macedonia has done for good neighborliness" Poposki said. Macedonia's definition for good neighborliness is sincerity and I believe that such approach should be expected from all of those that wish to contribute to successful completion of the EU-integration processes, the minister said.

Asked if he and Fule tackled the Enlargement Commissioner's initiatives for moving forward Skopje-Athens talks over Macedonia's constitutional name, as one of them was recently rejected by Greece, Poposki said the matter was strictly under the UN auspices. The EC initiatives, he said, call for more intensive communication and realistic appraisal of how much the involved parties do or don't contribute to the negotiating process, he added. "Macedonia always welcomes any ideas for intensified communication, standing for dialogue, building of favorable climate and exchange of arguments, upon which decisions will be made," Poposki said.

2.4. Bulgaria-Macedonia Bilateral Meetings for Enhancing Good Neighborly Relations

Macedonian and Bulgarian Prime Ministers Nikola Gruevski and Boiko Borissov respectively met in February and urged to strengthen, improve and intensify the relations between the two countries. The two governments are primarily directed towards generating positive momentum aimed at Europeanization and stabilization of the region.

Gruevski and Borissov welcomed the relations between the two countries expressing strong commitment for their strengthening, improving and intensifying in every sphere of mutual interest and urged for surpassing all challenges in the spirit of European values, reads the joint statement. They emphasised commitment for improvement of the political dialogue and intensifying the high level meetings. Sending positive messages in public are of great importance aimed at contributing in surpassing the stereotypes and strengthening the environment and the spirit of cooperation, the statement reads. The two governments are primarily directed towards generating positive momentum aimed at Europeanization and stabilization of the region. Neighborliness should be promoted and defined as sincerity and dedication in realization of actions in practice. Holding of common session of the two governments is of a bilateral interest and requirement aimed at setting the bases for broader cooperation in the sphere of economy, energy and infrastructure, reads the joint statement. Collocutors agreed to intensify the cooperation and to strengthen the mutual confidence in the following three months and during longer period through realization of practical projects in education, culture, economy, economy, European integration process, health care, infrastructure connections, energy, transportation and environment. They pointed out the need of boosting the economic cooperation, increase of trade exchange and dynamic cooperation in the sphere of investments. In this direction the start of work of joint committee for economic cooperation is of essential importance.

Both Prime Ministers emphasised the need of realization of projects from Corridor 8 with an accent to railroad and road line Sofia – Skopje. Cross-border cooperation and efficient use of European funds through realization of projects from IPA component are

very important. Opening of border crossing "Klepalo" (Berovo – Strumjani) will contribute to improving the living standards in border regions of the two countries.

Bulgaria's is not 'a second Greece', it doesn't impose veto on Macedonia but insists on good-neighborly relations as a criterion for the EU membership, President Rosen Plevneliev told bTV: "Let it be clear – Bulgaria is not a second Greece. Bulgaria doesn't wage a war (on Macedonia). Not to mention that the argument that we are addressing some domestic issues with respect to the upcoming elections (by blocking Macedonia's EU talks date) is absurd". He revealed that Bulgaria's position on Macedonia was discussed during the meeting of the Council of Presidents – including Plevneliev and Bulgaria's former Presidents since 1990 – Zhelyu Zhelev, Petar Stoyanov, and Georgi Parvanov. "We had a very good debate on this topic. Unfortunately, in the recent years, Europe hasn't been observing all the rules, and very often the problems weren't addressed or solved," Plevneliev said.

He believes that "Bulgaria's responsible position is not to keep quiet but to impose a veto in the course of the talks for Macedonia's EU accession while being as well-intentioned as possible". "We shall point out the problem, which has been clearly addressed - good-neighborliness as a criterion to be part of one family. Because if we all wish to be part of the European family we should respect its values, and good-neighborliness is one of its most precious values," Plevneliev said. He said that Bulgaria took a rather responsible stand as it didn't impose veto on Macedonia, but on the contrary ministers of the European Council were united over the thesis that the good-neighborliness was as significant as the democratic development of Macedonia. "We have no problems in regard to the region, people, we understand each other well. But we wish to point out the problem - it is one and very clearly notified by us - unfortunately today the government in Skopje doesn't respect the declaration on good-neighborly relations, signed in 1999. We ask for nothing more, but only for this declaration to become a treaty. Bulgaria has already signed such treaties with Greece, Serbia, Romania," Plevneliev said.

2.5. Macedonian, Greek MoFA Delegations Hold Expert Consultations on EU Agenda

Macedonia expects Greece's support for launching of its EU accession talks this June, Skopje delegation said at April's expert consultations between the delegations of the Ministries of Foreign Affairs of both countries. The second expert consultations between the two MoFAs, which took place in Skopje, were resumption of the previous talks between the two institutions, held in Athens on 7 June 2012. "In regard to the EU membership, the Macedonian delegation conveyed its expectations for Greece to support the European Council to make a decision this June on launching (the country's) accession talks, which would be in line with the 2014 Greek EU Presidency Agenda for revitalizing the Western Balkan EU integration process," MoFA said.

The Macedonian delegation reaffirmed the country's strategic commitment to further advancing of the good-neighborly relations with Greece, also demonstrated by submitted initiatives for bolstering the overall bilateral cooperation, dialogue and contacts at all levels. The talks were focused on cooperation in terms of the EU integration process. The delegations reaffirmed the mutual commitment to realizing the already agreed initiatives for the cooperation between the MoFAs, as well as the ones related to boosting the expert cooperation and dialogue in the spheres of transport and

environment. The two delegations also expressed interest in further bolstering of the economic cooperation, the press release reads. The Greek delegation reported on preparations for, priorities of the country's upcoming EU Presidency mandate in the first half of 2014.

2.6. EU Reactions on Opposition Boycott

Chairman of the European Parliament Committee on Foreign Affairs, Elmar Brook condemned in February the decision of opposition party SDSM to boycott the upcoming local polls. "SDSM's position is irresponsible towards its own country. The whole country is made hostage by this party due to its own political reasons. In my opinion, the Macedonian government is not unprepared, but SDSM is," MEP Brook stated. He voiced his hopes that the social-democratic group at the EP would urge its partner in Macedonia to quit playing games, MIA reported from Brussels. "The domestic political goals of this party should not diminish the EU perspectives of the country. The socialists in Albania and their leader Edi Rama should not serve as an example," Brook noted. Furthermore, MEP Doris Pack said that SDSM's move was not favorable for Macedonia's process towards EU integration. "The opposition's behavior is unacceptable and irresponsible. It ruins the image of the country serving as a proof that political maturity is lacking," Pack concluded.

The general SDSM and joint opposition stance was that "Strategic priority of the Republic of Macedonia cannot and must not be only solving the name dispute with Greece and de-blocking the euroatlantic integration processes, but above all the protection of rights and freedoms of citizens, maintaining the constitutional order and defense of the basic democratic principles, which are in fact civilization values and main precondition for EU and NATO integration"... "The truth cannot be suppressed, it is known and documented – the power brutally by use of police force (which is a classical putsch method) threw out the MPs on the street and suspended parliamentary democracy. That cat makes the opposition MPs' return in the Assembly meaningless" the statement reads.

Invited by the Minister of Exteriors Nikola Poposki, a group of EU MPs, supporters of the Euronitegration process of Macedonia visited the country in February. Focus was the advancement of the Republic of Macedonia in fulfilling the criteria for EU membership, especially in the key reform areas which are a point of interest for this spring's report of the European Commission. "Macedonia is on the right path in the Euro-integration process and enjoys the European Parliament's full support. Following the European Council's decision in December, the country can launch Union accession negotiations this year, but internal unity is required. Continual crisis in the Parliament sends wrong signals", say Members of the European Parliament (MEPs), who are paying a visit to Macedonia. MEPs Jerzy Buzek (EPP, Poland), Tunne Kelam (EPP, Estonia), Miroslav Mikolasik (EPP, Slovakia) and Laszlo Tokes (EPP, Romania) met with Foreign Minister Nikola Poposki. "One of the most important EU accession criteria is high standard of democracy. Democracy means permanent dialogue between the opposition and the ruling authorities. Such dialogue is also required in the Parliament, whereas the opposition's absence is unacceptable. Ruling and opposition parties share the responsibility in maintaining the high degree of democracy, which is one of the most important Copenhagen criteria. Therefore, I urge the opposition to return to the

Parliament and start a dialogue. This is necessary for the country, for the citizens and your road to the EU", said MEP Buzek.

MEP Kelam said Macedonia is well prepared in the EU accession process, adding that a national sense of unity is what helped Estonia in achieving its goal on the road to the Union. "You must send a message of assurance regarding this national unity, in order to achieve the EU integration objective. Internal political problems should not represent an obstacle on the country's EU path. I believe Macedonia is prepared to start accession talks and we are here to accelerate that process. The Parliament is the place for debate and when someone rejects taking part in such debate, this is not a pretty image. You should all stand united behind the national objectives. You deserve respect and start of talks taking into consideration the results you have achieved. Macedonia's EU membership is our common goal", added Kelam.

2.7. Parliament's Rapporteur for Macedonia, Richard Howitt Visits in February

Prime Minister Nikola Gruevski held talks in February with the European Parliament's rapporteur for Macedonia, Richard Howitt. The interlocutors discussed Macedonia's EU integration process, and voiced satisfaction with the positive assessments noted in the latest report on Macedonia's progress prepared by the European Commission acknowledging the results produced by the government's reforms. PM Gruevski said that the government and its members were strongly committed to implementing reforms as part of the High Level Accession Dialogue adding that progress had been made in the implementation of the governmental action plan on fulfilling European standards. The Premier thanked for the dedication and personal engagement by MEP Howitt in backing the realization of Macedonia's strategic goals while extending gratitude for the role of the European Parliament and the contribution to promoting state and national interests.

PM Gruevski underscored Macedonia's commitment to advancing good neighborly relations and to overcoming the challenges standing of the road to the EU. MEP Howitt pledged that the European Parliament would continue providing support to the implementation of Macedonia's European agenda. He said he supported the reforms implemented in a bid to improve the situation in all social spheres. At the meeting, Gruevski pointed out the initiatives taken so far to settle the current political impasse aimed at renewing the dialogue within the institutions.

"In the current circumstances I fear the country report voted could become a negative one and, with a heavy heart, I have to tell you that I am considering asking the European Parliament to postpone voting on my report, owing to the current circumstances in the country", said Member of European Parliament (MEP) Richard Howitt at a press conference. "This would, I understand, be one more chance lost to influence the European Commission recommendation in April and the European Council decision that follows, and I am sorry if this becomes the case. But my hope remains today that it will not be. And that the political parties of the country find a way to put the interests of the country first", said Howitt after meeting all political parties during his stay in Macedonia. According to him, no one from outside cannot want Macedonia's integration into the EU "more than you do for yourselves".

"I support the proposal for a Commission of Inquiry, so I will not myself prejudice its outcome by seeking to ascribe blame. But I will say that the perception of what happened on 24 December is that it questions fundamentally the democratic credibility of this country but that the European Parliament does not believe in boycotts of elections in this or any country", said Howitt. He expressed belief there was still a possibility for overcoming of political misunderstandings. "On the issue of the deadline and the requisite majority required to still amend the regulations in the days that follow, I want to say this is not a technical matter but an issue of political will. If the political will emerges to overcome the dispute, it is still possible for the dispute to be solved", added the MEP.

On the Committee of Inquiry, he suggested that it must address accountability for what happened. On electoral arrangements, Howitt was pleased to hear that the Ministry of Justice remained committed to implementing the recommendations of the OSCE ODIHR in full, "and I fully support that intention". "On the parliamentary rules, I have to say it seems to me unwise to change the rules during the absence of one party. Indeed the incident exposes the comprehensive challenge which still exists for the Parliament to achieve sufficient independence and authority to be able to hold the executive fully to account", he stressed.

On freedom of the media, Howitt said the clearing of journalists and others from the public gallery on the day in question is a separate matter of equally grave proportions that has led to the end of the roundtable which had previously been making progress. "I call for there to be reengagement with the journalists, in circumstances where journalists themselves can have trust and confidence", he emphasized. "I believe that a historic opportunity still exists for this country at the June European Council, but that what happens here in the next few days here could determine what happens in Brussels for some years", underlined MEP Howitt.

2.8. February Statement by Enlargement Commissioner Stefan Füle

The February statement by Štefan Füle, Commissioner for Enlargement and European Neighborhood Policy on the political situation in Macedonia is as follows:

"In the context of the High Level Accession Dialogue (HLAD) with the former Yugoslav Republic of Macedonia, I had originally intended to visit Skopje next week to assess progress in EU-related reforms. This fourth round of the HLAD would also have formed part of the preparation of the European Commission's upcoming Report, requested by the December 2012 General Affairs Council. However, in light of the current political impasse, I do not consider that my visit to discuss these issues would be appropriate at this particular time. Both in public statements and through visits by senior officials and my own – offering to facilitate the process of finding a solution - the European Union and its partners have expressed their concerns regarding the events of 24 December and their handling.

I am frustrated by the lack of progress in putting an end to the political stalemate. The previous rounds of the HLAD and the December Council conclusions created an opportunity to make further progress on EU-related reforms and for opening the accession negotiations. The current situation is putting at risk this opportunity. It is now imperative for political leaders in Skopje to take responsibility and find a solution,

demonstrating the maturity of the democratic institutions and putting the best interests of the country and its citizens first”.

“Macedonia is prepared to start European Union accession talks, but it is depressing when there is no response from the European Council, says Stefan Fule at end-February in an interview with portal "Euractiv.cz". "Over the past year we have held several rounds with the former Yugoslav Republic of Macedonia within the so-called High-Level Accession Dialogue and tried to open the issue again. There is nothing more depressing than constantly saying a country is prepared for accession negotiations, but without a reaction coming from the European Council. This is not a positive incentive for the country". The Enlargement Commissioner says attempts have been made to stimulate Macedonia in its efforts, adding "the Macedonian government has managed to do this". "The result from the entire process was noted in the October report, where we recommended the start of talks, with the name issue to be settled in the initial stage of the accession negotiations", adds Fule.

The Commissioner says the economic state in EU does not have an effect on the enlargement process, stressing Serbia became a candidate-country in 2012, Montenegro launched the accession negotiations, whereas the Croatia ratification process is ongoing. "This year could be very similar. First we have the enlargement with Croatia. Moreover, the European Council clearly defined the conditions and roadmap for the start of negotiations with Serbia and the former Yugoslav Republic of Macedonia, as well as conditions for Albania's candidate status. There are also developments in the B&H membership application and the Kosovo association agreement", says Fule. He emphasized there is no enlargement fatigue, but fatigue of reforms in candidate and aspirant states, which instead of turning to the so-called European agenda, become victims of domestic policy. "This is the case with Albania and the former Yugoslav Republic of Macedonia, where domestic political rows put aside the reforms required for approximation to EU standards", underlines Enlargement Commissioner Stefan Fule.

2.9. AFET Postpones Voting on Macedonia's Resolution

The European Parliament Committee on Foreign Affairs (AFET) accepted in February the proposal of MEP Richard Howitt and postponed the voting on Macedonia's resolution, MIA reports from Brussels. "The crisis deriving from the 24 December events is not surpassed. The two main political parties in the country have been blaming each other with the opposition SDSM abandoning the Parliament and treating to boycott the local elections. I stick to my belief that a historic opportunity still exists for the country in June to obtain a positive recommendation by the European Council for starting the (EU) accession talks, but only if the situation, which may jeopardize the country's progress for the last several years, is resolved," EP rapporteur for Macedonia Howitt said. EP doesn't believe in election boycott, Howitt said, asking for postponing of the voting on a draft resolution on its progress, as in the current circumstances he feared the draft voted could become a negative one.

MEP Eduard Kukan backed Howitt's proposal, saying that the opposition boycott of the Parliament and elections would not contribute to Macedonia's progress. "I do not believe that this situation will undermine everything that Macedonia has done thus far. I still hope for the politicians in Macedonia to be responsible and find a solution in favor of the citizens' best interest. In regard to submitted amendments (to the resolution) I do not

support ones that will deteriorate the situation in the country and fuel additional tensions in its relations with Bulgaria and Greece. In spite of the political impasse we need an encouraging language," Kukan said. The election boycott brings harm to the country, AFET Chairman Elmar Brock said. Closing the session, he said that AFET voting on Macedonia's resolution was being postponed for the Committee's next session.

Later, The Committee on Foreign Affairs of the European Parliament (AFET) adopted the Resolution for the Republic of Macedonia in relation to the progress report of the European Commission from October 2012. Main message is that the European council without delay should open access negotiations with the country but with eight amendments. The first is expressed the regret that for the fourth year the Council decides not to follow the European commission suggestion and to open access negotiations. Still, the European Parliament admits the importance of the progress in key areas which were set in the December Council meeting. The second amendment emphasizes the importance of the good neighborly relations as the essential pillar of the EU access process and is encouraged the diplomatic exchange already evolving between Athens Sofia and Skopje, demonstrating dedication in good neighborly relations based on friendship, mutual respect, constructive dialogue and real wish for solving the misunderstandings. Regarding the High Access Dialogue (HLAD) it is said that it is an important instrument for breaking the long-term dead end and giving dynamics towards the EU access, although it is not a replacement for access negotiations. Howitt emphasized that the European Parliament shall vote for a report that has a positive and constructive frame having in mind that it should be voted on April 17.

2.10. EC Report on April 16, Preceded by EP Resolution

The European Commission Special Report on Macedonia will be released on April 16, whereas the European Parliament vote on a Resolution for the country is to be held a week earlier (April 8), MIA reported from Brussels in March. The EP will vote on the Resolution one day after the second round of the local elections in Macedonia, providing its opinion over the European Commission's Progress Report. The EC Special Report will focus on the European Council conclusions on Macedonia, i.e. good neighborly relations with Bulgaria, name row talks, and results from the High-Level Accession dialogue (HLAD).

Commission sources say if the local elections are administered in a peaceful and democratic way, one can expect the report to be positive, followed by the opening of Union accession talks. According to announcements, the green light for the start of the so-called screening process could be given in June, whereas the accession negotiations could formally begin by the year-end. Enlargement Commissioner Stefan Fule is expected to visit Macedonia for the fourth round of the HLAD in the week following the first round of the local elections (March 25-31).

Still, this time the EC falls short of revealing any details about the content of the report drafted in line with the December conclusions of the European Council. "I wouldn't like to go into detail when it comes to the report. Now we are in the so called working stage and I will only say that the European Commission will adopt and publish the report on April 16 when its contents are to be revealed. I wouldn't like to comment any further," said Peter Stano, Fule's spokesman. However, EU sources have told MIA that the upcoming report includes another recommendation for start of accession negotiations between the

Union and Macedonia, but it will also highlight the political deadlock created by the opposition as well as the ethnic clashes in recent months. Yet, questions arise whether Greece will once again block Macedonia's integration at the June summit of the European Council, while it is expected Bulgaria not to serve as a hindrance given the evident results generated from the talks on good-neighborliness, MIA's correspondent reports. Stefan Fule is scheduled to visit Skopje on April 9 as part of the HLAD's fourth round and to meet with Premier Nikola Gruevski and government officials.

2.11. Frattini: Macedonia Cannot Remain out of EU, NATO

Former European Commissioner and Italian Foreign Minister Franco Frattini has expressed support to further EU and NATO enlargement, adding there are not many politicians in Europe sharing the same stance. Frattini, who spoke at the Washington-based Johns Hopkins University in March, is a serious candidate for post NATO Secretary General in 2014. "There is feeling of EU and NATO enlargement fatigue in Europe due to the crisis, but not just because of it. My friends in Macedonia know this very well. I am convinced that enlargement represents an added value for Europe. I cannot deny there is a feeling of enlargement fatigue, and this feeling will last for a certain time, it will not disappear overnight. Politicians and leaders in Europe and NATO should tell their citizens it is not possible to leave a certain country, which is geographically a European state, out in a globalized world. I refer to your country, but also other countries in Europe, including Turkey. This is my opinion, I am convinced in this, and this refers to NATO too. If we talk about Alliance enlargement, your country or the countries of the Caucasus must meet criteria such as rule of law or the role of judiciary. However, once you meet conditions, I am against keeping the doors closed. However, I currently represent the minority with regards to this opinion", said Frattini. He added that following the NATO and EU enlargements, new members have implemented significant reforms in the field of home affairs, justice and combat against corruption, urging European politicians to explain to their citizens the benefits of this policy.

2.12. Howitt: Amendments Ready, EP to Issue Positive Resolution

There is political agreement among all main parties in the European Parliament over compromise-amendments, says EP Rapporteur Richard Howitt with regards to the April 8 vote on the Macedonia Resolution. Howitt told MIA that out of the 203 amendments submitted mainly by Greek and Bulgarian MEPs, there are currently about a dozen merged ones, which are to be debated at the Foreign Affairs Committee (AFET) in April. "In any case, there is no major misunderstanding between myself and the shadow rapporteurs. We have made good progress, we scheduled the AFET vote for April 8, and I am certain the EP will deal with the report in a positive and constructive framework", stresses Howitt. Regarding the possibility of negative criticism for the EP Macedonia Resolution, the British MEP says there is constructive criticism for every country joining the European Union. "My report will be similar to the previous ones, but the criticism represents true friendship to the country and a motivation on its road to the Union. Nothing more, nothing less", adds Howitt. According to him, one can expect another EP recommendation to the European Council over immediate start of Macedonia's accession negotiations.

"We put the Resolution vote ahead of the European Commission Special Report (April 16), and I hope they will both result in a positive decision at the European Council Summit in June", says Howitt. The Macedonia Rapporteur stresses adjective

"Macedonian" will be mentioned in the Resolution, but only once. "This year we have the same position as last year, which is to use the state's name in line with the UN agreement. However, I continue to use word 'Macedonian' as last year with one reference, thus showing to the people our acknowledgement. However, I excluded all other name references, because I want the EP to be constructive in its resolution", says Howitt. He adds there will be one reference to the latest ethnic incidents in Macedonia, with EP encouraging parties to create favorable interethnic relations. "It is right that we urge for normalization of interethnic relations in the country, providing support to all in these efforts", says Howitt.

Member of European Parliament and shadow rapporteur for Macedonia Eduard Kukan believe that there is a possibility for the country to obtain a date for starting the EU entry talks at the European Council Summit in June. But for turning this possibility into reality the local elections in Macedonia should be democratic and comply with the European standards, Kukan says. It also refers to regular functioning of the Parliament and restoring of the democratic dialogue between the ruling and opposition parties. A solid majority of political groups within EP wish for Macedonia's further progress, Kukan says, pointing out also a significance of the name row settlement. "It is up to the two involved parties. We know that Macedonia's Government, Prime Minister and President have done a lot for finding a compromise solution and we hope that the other partner will follow the suit, as obviously that is very important," Kukan tells Radio Deutsche Welle. He said MEPs are pleased that the recent EU mission to Macedonia, led by of Enlargement Commissioner Stefan Fule, has been fruitful. They commend the readiness of Macedonia's political leaders to resume dialogue and reach a compromise.

2.13. EU: Only Fair, Democratic Elections Will Ensure Positive EC Report

The Director-General for Enlargement at the European Commission, Stefano Sannino and the Secretary-General of the European External Action Service (EEAS), Pierre Vimont told Fatmir Besimi, Macedonia's Deputy PM for EU Affairs in March that only with fair and democratic local elections the country could expect the upcoming EC progress report to be positive. "Sannino and Vimont urged Macedonia to demonstrate democratic capacity by organising fair and democratic elections, which will be taken into consideration in the spring report, scheduled to be released on April 16. Also, EU members will closely monitor the election process in Macedonia. A very clear and precise message was conveyed that well-organised local polls will paint a positive picture for the Republic of Macedonia in the European Union," Deputy PM Besimi said in a statement for MIA. Besimi, who is paying a two-day official visit to Brussels, held separate talks with Sannino and Vimont.

Two key messages were conveyed to the Macedonian Deputy PM at the meetings which underscore the importance of organising fair and democratic elections on March 24 and maintaining inter-ethnic dialogue and tolerance. "The visit to Brussels is mainly focused on the preparations for the EC's spring report on Macedonia. The meeting with Sannino was dedicated to the priorities stemming from the High-Level Accession Dialogue (HLAD), including freedom of expression, electoral reforms, reforms in the rule of law, public administration, inter-ethnic relations and economic reforms. I presented the measures taken by Macedonia in an attempt to increase the number of positive arguments thus enabling the forthcoming progress report to be fully positive. Arrangements were also made for an upcoming meeting in Skopje on April 9 in the

frameworks of the HLAD ahead of completing the EC report on Macedonia," Besimi said. The relations with neighboring countries and the name issue were also covered at the meetings, because the EC report will focus on these issues as well, according to the Deputy PM. "My interlocutors pointed out the importance of resolving the political crisis in Macedonia by demonstrating that its democratic institutions function properly. The challenge of improving inter-ethnic relations remains," Besimi noted. Asked whether a positive report and an additional recommendation for opening accession talks with the EU were a certainty in the event successful local elections, Besimi declined to make any prognosis.

2.14. Commissioner Fule's April Visit in Macedonia

Progress achieved in the five priority areas noted in the European Council December report, which are part of the High-Level Accession Dialogue (HLAD), again was in the focus of April's visit by Enlargement Commissioner Stefan Fule to the Republic of Macedonia, in light of the country's spring report. Commissioner Fule, accompanied by the European Commission's Director General for Enlargement Stefano Sannino, met with Macedonia's Government officials, referring to the political dialogue and overcoming of the political impasse following December 24 events in the Parliament, as well as establishment of a commission that would tackle these events.

Meetings also referred to the local elections, which it was said do not represent a condition for a positive EC report, but can jeopardize the process if the country fails to demonstrate capacity for administering peaceful, democratic and fair elections, since they belong to the political criteria that every Union candidate needs to meet. Vice Premier Besimi expected the EC to prepare a credible and objective report on reforms in the fields of judiciary, rule of law, public administration, Ohrid Framework Agreement implementation, and functional market economy. Also, the Ministry of Foreign Affairs prepared a report with regards to progress in good neighborly relations and the name talks.

With regards to media freedom, Besimi announced that the Ministry of Information Society and Administration, which is working on the new Media Law, will host a public debate involving all stakeholders, including the Association of Journalists of Macedonia. "HLAD is a mechanism that provides dynamics to the process, and we must continue with the reforms up to June and beyond. All institutions involved in the process must demonstrate commitment. The report will not assess the Government but Macedonia", underlined Besimi.

"All political forces should stay dedicated to the EU integration and it must not remain hostage of their political competition because it only harms this country and its people" said Stefan Fule after his meeting with the government delegation headed by Nikola Gruevski. Nine conclusions, among which applying the March 1st agreement, focusing on eurointegration process of the country, freedom of media, as well as the OSCE/ODIHR recommendations in the local elections report were topic of discussion between Fule and the government. The prime minister spoke about reforms conducted in the areas of law, judiciary, anticorruption, a little about local elections, good neighborly relations, condition with the media but did not mention the December 24 events and the political agreement.

Still, the Commissioner was precise, his visit as he said was to have a precise image for the HLAD but also to have overview of the application of the agreed things from March 1st. "It is very important that all political forces remain committed to European integration and do not make it hostage of their political competition, because that only harms this country and its people", urged EU Enlargement Commissioner Stefan Fule at the joint press conference with Prime Minister Nikola Gruevski after wrapping up the fourth meeting of the High Level Accession Dialogue (HLAD) between the Government of Macedonia and the European Commission. "Significant work has been undertaken and progress made on some important issues, but as we agreed, despite the successes the work continues and much more remains to be done," said the EU Commissioner. With respect to the implementation of the March 1 agreement, which settled last year's political impasse in Macedonia, Fule said that it was being implemented, but not fully. "Politicians here created the crisis and they have the political responsibility to overcome its effects by implementing this agreement. They haven't done so yet, at least not fully," Fule stressed. Referring to freedom of expression and the media, the EU official said that it was essential the government to resume the dialogue with journalists so that they engage on the reforms in this field. "Remember that defending freedom of media is the essence of democracy," he added.

Macedonia has achieved a lot of solid results to obtain positive progress report and a decision for launching of its EU accession talks at the Summit in June in spite of the political pressure it has been dealing with, Prime Minister Nikola Gruevski said. He notified the country's accomplishments in the five key areas under Macedonia-EU High-Level Accession Dialogue (HLAD) and reaffirmed the Government's commitment to advancing the good-neighborly relations. In regard to the relations with Bulgaria, Gruevski said Macedonia had presented numerous initiatives to Sofia. The bilateral communication with Greece is not at the desired level, the PM said, adding that Macedonia will stick to its positive approach towards building mutual confidence. "Nobody more than Macedonia wishes for last obstacle standing on its road to the EU integration to be eliminated. I believe that HLAD and a launch of its (EU accession) negotiations will be an additional impetus to creating conditions for settling the name row with Greece, something to which Macedonia remains committed to," Gruevski added.

The Joint conclusions of the 4th High Level Accession Dialogue are as follows:

1. Prime Minister Gruevski and Commissioner Fule chaired the fourth High Level Accession Dialogue (HLAD) on 9 April. The plenary session included the participation of Government Ministers, and for the first time, the Chair and Co-Chairs of the National Council for European Integration (NCEI). The High Level Accession Dialogue continues to provide valuable support to the accession process of the country by focusing on key reform priorities.
2. The timing of this HLAD meeting was particularly important coming just a week before the adoption of the Commission Report, requested by the Council in December 2012, which will review overall progress made in the context of the HLAD reforms, good neighborly relations and steps taken to resolve the name issue.
3. The fourth meeting reviewed progress to date as regards the implementation of reforms in the five priority areas set out in the government's roadmap. These areas

include freedom of expression and the media, rule of law and fundamental rights, public administration reform, electoral reform and strengthening the market economy.

4. Overall, action has been taken in relation to almost all of the targets set in March 2012 with valuable progress achieved and with several targets completed. The challenge in 2013 is to maintain the momentum for reform and ensure continued and effective implementation.

5. Following the recently held local elections Commissioner Fule and Prime Minister Gruevski observed the OSCE preliminary evaluation that they were efficient and competitive. They stressed the importance of addressing recommendations from OSCE/ODIHR regarding the identified shortcomings. The working group on elections will be reconvened shortly.

6. Prime Minister Gruevski reaffirmed the commitment to continue with the reforms in the five HLAD areas and reiterated the expectations for positive Spring Report which will enable adopting a decision at the June Council to start accession negotiations.

7. Commissioner Fule reiterated the need for an inclusive and transparent approach in taking forward all reforms, including the systematic consultation and involvement of the Parliament and the National Council of European Integration, as well as other stakeholders.

8. Commissioner Fule and Prime Minister Gruevski stressed the importance of the implementation of the 1 March agreement overcoming the political crisis that arose out of the events in Parliament on 24 December 2012. Key elements of the agreement, which should be addressed urgently, are the establishment of the Committee of Inquiry, agreement on the Memorandum of Understanding for a cross party commitment to EU integration, and creating the conditions and taking the necessary confidence building measures for the resumption of the media dialogue.

9. Commissioner Fule and Prime Minister Gruevski reiterated the importance of maintaining good neighborly relations with all neighbors and building on existing ties and cooperation. The talks under the UN auspices for a negotiated and mutually acceptable solution to the name issue should be pursued with continuous vigor. The intensification of those talks were welcomed by Commissioner Fule and Prime Minister Gruevski, who also expressed hope that the currently ongoing negotiations led by the UN Secretary General's personal Envoy would bring concrete results.

However, in spite of these statements, it was obvious that many crucial things remained unknown for the report to be closed and significant political moves to be done. The nervousness due to the absence of complete and elaborated results provoked upset statements by the Commissioner: "This morning I was thinking whether it is a good sign that for the third time I am in Skopje or maybe it is a warning sign that something is not good" addressed Stephan Fule the Assembly MPs. Assessing the country's progress, he expressed concern regarding the situation with the media, not underestimating the decriminalization of defamation and offense, as now it is in the hands of the courts to apply it properly, according to EU standards. Still, he said it is a big shame that the concrete progress that was made was overshadowed with the recent events, suggesting that it is essential that the government continues the dialogue with the media and to

include them in the reform process in this area, as the freedom of expression sometimes becomes the only mirror in which the quality of democracy is reflected.

Regarding the political crisis that derived from the December 24 events, Fule said that as the political agreement emphasizes the importance of interparty support for the strategic goals and for the euroatlantic integration, it should put on the first place the country's and not the party interests. What he believed is the most important, is the Commission to be formed and to look at the events and for all parties to confirm its strategic dedication to the European process by a memorandum.

Regarding the rule of law there was progress in the improvement of the efficiency of the judiciary system and in the judge's education. About the reforms in public administration with special interest are followed the efforts for setting a framework for the administrative procedure and public status.

Fule at the Assembly National council for Eurointegrations addressed the present MPs who fought over who is guilty for the conditions in the country, especially regarding elections. "You have chosen the date for this high level dialogue and not myself, although you knew that it will be tensed. Although you still live in the time of elections you have a chance to help me for a more positive and more objective report in Brussels. Help us to help you"-he said. "You seek responsibility from Brussels! I am responsible. That is why I am for the third time here! To show responsibility and dedication. We are interested for the progress and that is the agenda. But you...some of you are not in that direction! The image of Macedonia is not improving, not in Brussels, not with the member countries!"-almost angrily commented Fule.

Commenting in an upset manner, Fule said: "As time passes in spite of the hard work done I have no feeling that the image of your country has been improved in the eyes of Brussels and the capitals of the countries members of the EU. Up to what measure you think it is important, up to what point you think that we are focusing on the high level dialogue, up to what point you think that we came to oversee all Copenhagen criteria up to what point you think that for us freedom of expression is the most important? Up to what point do you think that what we saw from the events of 24 December is a sign for weakening of the most democratic institutions in your country? The report is not ready, and you have just contributed for it."-he said.

Unfortunately, the diplomatic efforts that have been made during the month of April have not turned to be fruitful. At the Luxemburg meeting of the EU Ministers of Foreign affairs Macedonia was not mentioned, except informatively, that the Enlargement Commissioner shall submit a report in June. Thus, formally the decision for start of negotiations of Macedonia with EU has been postponed for June, but prospects for that to happen do not look very bright.

2.15. Neither Conclusion nor a Date for Macedonia at the EU Summit in June

Ireland's presidency of the European Union has crushed all hopes that the Union would manage to set a date for opening of membership talks following five positive reports containing recommendations by the European Commission, MIA reports from Brussels in June. After two-day meetings of the Committee of Permanent

Representatives (COREPER) - made up of heads of mission from the EU countries - the Irish presidency announced today that participants in the summit of the European Council on June 27-28 would only discuss the possibility of granting Serbia a date for negotiations.

There will be neither conclusions, nor a start date for negotiations for Macedonia at the upcoming EU summit, sources from Ireland's presidency told MIA. According to them, the EU ministers of foreign and European affairs at a meeting of the General Affairs Council (GAC) in connection to EU enlargement will draw conclusions only about Serbia and a possible conclusion on signing a Stabilization and Association Agreement with Kosovo. "With regard to Macedonia, the EU countries voiced their position that now it's not the time a progress to be made. It's no secret that certain events in December 2012 and in the spring have had influence, even though a good progress has been made in solving them. Still, good neighborly ties are necessary to open negotiations, but there was no breakthrough that would have made the European Council to reach a positive decision," the source told MIA.

The issue of setting a date for opening accession talks with Macedonia will be once again discussed in the fall and a possible decision could be reached at the December EU summit as part of the Lithuanian presidency. Macedonia has been a candidate country since 2005 and has received four European Commission recommendations for start of membership talks.

The recommendation for Macedonia disappeared from the conclusions of the Enlargement Commissioner Stefan Fule. Instead, in the report he presented in Strasbourg stands that "the report for the country progress on October 2013 in its usual estimation for the institutions functioning shall estimate the whole implementation of the obligations from the agreement of March 1st and the work of the ad-hoc commission for the events of Dec 24 last year, and where it will be necessary, shall initiate further measures". He informatively ascertains progress in the areas that were encompassed in the report, but such a political estimation is more formal than any announcement that in June we can expect discussion for a decision for negotiations.

Consequently, the European Commission recommends start of negotiations for Macedonia, but that recommendation is conditioned with results from the March agreement between VMRO-DPMNE and SDSM, the recommendation directly depends on whether the commission will be formed for clarifying the December 24 events, whether the dialogue with journalists shall continue and whether the memorandum for cooperation between the parties shall be concluded. Fule said that it is essential the process in relation with bringing new regulation for media to be inclusive and to include all sides. Also remark is that there is no progress towards increase of transparency regarding the government advertisements.

2.16. Howitt Statement on the Macedonia Absence at the European Summit Agenda

Macedonia is in danger of losing its candidate status due to its numerous internal problems - said Richard Howitt at his interview with NOVA. Yes, because of its own problems as parliamentary democracy, the functioning of an adequate Parliament, the freedom of press, its own problems owed to various progress aspects in terms of respect

of human rights, rule of law, political pluralism, and willingly or not, the country is moving downwards at the international scene in the last years he says.

“These are deep challenges for which no one from the government or the politics denies. This is not only about the name issue. Some people say that only that is an obstacle for the country. I deeply wish a solution for the name issue, but it is more than that” says Howitt. He also expressed extreme concern about the issue of the freedom of media emphasizing that conditions worsened. “Many of my friends in the country will not admit it, but conditions really worsened....the whole picture is deeply worrisome” he added, pointing out the new media law as an object of concern for which he has special interest.

Regarding December 24 events, and the political dialogue in general, Howitt pointed out that the extreme polarization of parties and society is worrisome while democracy in the country is insufficient. “But, my appeal in March and my appeal now is regardless which are the differences in the country, regardless personal animosities, there is a greater picture out there, and the big picture is that this is a country that suffers of deep poverty, pressured by the economic crisis, struggles to gain investments which are needed, where is peace and stability which are not enjoyed equally everywhere. We understand that relations between the two ethnic communities are fragile, it is a country where democracy is still non-satisfactory, regardless if we speak about media or civic organizations, independent, pluralist, non-politicized, non-partisan practices in civil society are real challenge not only in the country, but in all West Balkans countries” stated Howitt.

Regarding the name issue Howitt said that solution must happen soon and that it may come at any time, although for now there is no success at this field.

On the other hand, high Brussels sources state that the fact that Macedonia was not mentioned at the Summit is not only due to the problem with Greece, but to the fact that Macedonia did not fulfill certain promised obligations. The December political crisis, freedom of media, absence of political dialogue have negatively reversed the processes in the country. Still, it is believed that slowly things started to move in the positive direction, after which in may be expected the suggestion for obtaining a date to be repeated in October. European diplomats have great expectations from the findings of the Committee founded to investigate the events of December 24 and to reach some conclusions. It is not excluded from the report the Committee to have some suggestions to change certain laws and procedures if it emerges a need for that, in order to strengthen the role of the Assembly. Still, diplomats mention that the name issue with Greece is the main problem because of which Macedonia cannot continue its eurointegration process.

2.17. Sekerinska Commenting the Gruevski Interview

“The Republic of Macedonia under the leadership of Nikola Gruevski today is going through the largest defeat and failure in the eurointegration process”, stated the SDSM vice-president Radmila Sekerinska. At the last EU Summit 90 months after Macedonia became a country-candidate for membership, the country did not succeed to enter in a single document, it is not mentioned in no conclusion. There was not a single country-member that reopened the question of our EU membership.

"This shall be an important Council for the enlargement and for the region. Serbia obtains a date for opening negotiations, Kosovo gets the Agreement for stabilization and association, and Croatia becomes an EU member state. As neighbors and partners we congratulate Croatia, Serbia and Kosovo for the important steps in their eurointegration road. As politicians, as citizens and as parents, we would like to express our serious concern for the stoppage of Macedonia's eurointegration process. We would like to express our concern that Macedonia with such decisions definitely remains at the tail of West Balkans. Such concern unfortunately we do not see only amongst the most competent. Instead of responsibility, plan and action, same as the last seven years by the prime minister and the government we get only justifications and accusations" stated Sekerinska. The Prime Minister, desperately seeking for an alibi for the debacle of his policies, by definition, sharply criticizes the international community, arrogantly accuses the opposition and everybody who in the last seven years warned that we are on the wrong road.

It is correct that the Greek policy towards the Macedonian Eurointegration road and EU membership is not European and it is damaging. But it is so for twenty years. It is also correct that the international community shows less interest for the Macedonian challenges than before. But, the real question is why this all is happening? The real question is what kind of politics brought Macedonia in such a situation? What kind of politics pushed us at the West Balkans tail? And, the most important real question is, who bears responsibility for it? The Prime Minister has to bear personal responsibility for the mistaken policies and moves of the Government regarding our membership in the EU she said.

She reminded that only in the last couple of months series of reports prepared by relevant international institution, partners of the country have confirmed that institutions in Macedonia are politicized. They confirmed that courts bring decisions based on party dictate, that we have political prisoners and journalists which are in detention and with ruined health. That media are under constant government pressure, that in Macedonia are worsened all democratic parameters, and by media freedom index we are worse than Kongo and Zambia.

2.18. U.S. Support for Macedonia's EU and NATO Membership Reaffirmed

Macedonia's main priority remains the opening of accession talks with the EU and the realization of NATO's membership invitation, which is strongly supported by the United States, it was concluded in Skopje in June at a meeting between President Gorge Ivanov and U.S. Deputy Assistant Secretary for European and Eurasian Affairs Philip Reeker. "In this context, views and information were exchanged involving the latest developments in the negotiations aimed at settling the imposed name dispute and expectations from the upcoming Council of the EU," the President's cabinet said in a press release. With regard to the realization of Macedonia's strategic goals - NATO and EU full-fledged membership - the interlocutors vowed that both countries would continue collaborating closely. The U.S. Deputy Assistant Secretary reiterated that Washington was strongly supporting the Euro-Atlantic integration of Macedonia. The partnership between Macedonia and the U.S. and the countries' readiness to further intensify their cooperation in all spheres of mutual interest were reaffirmed at the meeting, stated the press release.

Bilateral cooperation, as well as Macedonia's European and Euro-Atlantic integration were in the focus of the meeting between Prime Minister Nikola Gruevski and U.S. Deputy Assistant Secretary for European and Eurasian Affairs Philip Reeker. Gruevski and Reeker voiced satisfaction from the continual enhancement of friendly relations and intensive cooperation in all fields of mutual interest, the Government said in a press release. Regarding Macedonia's Euro-Atlantic integration, interlocutors highlighted steps to be undertaken in numerous spheres in order to meet required standards, including the enhancement of political dialogue in the country. Gruevski and Reeker also exchanged opinions on regional developments, challenges and perspectives, saying all stakeholders should act towards strengthening of regional cooperation, stabilization, progress and development of Southeast Europe, read the press release.

2.19. FM Poposki at Session of CoE Committee of Ministers

Foreign Minister Nikola Poposki took part in May at 123rd session of the Committee of Ministers of the Council of Europe (CoE) in Strasbourg. The session was focused on the CoE activities for providing long-term efficiency of the European Convention on Human Rights, policy towards neighborly regions and cooperation with the European Union, the Ministry of Foreign Affairs said in a press release.

Addressing the event, Poposki referred to CoE reforms and future activities. He underlined the need of adjusting the activities to finding a response to the numerous challenges European citizens were facing as a result of the growing economic crisis, mistrust in institutions and blooming extremism. In this respect Poposki expressed full support of the efforts of CoE Secretary General Thorbjorn Jagland for bolstering the monitoring mechanisms' efficiency and hence the impact of the organizations' activities. Poposki also held talks with CoE Commissioner for Human Rights of Nils Muižnieks, addressing the respect of human rights in the Balkan region, migration problems, as well as Macedonia's efforts to meet the recommendations of the Commissioner's report, issued after his last year visit to the country. Macedonia has made substantial progress in improving the conditions for protection the individual, collective human rights and freedoms, it was said at the meeting.

2.20. Council of Europe Report on Macedonia

The Human Rights Commissioner of the Council of Europe Nils Muiznieks on April 9 issued a report on Macedonia, following his visit to the country. In sum, he concluded that in Macedonia are not substantially solved the existing interethnic divisions, the rights of Roma are not respected, discrimination exists in society and the lustration must not be a revenge instrument. He concludes that since the signing of the Ohrid agreement in 2001 a lot has been done in the domain of equitable representation, but the deep politicization along party lines and the phenomenon of political patronage are an impediment for real progress in society in which interethnic relations are complex while the existing divisions cannot be solved superficially. Follow some highlights from the report:

Measures to combat discrimination: The Commissioner has noted that a developed legal framework on non-discrimination is now in place in "the former Yugoslav Republic of Macedonia", and that the national human rights structures, including the Ombudsman and the Commission on Protection Against Discrimination are active in this area. The

authorities should provide the above-mentioned Commission, which at present does not have the requisite capacity, with the necessary financial and human resources so that it can carry out its duties independently and effectively. The Commissioner supports the Ombudsman's recommendation concerning the full implementation of the legislative framework on non-discrimination and the need to pursue awareness-raising campaigns in this regard. More generally, he strongly supports measures aimed at promoting tolerance and respect for everyone's human rights, as well as increasing public awareness of the situation of all groups which are subjected to discrimination in different contexts. Such measures should begin in the educational system, and school curricula should include education about the diverse groups in society with a view to countering ignorance and intolerance. Media outlets and journalists can also contribute to a fairer and more tolerant society by practicing ethical and responsible journalism.

Lustration: In the years following the post-1989 transformations in Central and Eastern Europe, several formerly communist countries adopted lustration measures aimed at preventing individuals associated with former state security services from occupying certain positions in the post-communist government. "The former Yugoslav Republic of Macedonia" initiated a lustration process at a later stage, by enacting in 2008 the Law on Additional Criteria for Public Office Performance, Access to Documents and Disclosure of Collaboration with State Security Bodies (the Lustration Law), which provides for the identification of individuals who unlawfully cooperated with the former intelligence services during the period from 1944 until the entry into force of the Law in 2008. Pursuant to the Lustration Law, a Commission for Verification of Facts was established in 2009 (the Verification Commission), and is mandated to investigate holders of, and candidates for, high public office in order to establish whether they have links to the former intelligence services. The Commission, whose mandate ends 10 years after the entry into force of the Lustration Law, may not impose sanctions against former collaborators, but can inform other competent organs for further proceedings.

The Constitutional Court abrogated the 2008 Lustration Law in April 2010 as well as a subsequent version in April 2012. In particular, the Constitutional Court found the provisions relating to the law's temporal and personal scope of application, as well as those concerning the right of defense and publication of the names of the persons subject to lustration, to be incompatible with the Constitution. A third version of the Lustration Law was adopted in June 2012. However, the two previous decisions of the Constitutional Court's decisions have been disregarded by the legislature; whereas the Constitutional Court had decided that the provisions extending the scope of lustration to the period after 17 November 1991 were unconstitutional, they were nevertheless retained in the law's latest version.

In its 2012 Progress Report on the "former Yugoslav Republic of Macedonia" the European Commission noted that "concerns have been raised about the proportionality and constitutionality of this law". There have also been complaints that the lustration process was being used as a tool for political and personal score-settling. Following the Commissioner's visit, two members of the Verification Commission resigned, one of them claiming that the lustration process had become an instrument for selective stigmatization of persons critical of the government.

In September 2012, the Constitutional Court was requested to assess the constitutionality of the third version of the Lustration Law. In December 2012, upon the

request of the Constitutional Court, the European Commission of Democracy Through Law (Venice Commission) published an Amicus Curiae Brief on the subject. Basing its opinion upon European standards in this field, notably the European Convention on Human Rights and relevant Resolutions of the Parliamentary Assembly of the Council of Europe (PACE), the Venice Commission analyzed the following issues: the temporal and personal scope of application of lustration measures, the procedural guarantees for the persons to whom such measures are applied, and the publication of the names of persons considered to have collaborated with the former intelligence services.

As regards the temporal scope of application of the Lustration Law, the Venice Commission concluded *inter alia* that introducing lustration measures a very long time after the beginning of the democratization process in a country risks raising doubts as to the actual goals of the process, and that a fixed duration of the lustration measure should be provided in order to avoid discriminatory treatment of persons in comparable situations. Secondly, the Venice Commission found that the application of lustration measures to positions in private or semi-private organizations goes beyond the aim of lustration, which is to exclude persons from exercising governmental power if they cannot be trusted to exercise it in compliance with democratic principles. Thirdly, as concerns the procedural guarantees before the Verification Commission, the absence of the person concerned from the procedure was found to be at variance with his or her defense right, notably the right to equality of arms. In this context, the procedure before the Verification Commission and the appeal procedure should be regulated in great detail in order to comply with the principles of the rule of law and due process of law. Finally, the Venice Commission concluded that the name of the person who is deemed to be a collaborator should only be published after a final decision by a court.

The Commissioner notes that the aim of the Venice Commission's Opinion was not to assess the constitutionality of the Lustration Law – which is the task of the Constitutional Court - but to provide it with elements based on European standards in this field in order to facilitate its own consideration of the case. The Commissioner supports the Venice Commission's conclusions and underlines that all national authorities from the executive, judicial and legislative branches are obliged to respect the Constitutional Court decisions and adhere to them. This obligation derives also from Article 112 of the Macedonian Constitution which provides that the decisions of the Constitutional Court are final and binding.

Recommendations for the lustration procedure are:

The Commissioner is concerned about the proportionality and constitutionality of the lustration process in “the former Yugoslav Republic of Macedonia”. The disregard of the content of the Constitutional Court's decisions relating to the constitutionality of the previous versions of the Lustration Law raises some serious questions as to the rule of law. The Commissioner calls on the authorities to ensure that the Constitutional Court's decisions concerning lustration are fully respected and reflected in any future policy deliberations on the topic.

Recalling the relevant case-law of the European Court of Human Rights and the ‘Guidelines to ensure the lustration laws and similar administrative measures comply with the requirements of a state based on the rule of law’, the Commissioner underlines that lustration procedures should follow strict criteria in order to ensure that all the

persons concerned enjoy the rights guarantees by Article 6 of the European Convention on Human Rights, notably the right to equality of arms. Lustration should never be used for political or personal purposes. In this context, the Commissioner underlines that a democratic state based on the rule of law has sufficient means at its disposal to ensure that the cause of justice is served and the guilty are punished. However, it should not cater to the desire for revenge instead of justice.

Other conclusions and recommendations in the Report include:

The Commissioner welcomes the progress achieved so far in the implementation of the Ohrid Framework Agreement. The legislative framework stemming from the agreement has been established in key areas, such as local self-government and the use of languages. Some of the most noteworthy achievements have related to equitable representation; however, the deep politicization along party lines and the phenomenon of political patronage tend to dull the impact of this progress upon the well-being of society as a whole.

The Commissioner recognizes that in a richly diverse country such as “the former Yugoslav Republic of Macedonia” interethnic relations are complex and do not lend themselves to facile solutions. In addition, there may be socio-cultural and historical factors which have played a role in establishing, for example, certain geographical population patterns and divisions in living areas. However, the Commissioner firmly believes that a cohesive society requires principled action and comprehensive, systematic policies that ensure the equal rights of all persons, combat discrimination and intolerance, and actively promote constructive interaction between individuals and groups of different backgrounds. The country’s political actors should bear this principle in mind, as their legacy will depend on whether the prospect of achieving short-term political gains has led them to miss the opportunity to build such a society. In this regard, the Commissioner recommends that the authorities review the recommendations made by ECRI in its previous country report, and invites them to consider joining the Joint Action of the Council of Europe and the European Union on Intercultural Cities, which aims to develop a model that supports intercultural integration within diverse urban communities.

Violent inter-ethnic incidents such as those which occurred in the first half of 2012 are a serious threat to the progress made since the 2001 conflict in “the former Yugoslav Republic of Macedonia” towards establishing lasting reconciliation and durable peace. The Commissioner urges the government as well as all other political and public actors to unequivocally condemn any such incidents and to pursue comprehensive policies to prevent them from occurring in the future.

The Commissioner cannot over-emphasize the importance of the role and responsibility of the media to promote inter-ethnic tolerance and to refrain from propagating stereotypes or inflaming any existing tensions. Media should present information in an ethical manner and be encouraged to present positive examples of inter-ethnic relations and to create an environment conducive to social cohesion.

In July 2011 the Macedonian Parliament adopted a decision on the “authentic interpretation of the 2002 Amnesty Law”, which stipulates that the latter applies to all cases relating to the 2001 conflict, i.e. including those returned from the ICTY to

Macedonia. In September 2011, Amnesty International called on the Macedonian authorities to reverse that decision. In October 2012 the Constitutional Court rejected a challenge to the constitutionality of the above-mentioned parliamentary decision. The principle that amnesties should not be applied to gross human rights violations was confirmed by the Council of Europe Committee of Ministers in the 2011 Guidelines on eradicating impunity for serious human rights violation. Furthermore, in the recent judgment *Marguš v. Croatia* concerning the application of an amnesty to a case involving war crimes against civilians, the European Court of Human Rights stressed that “granting amnesty in respect of “international crimes” – which include crimes against humanity, war crimes and genocide – is increasingly considered to be prohibited by international law. This understanding is drawn from customary rules of international humanitarian law, human rights treaties, as well as the decisions of international and regional courts and developing State practice, as there has been a growing tendency for international, regional and national courts to overturn general amnesties enacted by Governments”.

2.21. Parliamentary Assembly of the Council of Europe - Post-monitoring Dialogue Recommended

The Parliamentary Assembly of the Council of Europe (PACE) adopted the Recommendation 2022 (2013) regarding the post-monitoring dialogue with Macedonia. PACE proposed that co-operation with the authorities of “the former Yugoslav Republic of Macedonia” be stepped up and expanded, in particular through the opening of a Council of Europe office in Skopje to encourage the country to pursue its democratisation efforts. The adopted text is as follows:

1. The Parliamentary Assembly refers to its Resolution 1949 (2013) on post-monitoring dialogue with “the former Yugoslav Republic of Macedonia”. The Assembly believes that the efforts made by the Macedonian authorities to secure the implementation of the 2001 Ohrid Framework Agreement, pursue reforms in the field of democracy, human rights and the rule of law, and proceed with the European integration agenda should be fully supported by the Council of Europe and its member States.
2. The Assembly thus recommends that the Committee of Ministers intensify co-operation activities with “the former Yugoslav Republic of Macedonia”, assist the Macedonian authorities in complying with Council of Europe standards and support the construction of an open, democratic and inclusive society, in particular by supporting confidence-building measures among all communities. This will ensure the functioning of democratic institutions at national and local level, strengthen the fight against corruption and discrimination, and safeguard the independence of the judiciary and the media.
3. Moreover, the Macedonian authorities should be invited to make use of the expertise offered by the Council of Europe, including its European Commission for Democracy through Law (Venice Commission), to ensure full compatibility of the country’s legislation and practice with the
4. The Assembly therefore recommends that the Committee of Ministers and the Secretary General reinforce the Council of Europe’s presence in “the former Yugoslav Republic of Macedonia” and set up a Council of Europe Office, in line with Resolution CM/Res(2010)5 on the status of Council of Europe Offices, in order to, *inter alia*, provide advice, promote and support the policies and activities of national authorities and local partners related to membership of the Council of Europe, co-ordinate activities in the country with other international organizations and institutions and, generally, strengthen ongoing co-operation with the Macedonian authorities.

The Council of Europe should do its best to support “the Former Yugoslav Republic of Macedonia” and to increase cooperation, including opening an office in Skopje, writes the British right-wing politician Robert Walter. After having for 13 years an office and a several years’ break there are announcements that an office shall be opened. After twelve years the OSCE mission is widened and the personnel out of the current 159 shall increase within three months for new twenty experts of human rights, media, justice and interethnic relations, brief diplomatic sources.

Domestic analysts believe that in Macedonia there is speedy worsening of the democratic processes and that it is positive for an office of the Council of Europe to be opened. “If we do not wish to have such a treatment, then we should improve the level of democracy. It is our fault and I think we should not have hostile feelings towards the international organizations. I believe that this is a mild reaction having in mind the events that took place in our country” says Zdravko Saveski.

The OSCE Skopje mission diplomats say that they have got the task to increase the team that will scan government laws that will be brought in the future, by which every law especially if it has a “EU flag” shall be analyzed in details and if there are controversial moments, to the government representatives shall be given guidelines how to improve the problematic decisions. However, fact is that the Macedonian Government is not happy with the CoE Recommendation.

2.22. No NATO Membership for Macedonia Without Name row Settlement

A top NATO official stated that there was no other way for Macedonia to join the alliance than to settle the name dispute with Greece, MIA's correspondent from Brussels reports in January. "We're grateful and very pleased considering the fact that the Army of Macedonia is our partner in the ISAF mission in Afghanistan. It is also a fact that your country has met all of the necessary criteria to become a NATO member. However, according to a conclusion from the 2008 summit in Bucharest, adopted with a consensus from all NATO members, Macedonia will officially join the organization as soon as it settles the name issue," stated the official speaking on condition of anonymity.

This reaction comes after NATO Secretary General Anders Fogh Rasmussen presented his second Annual Report in Brussels. It also included the programme "Resuming the 'open door' policy". "Following last year's summit in Chicago, NATO met with four partners aspiring to become members - Bosnia and Herzegovina, Georgia, Montenegro and FYRO Macedonia - to reiterate its commitment to admitting new members. The Alliance will continue working with the four partners in order reforms to be implemented which are necessary for meeting the standards of NATO," reads the Annual Report launched by Rasmussen. Referring to Macedonia, the NATO representative said the name row was the sole obstacle, even though the country had successfully completed the reforms. "All documents have been prepared for Macedonia to be admitted. Settle the name issue and automatically you will join NATO," the official urged adding that efforts needed to be made not only by Macedonia, but also by Greece in finding a solution.

2.23. Kerry-Poposki Meeting

Foreign Minister Nikola Poposki met with United States Secretary of State John Kerry in February during the transatlantic dinner in Rome, focusing on Macedonia's contribution in peacekeeping missions. "I briefed Secretary Kerry at the event sidelines on Macedonia's efforts within NATO-led missions", FM Poposki told MIA.

Poposki stressed that Macedonia continued to provide its contribution even in circumstances of delayed formal NATO and EU accession. "This is a proof of the commitment by Macedonian citizens to persevere on the path to promoting peace and prosperity in the region and in global terms, whereas the contribution should not lack acknowledgment", he added. The dinner, hosted by Italian Foreign Minister Giulio Terzi di Sant'Agata, included NATO and EU foreign ministers, also attended by Macedonian and Swiss FM, EU foreign policy chief Catherine Ashton and NATO Secretary-General Anders Fogh-Rasmussen. "The key conclusion in the discussion was that the biggest test for the global credibility of the transatlantic community was coping with challenges in its immediate neighborhood. I believe the dinner was a good opportunity to exchange opinions over coming challenges and completion of successful processes, such as enlarging the area of peace and stability through integration in Euro-Atlantic institutions", stressed Poposki.

2.24. NATO's Door for Macedonia Opens in 2014

Damon Wilson, executive vice president of the Atlantic Council, says the June NATO summit in Brussels will probably not tackle Macedonia's accession, adding the next opportunity is the regular summit in 2014, MIA reports from Washington in March. Wilson's statement comes after the announcement by former U.S. Secretary of State Hillary Clinton that the next Alliance summit would be one of enlargement.

"Clinton's statement that she hoped the next NATO summit would be one of enlargement was significant. However, at the time of her statement everyone expected a summit in 2014. Now there are activities towards holding a mini-summit in Brussels at the sidelines of Obama's visit to Europe, focusing on the next stage of the Afghanistan mission. The door on the NATO enlargement could open in 2014", says Wilson. According to him, Macedonia needs to solve the name row, which requires serious politicians from Brussels and Washington to support the UN efforts in the issue. "I believe a solution to the name dispute is possible with a bit of effort from Washington, EU, Skopje and Athens, thus opening the door for Macedonia's Alliance accession. If I was part of the U.S. administration, I would vehemently press towards this outcome", adds Wilson. He believes problems could emerge on the Balkans if the name issue was not solved.

"Leaving things on the Balkans in standstill is dangerous. We need continual progress that citizens can see and feel. There is progress in the Pristina-Belgrade talks, Croatia's EU membership, Montenegro, but there is no progress in Bosnia and the Macedonia name row. I am not worried about a new war on the Balkans, but concerned over the region's economic development, the rule of law, the sense of security. As Macedonia moves forward in NATO and EU integration, all possibilities for concern over the country's future will disappear", underlines Wilson.

3. ECONOMY

3.1. Economic Trends

Only 0,85% average economic growth annually has been realized in the last four years after the government raised the budget expenditures and consequently the debts of the country in an effort to compensate the negative effects of the crisis and to raise the economy.

According to the Ministry of Finance the public debt only from the central government since 2009 has been raised for more than one billion euros, or from 1,6 billion euros to 2,7 billion euros at the start of the year. Again, Since 2009 the percent of public debt only of the central government has been raised for 9,5 percent points and the average growth in the last four years was only 0,85% (-0,9% in 2009, 1,8% in 2010, 2,8% in 2011 and -0,3% in 2012). In addition, the government does not publicize the debts of the municipalities and of the public enterprises and companies in dominant state ownership, so it is believed that the debt is much bigger.

The former finance minister Nikola Popovski says that the future generations shall return money without having object for renewable energy, supermodern roads, quick and secure railroad tracks, urbanized and decent cities to live in, hypermodern infrastructure, quality educational and health institutions of the future etc. Heritage from the monuments and administrative buildings as well as the spent credits for corruption of the power holders will not be of use for the economy. He warned that if expenditures are not going to decrease the effect shall be growth of the budget deficit at the expense of savings and investments of the country and burdened with further new debts. Other economists state that in terms of trends the debt of the country must not reach 40% of the GDP (at this moment only the debt of the central government is 33% of GDP) while the budget deficit must be positioned to 1% of GDP.

After the Government excluded the Agency for state roads from the budget by transforming it in a public enterprise, the state treasury became "lighter" by at least 91 million Euros as much as last year's expenses of these institutions amounted. Last year's budget of this institution is 1,2% of GDP which means that if this amount is included in the fiscal expenses the budget deficit would be 4,7% of GDP and not 3,5% as much as the government projections are. This means that the public debt is much higher than the one published by the Ministry of Finance if one includes the public enterprises. The Ministry of Finance did not give information how much are the expenses of the new public enterprise in figures and how is it financed, as debts of the Agency taken from loans are not included in the public debt of the central government. This is one of the most important issues for which discussions have been made with IMF, as IMF is checking the level of debt and the condition of the Macedonian economy to return debts regularly. Only last year, for paying the principal of the non-resident creditors in the Agency budget are foreseen 13 million Euros, plus 4 millions on interest.

3.2. Government Support for Small and Medium Enterprises

The Government through the Ministry of Economy decided to support small and medium enterprises through the sum of 13,37 million denars and the use of 15 special measures. Intention is to strengthen competitiveness, entrepreneurship and innovations, for which

goals earmarked 50% more funds than last year. Shall be supported companies that have interest in implementation of applying the HALAL system, while funds shall be aimed for technical support and consultative services.

3.3. Declining Standard of Living Causes Revolt and Civic Initiatives

Severed workers blocked the road Skopje-Kumanovo as a sign of revolt that the government shows no interest in solving their problem. They claimed that they have been left without bread as they have no chance of being reemployed due to their age and that although it is said that health service is free, they cannot visit the doctor without paying etc.

Civic initiative "Aman" collected in a record time frame 11.000 signatures from citizens supporting their initiative for changing the Law on Energy in order to get cheaper (economic) price of the electricity. The procedure for collecting signatures officially ended on January 31 and after that the representative addressed the Assembly in a plenary session, to be initiated the regular Assembly procedure for change of the law through explaining the justification for introducing the demanded changes. "Aman" suggested three hours of daily cheap electricity, as well as regulation by law of the central heating in which shall be included that citizens who cancelled their central heating shall not pay any possible expenses. The initiative was presented in front of the parliamentarians who decided not to support it.

3.4. Opposition Criticizes the Government Economic Policy

Opposition experts object that in all the process of impoverishment and getting into debts the government makes it in an extremely non-transparent, non-democratic and in a non-sustainable way. They believe that it looks scary the fact that this kind of debts and non-productive expenditure do not serve at all for increase of citizen's standard, but instead serve only for enrichment of a small group of people from and around the government power, which in that way imposes a regime upon the country and destroys its democracy, and by the same token its existence. It is said that similarities with the Greek disaster scenario are dangerously similar if one takes the increase of the public debt as a parameter. Only in the last three years Macedonia's foreign public debt increased for 1,1 billion Euros or for whole 89,6% while only in the last nine months domestic debt has been increased for 55,5%. Such a high percent compared to the economic growth is equal to disaster. At the same time the government during these seven years other than spending money for "budget needs" on government advertisements, on monuments and fountains, has not spent a single denar on productive investments which will return the money and justify the investments: no highways, no energy capacities, no other productive investments that open new workplaces.

Analysts claim that with such economic trend Macedonia is also politically doomed for disaster due to the fact that it uses the loans for imposing its regime. Last year, before the parliamentary elections the government took a loan of 220 million Euros, money that served for expensive advertisements, for bribery and votes buying. It is expected that the same strategy will be used for the local elections. Opposition believes that with the regime power with its selfish and wrong economic policies will completely ruin the state.

3.5. No Agreement Signed for “South Stream”

Macedonia did not manage to sign the agreement with Russia for linking Macedonia to the gas pipeline project “South Stream”. This was considered as another defeat of the Macedonian economy, in spite of the announcement of the Minister of Finance Zoran Stavreski prior to the Summit that at the Forum in Sankt Petersburg shall be signed the agreement between Macedonia and Russia. At the summit the Macedonian delegation was lead by the ministers of finance and economy Zoran Stavreski and Valjon Saracini respectively, but the public did not get information on what was going on by any institution.

3.6. IMF Executive Board Report for Macedonia on Consultation and First Post-Program Monitoring 2013

On June 14, 2013, the Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation and First Post-Program Monitoring with Macedonia. The findings are as reads:

Following a shallow recession in 2012, a modest recovery is forecast for 2013, with baseline growth expected to reach 2 percent. So far, industrial production has strengthened in February and March, but indicators do not yet point to a solid recovery in domestic demand. Nonetheless, the baseline growth forecast remains feasible, provided that public infrastructure works and foreign investment projects accelerate as planned. The weak external environment and difficult liquidity conditions for the domestic private sector present important downside risks.

Inflation is expected to moderate to 2.5 percent in 2013, as the effects of energy price hikes wear off and food prices decline. Cost side pressures are limited, with nominal wage growth of 0.2 percent in 2012, and 1.2 percent in early 2013. The current account widened to 3.9 percent of GDP in 2012, with the impact of weaker trade partly offset by high private transfers. Private financial flows, particularly FDI flows, have been modest, but public sector net external borrowing has helped build up reserves, which remain adequate.

Weaker revenues and the start of the arrears clearance process widened the 2012 cash deficit to 3.8 percent of GDP. Keeping the cash deficit contained required expenditure compression beyond the ceilings established in the supplementary budget, and the adjustment fell mainly on capital expenditure. Central government debt rose to 33.8 percent of GDP at end-2012.

The deficit for the first quarter of 2013, at 2.4 percent of projected 2013 GDP, already represents two thirds of the annual target of 3.5 percent of GDP. The revenue outturn was dominated by large VAT refunds, in accordance with the authorities’ commitment to clear arrears. On the expenditure side, subsidies and other transfers rose substantially relative to the same quarter of the previous year. While this appears to be an intra-annual reallocation of expenditure, further expenditure compression will likely be needed to meet the deficit target. The authorities were not considering a supplementary budget at the time of the discussions, noting that on current revenue trends the required adjustment could be accommodated within normal buffers.

Substantial net domestic issuance in 2012 as well as in the first quarter of 2013 has helped finance the higher deficits. In line with previous IMF advice, the Treasury has continuously sought to lengthen debt maturities. As a result, longer dated securities currently make up 25 percent of the total debt stock, up from 5 percent at end-2011.

Banking sector indicators suggest that the system is in overall sound shape, but non-performing loans (NPLs) are increasing. As of December 2012, the capital adequacy ratio stood at 17.1 percent, and over 29 percent of total assets were highly liquid. Deposits provide the main funding source. The NPL ratio rose to 11.7 percent in February 2013, but provisions exceed NPLs.

After steadily decelerating in 2012, credit growth is expected to remain subdued in 2013. Loan growth declined from 5.2 percent (year-on-year) in December 2012 to 4.4 percent in February 2013, even as deposit growth accelerated from 4.4 percent to 5.1 percent.

The absence of pressures on the exchange rate allowed the National Bank of the Republic of Macedonia (NBRM) to lower the policy rate by 25 basis points to 3.5 percent in January 2013, and to gradually reduce its stock of outstanding central bank bills (its main sterilization instrument) over the last six months. In addition, in order to stimulate private credit growth, the NBRM lowered reserve requirements by the amount of new loans to domestic net exporters and electricity producers, effective January 1, 2013.

Adoption of amendments to the banking law early this year closed some long standing gaps in the crisis management framework. The amendments ensure that the NBRM is able to impose fit-and-proper requirements on bank management and owners, and pave the way for the central bank to widen the class of collateral that banks may use to access liquidity support.

Executive Board Assessment: Executive Directors commended the authorities for their economic management, which has helped maintain financial and external stability despite difficult circumstances. While the economy is poised for a moderate recovery in 2013, underpinned by acceleration in public investment and FDI projects, it still faces a challenging external environment but with limited policy space. Directors called for continued commitment to sound policies and structural reforms. Efforts should focus on reducing risks to the outlook, preserving macroeconomic stability, generating stronger growth, and boosting income convergence and employment.

Directors agreed that the near-term policy mix should remain supportive to sustain the still fragile recovery, particularly given monetary policy constraints. However, as the crisis subsides, fiscal policy should be anchored in a well-articulated and credible medium-term strategy. The strategy should strike a balance between increasing growth and ensuring fiscal and debt sustainability, reducing debt and the deficit over time. They emphasized that a greater focus on multi-annual budgeting would provide a good framework for assessing fiscal space and avoiding payment arrears. Directors commended the clearance of arrears and encouraged the authorities to implement measures to improve fiscal management, including public financial management. With some infrastructure spending shifting off-budget, they urged tight control on the pace of indebtedness of public sector enterprises. Directors highlighted the need to analyze the evolution of, and risks to, the broader public sector debt in setting budgetary targets and prioritizing spending.

Directors took note that the exchange rate peg has served Macedonia well. They generally agreed that the still-weak growth, contained inflation, adequate reserves, and the absence of immediate balance of payments pressures may allow for an accommodative stance to stimulate credit growth. However, the central bank should stand ready to raise rates in the event that risks materialize and exchange rate pressures emerge.

Directors noted that the banking sector is sound, with high capital adequacy ratios and ample liquidity. Nonetheless, they emphasized that continued vigilance is necessary in light of potential shocks. It will also be important to monitor the increasing nonperforming loans. Directors commended the authorities for the recent changes to the banking law, which have closed all but one of the identified gaps in the crisis management framework.

Directors welcomed the improvements in the business climate and the progress made in attracting foreign direct investment. Further structural reforms will be essential to generate sustainable strong growth, speed up income convergence, and reduce unemployment. Developing stronger linkages between FDI projects and the domestic economy, building the needed infrastructure, and strengthening education and training opportunities should be key priorities going forward.

According to IMF, the government should balance its priorities, on one side the efforts in providing favorable business climate and low taxes with the growing pressures upon current expenditures (ad-hock pensions raise, growing agricultural subsidies, administration salaries increase for 5% in 2014) with the necessary capital investments, where priority should be given to roads and railroads. Suggestion is to renew budget transparency, to put in place a credible medium term fiscal strategy which will be an adequate reflection of priorities – better economic growth with infrastructure projects and sustainable level of debt. It is necessary to decrease the budget deficit for 1,6% of GDP and to lower the debt level. To ensure debt sustainability, the central government primary deficit should be gradually reduced to first stabilize debt and then rebuild fiscal buffers.

3.7. Concluding Statement of the IMF Mission on Macedonia

An IMF team headed by Ms. Ivanna Vladkova Hollar conducted surveillance and post-program monitoring of the Macedonian economy during April 3 – 16, 2013. Article IV macroeconomic surveillance is performed regularly for all 188 IMF member countries. The post program monitoring (PPM) process is intended for member countries that have substantial IMF credit outstanding following the expiration of their programs.

A track record of conservative fiscal, monetary and financial policies gave the Macedonian authorities policy space to confront spillovers from the global crisis—balance of payments pressures early on in the crisis were managed successfully, reserves were reinforced, and looser fiscal policy has supported weak domestic and external demand. As a result, FYR Macedonia avoided large declines in output and disruptive capital outflows, and is well-positioned to return to growth when the recovery in Europe sets in.

Moderate economic growth of 2 percent in 2013 is still achievable, but subject to substantial downside risks. As the external environment remains difficult and as signs of recovery in the Macedonian economy remain fragile, policies should remain supportive

in the near term, particularly since there are no exchange rate imbalances. In that respect, the 3.5 percent of GDP cash deficit target for the central government in 2013 as well as current monetary policy settings are appropriate.

Clearance of public sector payment arrears – for goods and services and VAT refunds – which started in September 2012 has provided much needed liquidity to a strained corporate sector. The magnitude of these delayed obligations is economically very significant and has likely exacerbated the effects of weak credit growth. A reoccurrence of such payment delays would jeopardize the recovery, as it impedes proper cash management by firms. Continued transparency on the evolution of the stock of arrears would boost confidence in the durability of the solution.

Further to preserving a stable macroeconomic environment, medium term policies should be geared towards supporting an acceleration of growth—by ensuring space in the budget for priority structural reforms with a fiscal cost, preserving competitiveness, and removing structural distortions that may impede the ability of the banking system to efficiently intermediate savings and finance growth.

Fiscal sustainability: While the timing of fiscal consolidation should take into account the largely downside risks to growth, a key immediate challenge is to anchor fiscal policy. The authorities should re-establish a medium-term fiscal and debt management strategy in the lead-up to the 2014 budget process. We understand such a strategy is under preparation. It should increase budget transparency and present a framework for the prioritization of expenditure. It would also ensure sustainability, by safeguarding proper budgetary space for structural priorities, and reconciling the objective of maintaining a business-friendly low tax environment with growing expenditure pressures. The introduction of a multi-annual budgeting framework could further strengthen this process.

The authorities have made good progress in lengthening domestic debt maturities. Articulating a medium term debt management strategy—including a strategy to build a presence in private external debt markets and offer 7-10 year domestic securities—would solidify this progress and support the conduct of monetary policy.

As growth returns, Macedonia should aim to rebuild some fiscal space for future countercyclical responses, by gradually lowering debt levels. The scope for demand management falls squarely on fiscal policy as monetary policy remains appropriately focused on maintaining exchange rate stability against the euro. The debt trajectory should take into account the fact that safe debt levels depend on country specific characteristics such as low and volatile revenue ratios and low growth. With some capital expenditure being moved off budget to the Public Enterprise for Roads, it will be important to target the broader public sector aggregate that includes the spending and debt contracting activity of this public enterprise.

External and Financial Sector Resilience: A number of important factors limit the direct channels of transmission of renewed financial market stress in Europe. Banks are funded mainly by resident deposits and not dependent on wholesale external financing. Public sector external financing requirements for 2013 have been met. Reserve levels are adequate. Nonetheless, the external environment remains volatile, and the authorities should remain vigilant and ready to react to low probability but high impact confidence shocks. In that regard, the mission welcomes the recently adopted changes

to the Banking Law, which close most remaining gaps identified in the 2011 PCL request letter.

Structural Policies for Competitiveness and Growth: The effort to attract FDI is bearing fruit, and should have a positive impact on the speed of structural transformation and, critically, on activity rates and employment. The authorities have developed a strategy that goes beyond a low tax environment—focusing on building needed infrastructure and allowing feedback from the needs of new industries to the education and training offer. This, together with a greater focus on primary education, should help absorb the large pool of unemployed labor. However, with labor costs being an important input into location decisions of labor-intensive industries, the authorities should carefully monitor the impact on labor costs of the decision to link the minimum wage to the average wage. Durably boosting growth would also depend on FDI projects developing linkages with the domestic economy—this will be a gradual process, but continued improvements in the business environment would help.

The banking sector is well-capitalized and liquid, but credit growth remains weak. While cyclical considerations and conservative policies at the parent group level currently play a role, there are a number of structural issues that likely limit credit extension. To address these, it would be important to continue with the ongoing important reform to the bankruptcy framework, and abolish the interest rate cap, which distorts risk pricing and impedes the transmission of monetary policy. In addition, the authorities should consider recording and publishing real estate sales prices to address collateral valuation issues, and strengthening training programs on corporate accounting for entrepreneurs and domestic auditors, which would make financial statements and business plans more transparent.

3.8. GDP Growth of 2,9% in the First Quarter

The economic “boom” in the construction raised the Macedonian economy for 2,9% in the first quarter of this year. Only the construction branch showed an increase of 36,8%, which is the highest compared to all other areas of economy which are in a positive tendency but not as high as this area. Agriculture growth is only 1%, mining and the energy sector have a growth of 0,7%, while increase is noticed also in trade 2,3% and hotels and restaurants 1,6% and traffic 2,5%.

3.9. Standard & Poor's Long-term Credit Rating for Macedonia Lowered

Standard & Poor's Ratings Services (S&P) lowered its long-term foreign and local currency sovereign credit ratings on the Republic of Macedonia to 'BB-' from 'BB', the rating agency said in May. “We also affirmed our 'B' short-term ratings on Macedonia. The outlook is stable,” the agency said in a statement. At the same time, we revised down our transfer and convertibility assessment to 'BB' from 'BB+'.

The downgrade reflects our view of Macedonia's less predictable growth and fiscal policy outcomes owing to: Regional economic pressures; constrained foreign parents of domestic banks; Difficulties in managing government arrears; and Recent increases in public capital expenditure on non-productive assets. Consequently, we have revised down our expectation of annual average Macedonian GDP growth over 2013-2015 to 2%, or less than half of average growth before the 2008-2009 financial crisis. This

growth rate is unlikely to generate the job creation required to markedly reduce Macedonia's reported 31% unemployment rate, and raises questions about the viability of the current policy mix.

We anticipate that the Macedonian economy will expand at close to 1% in 2013, with public spending providing most of the impetus, following a 0.3% contraction in 2012. In our opinion, poor external demand will dampen Macedonia's net exports, taking into account that about 60% of Macedonia's exports are directed to the EU. At the same time, we believe that constrained domestic credit conditions will limit private investment. We anticipate the current account deficit will widen to over 6% of GDP in 2014 from an estimated 5% in 2013 and will be financed by external debt accumulation, foreign direct investment inflows, and some moderate drawdowns in foreign currency reserves.

In our view, political institutions are increasingly weakened by inadequate checks and balances. This appears to be raising the hidden costs of public investment. We anticipate that investment in non-productive assets will weigh on Macedonia's potential growth prospects. We see the business environment as friendly to large foreign investors, but less encouraging to domestic small and midsize enterprises.

Between September 2012 and February 2013, the government contracted external debt in part to pay down accumulated arrears and refund value added taxes to corporate entities. In our opinion, there is a risk of budgetary revenue shortfalls during the remainder of 2013, and consequently further accumulation of government arrears later in the year, especially if there are expenditure overruns (Macedonia reports government finances on a cash basis whereas Standard & Poor's assessment is on an accrual basis). We expect general government debt to rise to 37% of GDP by the end of 2016 from about 34% currently. We further expect general government guarantees to increase from the current 4.7% of GDP in the same period.

The Macedonian banking system is largely funded by domestic deposits and appears well capitalized (the reported capital adequacy ratio averaged 17.1% in December 2012). Loan growth in Macedonia decelerated to 5% in 2012, versus 31% on average between 2005 and 2008, contributing to weakening GDP growth. In our opinion, the Macedonian regulatory and supervisory framework has appropriate policies in place to address liquidity risks associated with potential withdrawals by parent banks.

The stable outlook balances our view of Macedonia's structural and monetary rigidities and vulnerabilities to external shocks against its relatively low external and fiscal indebtedness. We could raise the ratings if reforms directed toward higher growth, were matched with increasing effectiveness and accountability of public institutions. On the other hand, we could lower the ratings if a weakening of growth, compounded by continuing government capital expenditure on non-productive assets, led to rising public and private debt.”

3.10. Macedonia Sinks Deeper - Foreign Debt 5,5 billion Euros

Brutto foreign debt of the Republic of Macedonia in the first quarter of this year has reached the figure of 5,5 billion Euros or 73,5% of the Domestic Brutto Product show National Bank data. Largest part of the debt is from the state sector valued 1 billion and 688 million Euros, while the banking sector has a debt of 628 million Euros, monetary

power owes 380 million Euros, while the other sectors owe 1 billion 696 million Euros. According to Central bank data, noticeable raise in the period of three months is registered at the state debt, due to loans, on the sum of 333 million Euros.

4. HEADLINES/POLICIES

4.1. Project Skopje 2014 Still Raises Doubts

Public procurement, the project Skopje 2014 and the government advertising (see previous Barometers) are the most prominent examples of state criminal and corruption which were pointed out by experts interviewed by the Institute for Democracy Societas Civilis-Skopje, for the research lead by it. Experts thought that architectural and artistic projects in the country are at raise precisely because through them are laundered money easily and accuse institutions that are not reacting adequately to their duties and do not sanction corruption. As largest failure the interviewed point out the biased approach institutions in charge take and their dependence of the political power. An argument for such a situation is the practice where members of the State Corruption Committee are appointed by the parliamentary majority. Their passivity, non interestedness, and the lack of will is one more reason for the inefficiency of the fight against crime and it simultaneously undermines the credibility and integrity of the leading persons which diminishes the possibility of success. Conclusions show that the Anticorruption Committee is running away from its work or fakes working, and is handicapped from the very beginning of its functioning. It is often said that citizens have no trust towards this body of the state administration, because as public institution works in a non-transparent manner and is closed towards the public although its duty is to communicate with the public and to constantly inform about its work. What's more, it is obvious that the Committee avoids examining the current carriers of power.

4.2. Lustration Process

Chedomir Damjanovski, the only opposition member of the lustration committee (or Commission for Facts Verification) stated that he shall submit his resignation if the Constitutional court does not rule unconstitutional the three provisions which were challenged by him in front of this Court. "If their reply is positive, then there is no reason for me to remain member of this Commission" Damjanovski said. He filed claim against the Commission's decisions asking ruling of unconstitutionality on provisions that allow publication of names of lustrated persons, the decision of ceisure of the work only by Decision issued from the Commission and halt of lustration of persons which are no longer in office. (for the chronology and political-systemic influence of the lustration process see the Council of Europe report included in this Barometer).

The Constitutional court by obtaining a majority vote of the judges in the Court decided to organize a second preparatory session for the Law on lustration (the previous preparatory session was organized for the previous law from which some provisions were abrogated). The meeting was held in May and decisions on the Law and specific provisions within the Law and decisions made by the Commission are still pending.

In the meantime, the Lustration Commission continued with its controversial rulings. After lustrating former opposition members who held in the past high positions (like the university law professor Ljubomir Frckoski who was the Minister of Interiors in the nineties) in mid-June it lustrated Slavko Janevski, a distinguished writer, scholar, artist, promoter of the Macedonian language, literature and culture and author of the first Macedonian novel. The decision on Slavko Janevski was not only controversial because of his prominent role in the Macedonian state and society, but also and primarily because he passed away 13 years ago. His lustration provoked fierce reactions from the Writer's Association, the Macedonian Academy of Arts and Sciences and other prominent intellectuals. "The lustration process was envisaged as a method to prevent former secret police collaborators to hold public office today. Not former holders of public office, not dead people", Janakije Vitanovski, former member of the Commission said.

4.3. Law on Access to Public Information

After it was enacted the Law on Access to Public Information was analyzed how it works in practice. Some experiences were presented through the project and debate lead by the Center for civic communications. According to participants, the administration is closed, non-transparent and frequently breeches the rights to public information. There is a lack of political will for cooperation with media, and in such situation journalists are demotivated and discouraged in the demands to seek information of public interest. Journalists point to the Government which chooses on which events to react and on which questions to answer. As an example was mentioned the lack of reaction towards the drastic fall on media freedom published by Reporters without frontiers, replacing the event with other "priority news". Others think that the problem lies with the government which gradually closes up. Also, journalists complained that all the pressure over the institutions to get information is in vain when this information cannot find its way towards the public, due to the occupied media space. Free press is left only within the domain of internet portals and two other media outlets. The collocutors objected that the Law lacks a state organ which shall put sanctions over the institutions that break this law. They seek "active transparency" which means that institutions would publish information, without being asked for it. And as one of the suggestions, it is said that the time frame in which a reply is due to be given should be decreased from 30 to 15 days time.

4.4. New Abortion Law Under Heavy Criticism

The new Abortion law suggested by the government anticipates the woman to be able to have only one abortion per year by its own choice, but it may be performed the latest until the tenth week of pregnancy. This solution was the same as before, and the previous legal solution was regulating the same like now that after the tenth week a decision for abortion may be brought only by commission. However, the novelty is that before going to the commission, the woman shall have three days of considering the act and to complete the whole documentation requested.

Demand for abortion should be submitted in writing to the committee of first instance. In case the woman is under age or has no legal capacity the request must be signed by the parent. The law contains many elements in which the specialist ought to talk, consult and inform the patient among other things for »the possible advantages for keeping the pregnancy«, the risks from the abortion for her health and life, the abortion methods etc. There are also time-frames for the commissions to bring the decision: three days for the

commission of first instance and seven for the commission of second instance. There are heavy fines for the medical institutions and the specialist for not abiding to the legal regulations. For example, fine of 2.000 to 5.000 Euros shall be fines a doctor who performs an abortion of an under age person without having the written consent of her parent.

The non-governmental sector and women's activists protested and demanded for the draft law to be organized a wide debate, and suggested the law to be brought by normal and not by speedy procedure. The DOM MP Liljana Popovska (part of the ruling coalition) stated »I plea you to think well and withdraw this law, because it is extremely restrictive and limits the right and liberty of women to make a free choice for their body and to decide on the right to give birth. Recipes of Bishop Peter mustn't pass in this Assembly. The law takes us back in other times.«. Still, the government did not support the idea and voted the law by obtaining tight majority.

The Abortion law was criticized by Council of Europe MPs, through a written declaration No.547, document 13263 from June 27, 2013 which is signed by a group of CoE parliamentarians and opened for signatures. The text is as follows:

On 10 June 2013, the Assembly of "the former Yugoslav Republic of Macedonia" adopted the Law on Termination of Pregnancy. While fully recognizing States' sovereignty in the area of public health, we are gravely concerned both about the form of the debate at the Assembly of "the former Yugoslav Republic of Macedonia" and the content of the law, representing the first legislation since independence which restricts human and women's rights.

Without any specific urgency the law was adopted under the urgent procedure, within 2 weeks, which prevented any consultations and public debate with key stakeholders such as medical professionals, women's organizations and civil society. This causes concern regarding "the former Yugoslav Republic of Macedonia's commitments towards democracy and the rule of law.

The law fails to correspond to any international or European standards regarding termination of pregnancy, reproductive rights or fundamental freedoms (World Health Organization Guidelines, Assembly Resolutions 1399 (2004), 1607 (2008). Mandatory ultrasound, waiting periods and written request are humiliating and degrading to women, contrary to human dignity and fundamental rights to privacy and confidentiality spelled out under the Constitution of "the former Yugoslav Republic of Macedonia".

We call on Macedonian authorities to ensure that international standards based on sound science, medicine and human rights serve as primary guidance in this area of legislation.

4.5. SEECP Summit Cancelled

In an effort to present the Republic of Macedonia as an important regional player, President Gjorge Ivanov was scheduled to host the 16. Summit of Heads of State and Government of the South-East European Cooperation Process (SEECP) on June 1 in Ohrid. The main themes of the SEECP Summit, held under slogan 'Solidarity in Action', were supposed to reduction of threats from disasters and adaptation to climate change. The event was supposed to be the final activity within the year-long Macedonian Chairmanship with the regional initiative. Intention of the debate of regional leaders within the 11. Forum "Dialogue among Civilizations" which was supposed to take place

the following day was how to create a safer, peaceful and prosperous world for future generations, as well as investment in education towards their contribution in democratic processes, proper state governance and enhancement of long-term and constructive relations among states and nations. Presidents of Albania, Bulgaria, Croatia, Moldova, Montenegro, Romania, Serbia and Slovenia, Chairman of the Bosnia&Herzegovina Presidency, and Turkey's Foreign Minister, as well as officials from the UN, UNESCO, EU, Council of Europe, various organizations, ambassadors were expected to attend.

Just 3 days prior to the commencement of the official programme, however, President Gjorge Ivanov cancelled both the SEECP Summit and the 'Dialogue among Civilizations' Forum due to some attendee's opposition to the list of invitees (Albania's President Bujar Nishani said he would not participate because Kosovo was not invited to attend the event). President Ivanov said that the old Balkan prejudices and complexes were reinvigorated in the wake of the Summit and that he could never allow the old Balkan prejudices to be broken and the interests of the Balkan states to be settled on Macedonia's shoulders, while the price for all this to be paid by Macedonia alone. "Challenges are resolved through dialogue, not by boycott. Our intention was, and we did everything in that regards, to bring all the leaders of the region at the same table. We have set a topic that is high on the global agenda too, which we thought would be beneficial for our citizens, our societies. Macedonia does not want to be an observer, even less to participate in the veto games" Ivanov said.

A number of political analysts blamed Ivanov for being too complacent to Serbian demands and not up to the task in managing Balkan bickering and historically rooted problems.

4.6. New Government Appointments

In late May, Minister of Education and Science Pance Krlev resigned and was replaced by acting Labour Minister Spiro Ristovski. Dime Spasov was appointed new Minister of Labour and Social Welfare and Jerry Naumof new Minister without portfolio.

4.7. Draft Law on Media

The Minister for Informatic Society Ivo Ivanovski came on the debate for the draft law on media which up till now was kept in secret, but avoided to hear the journalist's opinion about it. He didn't even want to receive the joint declaration of the journalists' association, among which were the Association of Journalists of Macedonia, MIM, the Center for Media Development and the Union of journalists and media workers. Before Commissioner Fule's arrival in Skopje, the government tried again to play dialogue with the journalists association claiming that the law shall be brought jointly. AJM (Journalist's Association of Macedonia) was the only professional association invited at the public reading intensifying the suspicions that the Government will use its presence and support in a showcase of public inclusion and debate. Still, all associations were revolted because of the secrecy of the whole process, as it was impossible to give an opinion of an unseen document. They demanded the process of bringing the law to be postponed for a couple of months pending serious debate on its provisions. AJM boycotted the public discussion on the draft version of the law on media, as its president Naser Selmani did not accept to participate on the public discussion without having information on the content of the law prepared by the ministry, adding that he would not accept to

participate at the public hearing without the presence of other media organizations. Almost all media professionals and association voiced their opposition to the contents of the draft law.

Later, the law content was revealed, and had twice undergoing changes in the wake of numerous objections from journalists and international experts who said the legislation stymies media freedom in the country. The law proposes to regulate the rights of journalists, editors and broadcasters and the licensing of radio and television broadcasting and other media outlets. It also establishes a regulatory agency for print, broadcast and online media, which will have sweeping powers to enforce the law's controversial limitations on media freedom. While censorship is banned by the constitution, Article 4 of the draft law has raised concerns among journalists. It states: "Press freedom can be limited when and if it is necessary to protect national security, territorial integrity or public order and peace, riot and criminal offences, protection of health or morals, for the protection of the reputation or rights of others, prevent the disclosure of confidential information or for maintaining the authority and independence of the judiciary."

International experts say the law should be shorter and clearer because it gives little opportunity for civil society to participate in important decisions. At a public debate, the Association of Journalists of Macedonia delivered an analysis from British lawyer Peter Norlander, whose specialty is regulation in the media sector. He said the law goes beyond the scope of the European Commission's directive for audiovisual media and that it is not permissible to establish a single regulatory regime for print, online and broadcast media, as proposed by the legislation. "If we see which institutions are to nominate the members of the agency, it is clear that there is a risk that political interests can easily control this body," Norlander wrote.

Biljana Petkovska, of the Macedonian Institute for Media, told *SETimes* that her organisation is concerned about how the law would impact media freedom. MIM has more objections mainly focused on excessive influence by the government over key bodies and mechanisms which should be independent, with influence over election of the majority of the members of those bodies," Petkovska said. The group disagrees with the current definition of a journalist, saying that it "is irrational and outdated, and limits the freedom in the profession."

Saso Mitanoski, president of the Association of Private Media of the Republic of Macedonia, told *SETimes* that one of the main criticisms of the new law is the way it places electronic media and internet portals under the same restrictions. Article 4 is very broad and very generally treats the terms 'protection of morals and reputation,' which can further be used for government influence on journalists, editorial staff, and therefore the media," Mitanoski said. "As an association we propose to specify exactly what would be implied by this Article. ... If possible, we suggest to avoid or preferably dispose of such wording."

5. LOCAL ELECTIONS

5.1. General and Political Context

Despite the continuous pressure from the streets and strong statements made by opposition representatives on their intention to boycott the local elections, the Government repeated that elections will be held as planned and that all constitutional and legal norms that regulate this issue have already been brought and could not be altered. Various Government representatives and members of the majority reiterated that elections which were to be held on March 24 would be fair, free and democratic and expressed regret and disappointment as some political parties decided not to participate. They called on responsibility for implications of the country for negative influence over the EU integration process of the country if all political parties do not participate in the elections and stressed that the blame would be on the non-participants.

The deadline for submitting candidates' lists for mayors and council members expired on February 15. The State Election Commission officially announced that candidatures were submitted by VMRO-DPMNE and other parties of the coalition "For Better Macedonia", DUI, DPA and NDP, along with twenty nine independent candidates for mayors and 95 independent lists for members of municipal councils. The final list of candidates included some unexpected surprises. Disregarding his party stand, SDSM high official and Karpos Mayor Stevco Jakimovski submitted his candidacy for mayor of Karpos through the Serbian Progressive Party in Macedonia. The opposition block fragmented further after Fijat Canovski's Party for European Future (PEI) decided to run as well. In the other campus, despite being part of the ruling coalition, DOM party led by Liljana Popovska, stated it will run local elections independently.

SDSM, joined by the Liberal Party, the Liberal Democratic Party and the Party for Movement of the Turks, persisted on their stand to boycott the local elections. SDSM excluded Stevce Jakimovski from its party membership as he disobeyed the party position for election non-participation, stating that this act was cowardice and betrayal act, accusing him of double morality, calling him the new actor of "the family" who accepted with pleasure the role of a "Trojan horse" They accused the government that it had tried in all ways possible to convince candidates and parties from the united opposition to play an episode role for Nikola Gruevski through the abuse of state institutions, threats, blackmails and indecent proposals.

Even before the official start of the electoral campaign the public was exposed to heated party rhetoric and accusations. Members of the governing coalition continued to accuse the opposition that it holds the future of the country hostage due to its petty, individual interests. The opposition, on the other hand, insisted it will not participate at the local elections until all OSCE recommendations are included. SDSM accused the Government that the changes to the Electoral Code were only cosmetic and cannot guarantee free and fair elections as such. According to them, VMRO-DPMNE has refused to take action on the most pressing issues such as the inadequate acting of the administration during the election process, the abuse of the administration by parties in power in line with party interests and policies, the use of state money in function of the election campaign, the abuse of the public broadcasting service, the unbalanced presence of VMRO-DPMNE in the media, the absence of real control and finally the voting.

Pressured by the international community to resolve the political crisis, VMRO-DPMNE tabled yet another suggestion agreeing to prolong the term for submitting candidates for the upcoming local elections until March 3 should the opposition return immediately in

the Assembly and vote the changes in the Electoral Code. The procedure was to be enabled with intervention in the transitional and final provisions and would be in effect only for these local elections. Zoran Stavreski, who first voiced the proposition, said that overcoming the political stalemate depends solely on SDSM and its decision to return to normal work in the Assembly, while continuing the political dialogue on all important issues. Reiterating VMRO-DPMNE's rejection of calls for early parliamentary elections, Stavreski informed that VMRO-DPMNE is nevertheless willing to clear up the events of December 24 and proposed the creation of a Committee which will be tasked to determine all the reasons, aspects and events that led to the concrete situation. SDSM refused the VMRO-DPMNE suggestion and persisted with its demands for early parliamentary elections should the opposition win one vote over the majority. The party insisted that the press-conference suggestion offered publicly by Zoran Stavreski was a top hypocrisy "without an elementary sense, understanding and care for the national interests and the future of Macedonia... as it is obvious that Nikola Gruevski does not sincerely want solving of the political crisis". Finally as the opposition did not return, changes of the Electoral code were voted by obtaining 68 votes (out of the total of 123 seats) enabling an extension of the deadline for submission of mayoral and council members' candidate lists to March 3.

Despite the inter-party bickering, the potential opposition boycott and continuous uncertainty about the runners and outcomes of the local elections, OSCE/ODIHR decided to dispatch an electoral observation mission to Macedonia. The Mission was to be headed by German Geert Ahrens, one of the international experts who were in the country prior to the armed conflict in 2001, as a special OSCE envoy in 1999. Raising the number of short and long-term observers to 320, compared to the figure of 288 observers deployed during the 2011 early parliamentary elections, and appointing a distinguished figure at its head only confirmed OSCE/ODIHR's interest and weight put on these elections.

5.2. Consequences of Dec 24 and Election Agreement

After Christmas (see previous Barometer on the December 24 events), SDSM held an extraordinary Central committee meeting, including all municipal organizations around the country. The widened up Central Committee meeting conclusions were presented by leader Branko Crvenkovski, who said that the party would demand local elections together with national ones, and only if they shall be fair and democratic. He said that elections should be organized and carried out by a government that has credibility and legitimacy consensually endorsed by all relevant parties represented in the Assembly. The government's mandate would last until the end of elections and its only goal would be the objective to organize and conduct free and fair elections. SDSM also demanded urgent top-personnel changes in the ministries of Justice, Interior and Finance, as well as new Director of the Macedonian Radio-Television- the national Macedonian broadcaster. Another demand was amendment of the Electoral Code in accordance with OSCE/ODIHR recommendations and complete clean up of the voter's list. Crvenkovski stressed SDSM is ready to start substantial negotiations at once and in any format with the ruling parties and other opposition parties in the Assembly. "If these suggestions are rejected we shall continue to lead our battle for freedom and democracy, the rule of law and the future of our country with the methods of street democracy and all kinds of civil resistance until the goals' completion. SDSM believes that on December 24, the government broke the Constitution, the law and the Assembly Book of rules. After all that

happened in this country, Macedonia is not a democratic country anymore, but a party-police state with a regime government (power)", Crvenkovski said.

In reply to SDSM's demands, VMRO-DPMNE Executive Committee stated that there will be no national elections together with local ones, insisting that SDSM only wants to protect the career of Branko Crvenkovski and hide his failures and wrong policies. Gruevski was insisting for an SDSM return to the Assembly in order to deliver the promised progress with the talks with Greece, as he needed a functioning Assembly. At the same time he used all his propaganda in that direction. Gruevski publicly sought "dialogue in the institutions, agreement on SDSM's return to the Assembly", voicing his readiness to allow enforced OSCE/ODIHR election monitoring. The general impression was that through its "spinners" VMRO-DPMNE was trying to influence internal decisions in SDSM, in order to keep its concurrent in weak shape. It somehow promoted the successful opposition mayor candidates Zoran Zaev (from Strumica), Stevce Jakimovski (from Karposh, Skopje municipality) and Zoran Damjanovski (from Kumanovo) as alleged competitors towards Branko Crvenkovski. At the same time there were speculations that DUI might turn towards SDSM, leaving the ruling coalition and making a new coalition with SDSM and the other ethnic Albanian parties, as all together shall be having 67 out of the 123 parliamentary seats, and making it possible to change the Electoral codex. SDSM denied the rumors, stressing that these ideas are coming from VMRO-DPMNE sources, as they are aware that the foreign factor in the country is not happy with the current legal solutions in the Code and that they may be supporting the opposition's justified complaints and remarks.

For part of the domestic experts, the "Black Monday" events represented a blatant interference of the Executive over the Legislative. What happened in and around the Assembly that day undermined democracy in Macedonia, potentially representing the first step towards redefining relations in the country. By chasing out a whole parliamentary group it irrevocably disturbed the legitimacy of the Assembly which cannot be restored without a big political agreement or early parliamentary elections. A number of analysts insisted that should the government hold local elections without the participation of opposition parties (as the opposition announced boycott) there will be irrevocable damage to many processes in the country like decentralization, interethnic relations, EU integration process, etc. Local elections held in this manner would bring about a new momentum in domestic politics, i.e. political non-representation, which is dangerous for every state and society, let alone those as politically, ethnically and socio-economically fragmented as Macedonia. Some opinion-makers opted for a wider leadership meeting including representatives from USA and EU, insisting that SDSM cannot be pressured into returning in the Assembly without precisely defined points and conditions.

NDP MPs Izet Zekiri and Flamure Kreci however returned to the Assembly following NDP's Central presidency decision by recommendation of the international community. They insisted that their decision to cease the boycott stemmed from the necessity for creation of an Inquiry Committee tasked to determine the responsibilities of the December 24 events.

In an attempt to overcome the political crisis, President Gjorgje Ivanov summoned PM Gruevski and opposition leader Crvenkovski in his presidential villa on January 22. After the hour-long meeting, Gruevski stated that Crvenkovski put forward an ultimatum,

reiterating the demand for organising early parliamentary polls alongside local elections, which "is unacceptable for VMRO-DPMNE." Gruevski also said that VMRO-DPMNE didn't support the idea the parliamentary elections to be held simultaneously with presidential ones. VMRO-DPMNE, he added, will prepare for local elections because SDSM is not the only opposition party in Macedonia. "Our discussions came down to two things - the opposition's ultimatum for early parliamentary polls and their unpreparedness to discuss anything else that they have publicly said it was important to them as well as their interpretation of the events and incidents of December 24," Gruevski said. Although they had apparently come with an in-depth, comprehensive preparation over the Electoral Code, OSCE recommendations and the process of editing the electoral register, Gruevski accused Crvenkovski that he refused to discuss anything unless the ultimatum of organising snap parliamentary elections is accepted. According to him, the December incident was planned, organised and conducted by SDSM in an effort to provide an alibi to boycott the upcoming local elections and prevent SDSM from suffering another election defeat. SDSM president Branko Crvenkovski once again emphasised that his party maintained the position for snap parliamentary polls noting that Gruevski had acted as if nothing had happened on December 24. The SDSM leader said Macedonia was in a political crisis stressing that parliamentary polls were its only way out in which the citizens would decide upon the country's direction in the future. "The events of December 24 radically changed the situation in the country i.e. the Parliament lost its legitimacy as a democratic institution, which despite their win in 2011 did not give them a mandate to violate the Constitution and the laws."

EU Commissioner for Enlargement Stefan Fule arrived January 22 in Macedonia for an unannounced visit to meet with Prime Minister Nikola Gruevski, President Gjorge Ivanov and SDSM leader Branko Crvenkovski. Apart from discussing the upcoming progress report on Macedonia and the June summit of the European Union, talks focused on reforms, including recent developments in relation to the opposition's boycott. Fule insisted that concessions should be made by both sides and solutions should be found. The impasse was not resolved however and Fule left Skopje empty-handed with no agreement reached, but promised to return to Skopje in due course in the context of the High Level Accession Dialogue. Following Fule's visit, President George Ivanov tabled an initiative for summoning an objective nonparty expert commission for determining the facts about the December 24 events in and outside the Assembly of the Republic of Macedonia but also for the events that preceded that day. The letter was sent to PM Gruevski, Assembly President Trajko Veljanovski and SDSM leader Branko Crvenkovski. The European Commission fully supported President Gjorge Ivanov's initiative and called on ruling VMRO-DPMNE and opposition SDSM to review it carefully, stressing that the work of this commission should be independent, unbiased and meet the European standards, taking into consideration an international expertise in order for its conclusions to be objective. For the first time after the "Black Monday" events, the EC said it would take into consideration the recommendations and conclusions of this commission in drafting the spring report on Macedonia's progress and that the results of the commission's work will not be 'swept under the carpet'.

In the meantime, street protests, marches, blockades, Hyde Park-like citizen parliaments and rallies continued throughout Macedonia. Opposition supporters insisted that the political crisis can be resolved only by unbiased clear-up of the December 24 events and swift, well-organized early parliamentary elections. The Government, on the other hand, estimated that the joint opposition street democracy would gradually weaken because marches, blockades, protests and civic parliaments were already taking place too long.

During January and February, the opposition's "Resistance Movement" expressed its revolt in front of a number of state bodies and institutions, perceived as pillars of Gruevski's government. Protesters gathered in front of the State Anticorruption Commission voicing their revolt against an institution which in every democratic society should discover, prevent and persecute crime done by the authorities. According to them, however, the Macedonian Anticorruption Committee has been transformed in a protector of crime of the Gruevski regime, staying mum to their almost daily corruption scandals. Cases such as the "Patriotic Broom" in the Ministry of Culture, the 3.5 million Euro shortage in VMRO-DPMNE's financial report for the 2011 parliamentary elections, the Deutsche Telecom affair, as well as the suspicious accumulation of wealth of a number of high-ranking VMRO-DPMNE officials, including MPs Antonio Milososki and Ilija Dimovski are merely a few that did not inspire SAC to take action in the reporting period. They did however initiate proceedings on a number of lower-scale cases almost exclusively against members of the opposition.

By shouting "Mafia" and "Criminals" and banners reading "Internal Plunder Service" and "The New Macedonian Curse: May the Internal Revenue Service come to your door" "Resistance" supporters expressed their revolt in front of the Internal Revenue Service. IRS was portrayed as symbol of the regime "tax", enforcing outright state requeet directly taking money from the people's pockets for monuments, marble, bronze and personal enrichment of government officials. Opposition supporters accused the Internal Revenue Service of non-democratic and non-popular acting by condemning small enterprises to bankruptcy through the high penalties charged, while protecting people close to the government or members of the party in power.

Protests were also organized in front of the Ministry of Culture which according to the opposition is the main money laundering machine, left unchecked by all institutions in charge of prosecuting crime despite the obvious merciless theft confirmed by the State Audit Office. According to Robert Alagjozovski, member of SDSM's Committee for Culture, not only does the Skopje 2014 project embarrass all Macedonian citizens but it has been determined that it is the most criminal project in recent Macedonian history as there is no object, tender or agreement for which there is no remark on extremely suspicious spending of taxpayers' money.

Staying true to their anti-fascist and democratic credo "Resistance" supporters backed up the struggle of former World War II fighters in their struggle to bring the Government to its senses and stop it from undermining, minimizing and neglecting the historical gains of the WWII national liberation struggle and anti-fascist rebellion (NOB) on count of changing history and antiquization of the Macedonian identity. Government responded by insisting that it had invested in cultural heritage by erecting adequate monuments that celebrates their importance in national history.

Another protest was organized in front of the Ministry of Agriculture.

As protest were not winding down and the United Opposition stayed true to its boycott strategy, the ruling parties made another attempt to pressure them into accepting their terms for standoff on the local elections. Taking advantage of the absence of opposition MPs, VMRO-DPMNE and DUI MPs jointly brought the amendments of the Book of rules in a swift parliamentary procedure. Amendments limited the length of discussions in cases on deliberations on the Constitution, the Budget, EU legislature approximation,

laws discussed in the Committee for Budget and Financing and other economic issues. No provision, however, were envisaged for deliberations in the Committee for Labor and Social Policy which was still deadlocked on the Law on the Forces fighting during the conflict of 2001. Novelties define that during first readings, an MP may speak several times up to twenty minutes, while an MP group coordinator may speak for no more than 30 minutes. At the second reading an MP may speak several times, but no longer than 10 minutes, while a coordinator not longer than 15 minutes. In cases of swift parliamentary proceeding, an MP may speak several times but no longer than 10 minutes, a coordinator 15 minutes with the procedure lasting over two days. Future constitutional changes also came under scrutiny. Twenty and thirty minute limitations were introduced, and the number of days were clearly set for each phase – 10 days for constitutional change and 3 days for deliberation on amendments. Finally, freedom for open and lengthy deliberations on the Budget was also limited to 20 or 30 minutes in the initial 10-day phase for general comments and to 10 minutes in the second 5-day phase of deliberation on amendments.

Many experts voiced their concerns that by adopting these rules, the Assembly shall lose its function, as it is overdone with law changes without any discussion, and thus be transformed into a tool of the executive power. "This suggestion for change of the Book of Rules without consensus brings communist times to mind" DPA MP Bekim Fazliu said, on the plenary discussion. After finishing his speech, he demonstratively threw the Book of Rules towards the empty opposition chairs in the Assembly.

Other than this law, the majority took advantage of the boycott of the opposition and very speedily without any discussion voted many laws and changes of laws. In one session, out of 49 points on the agenda, MPs passed 26 and voted changes of 17 laws (mostly in the area of agriculture - 4, two from the area of culture, three regarding labor and social policy, three in the field of economy and two in political organizing) and adopted suggestions for election of members in various institutions, submitted by the Government. At the same session, the Assembly looked at the "Aman" initiative supported by 13.100 signatures, which at the end was not supported. This was the second time in seven years of VMRO-DPMNE majority in the Assembly, that laws were brought without discussion in such a swift manner despite the fact that the European Commission reacted negatively on the first occasion. Finally, the Book of rules amendments obtained 63 votes "for" (out of the total of 123 MP seats), by getting VMRO-DPMNE and DUI votes support.

International pressures and voices of concern were not widening down. Twenty one members from 17 countries represented in the Parliamentary Assembly of the Council of Europe lead by the Swiss Andreas Gross expressed their concern over the functioning of democratic institutions in Macedonia. In an open and direct letter they observed that the incident that took place in Skopje on December 24 discovers serious problems with democracy in general and especially the parliamentary democracy in the country. They asked the Council of Europe to investigate closely the reasons for this incident, the problems that arouse from it in the area of democracy and the reasons why tensions and conflicts were not solved in a democratic manner. At the end they demanded to be seen what can be done in order to overcome these problems in order to rehabilitate and strengthen democracy in Macedonia.

SDSM objected strongly against the undemocratic amendments to the Assembly Book of Rules, insisting that the measures taken were an additional step in undermining the basic rules of parliamentary democracy." Additionally, SDSM leader accused PM Gruevski of declining to show political will and readiness for dialogue as he had rejected a number of initiatives that had been put on the table. Trying to overcome the political impasse, Crvenkovski posed his last suggestion to the table publicly in the name of the opposition block "Union for the Future": 1. Postponement of local elections to April 28, guaranteeing opposition participation should the government agree to changes in the Electoral Code in line with all OSCE/ODIHR recommendations; 2. Scheduling September 29 early parliamentary elections should the opposition win at least a vote over the majority on the councilors' lists. VMRO-DPMNE denied the offer, stating it was ready to allow a four-day postponement so the opposition can submit the councilors' lists while the election timing would remain the same - March 24. Gruevski claimed that the Election Code may be changed at any time, even after councilors' lists are submitted and that there was no agreement on the other items. SDSM was yet again blamed for its destructive policies and intentions to produce chaos and problems for the Republic of Macedonia. On this take-it-or-leave-it reply, SDSM refused the offer, stating that it is opting for boycott, withdrawal of its members in the State Election Committee and returning of MP mandates. MP resignation letters were deposited in the party, ready to be enacted should VMRO-DPMNE persevere in its aggressiveness and organize local elections without the opposition running.

The decision for boycott of the local elections was confirmed by all parties that joined the opposition coalition, with the exception of the Karposh mayor (a Skopje municipality) Stevcho Jakimovski, who submitted his candidature through the Serbian Radical Party. SRP President Dragisha Miletic ensured he would strive and fight for the opposition's common goals and claimed he was still part of the opposition coalition.

On a different note, trying to divert the public opinion from the internal interpartisan drama, Gruevski proposed a reshuffle of his Government. In the frame of the 55th Assembly session, the Prime Minister suggested three new ministers - Fatmir Besimi (acting Minister of Defense) for Government Vice President and Minister for European Integration, Talat Xhaferi as a new Minister of Defense and Tahir Hani as new Minister of Local Self-Government, all coming from the ranks of his minor government partner, DUI. The election of Talat Xhaferi incited vigorous discontent among ethnic Macedonians, as he was one of the leading participants in the side of UCK during the 2001 conflict and defector of Army of the Republic of Macedonia. News of Talat Xhaferi's appointment to Minister of Defense of Macedonia was being met with dismay across the worldwide Macedonian Diaspora community. The United Macedonian Diaspora (UMD) expressed its deepest concern and regret regarding the appointment of Xhaferi, known as "Commandant Forina" during the ethnic Albanian terrorist attacks on Macedonian armed forces and civilians in 2001. "The ARM (Army of the Republic of Macedonia) is a fundamental institution, dedicated to protecting the state's territorial integrity and the lives of all Macedonian citizens. When circumstances and political maneuvering result in handing over the sensitive role of Defense Minister to a former UCK Commander, it is only understandable why the Macedonian Diaspora is outraged, as are Macedonian citizens regardless of their ethnicity," said UMD Board Chairman Stojan Nikolov. "Based on his past actions, Xhaferi clearly has no moral authority to direct the Army that he formerly mutinied against." Twelve years after the conflict interethnic tensions grew again due to the Gruevski decision to put "commander Forina" as minister of defense in the ruling party VMRO-DPMNE and in public as well. Analysts

believed that this will cost the ruling party very dearly regarding its rating, as Xhaferi or commander Forina shall be a minister in the Army he fought against twelve years ago. Reaction followed by protests organized by ethnic Macedonians against his appointment. The ruling party accused SDSM and the leader of Dignity general Stojanche Angelov as initiators of the chaos and stirring up interethnic conflicts. In a domino effect, ethnic Albanians followed suit in support of Xhaferi and against “the terror of the Macedonian majority”. The area around Skopje’s Turkish market was like a battlefield (tear gas, shock bombs, burned containers etc), where protesters burned a bus and destroyed bus stations, firemen were attacked with stones, while one firemen vehicle was destroyed as well. As a reaction of this VMRO-DPMNE claim, Igor Ivanovski replied that it is the ruling party that has the brand-name for interethnic tensions in the country, as these events have been continuously happening through the years, like the incidents on the Skopje Kale fortress, the interethnic tensions and protests that took place after the Vevchani carnival when buses were stoned and orthodox churches ruined, the mutual beating up of school children in city buses, etc. Epilogue of the street riots in Skopje: eight persons arrested, many persons injured among which police officers, eight private vehicles and four police vehicles ruined, ten public transport buses and two fire brigade vehicles vandalized. The new buildings that were built in the city center (The Holocaust Museum, the VMRO Museum and the new theatre) were also stoned. As political leaders on all sides tried to appease the tensions and bring about normalcy, Stojanche Angelov’s Dignity announced that shall collect 150.000 signatures to initiate the change of Talat Xhaferi as minister of defense.

The Heads of Mission of the European Union, the NATO Liaison Office, the OSCE, and the United States in Skopje issued a statement expressing their concern from the political developments in the country, urging all sides to enhance the political dialogue. “We are following domestic political developments with increasing concern. Immediate steps are needed to resolve the current political impasse following the events of 24 December. We strongly urge all sides to enhance the political dialogue to that end, to focus on the country's strategic priorities, and to put the best interests of the country and its citizens first”, the statement read.

Enlargement Commissioner Fule sent separate letters to the VMRO-DPMNE and SDSM leaders seeking political entities in the country to focus on state interests. As Petar Stano his spokesperson said, the Eurocommissioner expressed his deep concern for the lack of progress in putting an end to the country’s political stalemate. “Fule believes that it is important to emphasize that the most important thing for us as the European Commission and the European Union is that we stand on the side of the Macedonian people and of the people of this country. We are ready to be engaged in finding a political solution together with the interested parties, which will be good for the country, showing readiness by their part to be engaged, which in this moment is not the case as we do not see a will from both sides,” said Stano. PM Nikola Gruevski replied that he was aware about the risk opened for the mentioned opportunity regarding the EU agenda, but that he was open for constructive suggestions and ideas regardless how much these are repeated or are considered exhausted, claiming he was open for concrete suggestions, but still characterizing the opposition behaviour as “destructive”. SDSM, on the other side, commented that “all SDSM activities are constructive, fair, democratic, positively oriented but the government does not understand it and shows spiteness that even the foreigners recognize”. According to SDSM responsibility for the country’s conditions in every democratic society goes to the government and now time has come for Gruevski “to do what he needs to do”.

Representatives of the international community and foreign ambassadors stationed in Macedonia became increasingly active as election boycott was looming. UK Ambassador Yvon, US Ambassador Wohlers and EU Delegation Chief Orav all called for immediate solution to political misunderstandings, because if not, it will jeopardize Macedonia's European path. They voiced their sincere regret if any side boycotts elections, stressing that efforts should continue towards solving the situation and strengthening the democratic process.

In a last effort to overcome the political impasse Commissioner Fule arrived in Skopje on February 25, in a joint mission with MEPs Howitt and Buzek, in order to meet with parties involved and contribute to overcoming the political crisis, and showing that Europe is united in saying now is the time for the divisions in Skopje to end. After protracted and painful talks with all interested parties, EU representatives managed to broker an agreement acceptable to all parties concerned. After two months of boycott, the opposition agreed to return to the Assembly to vote the change of the Electoral Code for prolonging the timeframe for submitting candidate lists for mayors and councilors. The government agreed to give the opposition 5 more days to prepare for participation on the elections. The parties agreed to meet immediately after the elections to discuss the internal political situation, including the findings of an Inquiry Committee which will be created under the auspices of President Ivanov to investigate the events before and at December 24 including their constitutionality, as well as the security in and out of the Assembly and revision of the rules of the assembly procedures. Conclusions of this committee would be reflected in the European commission report for the country's progress in autumn this year. The parties also agreed to continue discussions in good spirit for all options, and without prejudices, to define the timing of the next parliamentary elections and upon the recommendations of OSCE/ODIHR. In conclusion, the parties agreed to support the strategic priorities of the country through memorandum of understanding and through a parliamentary resolution reiterating the support for the euroatlantic integration agenda promising to refrain from activities which will undermine this goal.

EU representatives, on their part agreed to set a fourth meeting in the frame of the High-Level Accession Dialogue (HLAD), including the Government and the National Council for Eurointegrations. The European Commission would submit its report as requested by the European Council, by the end of April and the European Parliament would schedule voting for this report in positive and constructive timeframe. On the occasion of presenting the document, Richard Howitt stated that it is of key importance for the EU perspective of the country and that he is proud to have played a part in the mediation.

5.3. Election Campaign

The campaign was intensive. VMRO-DPMNE filled the public space with paid TV and radio commercials, billboards and party paraphernalia promising to deliver 10,112 projects across Macedonia over the next four years. The "Union for the Future", on the other hand, launched an electoral campaign that was considerably lower in both scale and field presence. It said that its electoral program was compiled based on actual citizen needs, opinions and inputs made during the field work the party did the previous summer. It had three basic pillars: local economic development to curb the unrecorded poverty by creating conditions for business and new workplaces; energy and infrastructure as an essential trigger for the development of local economies; and the

offer of concrete projects which shall allow the citizens to have a better quality of life in their place of living.

SDSM launched its campaign for the local elections with a rally in Strumica under the motto "The Future is Now". In 20 days of campaigning, SDSM's rhetoric boiled down to defining the local elections as referendum on the approval of government practices and policies and precursor to early parliamentary elections. SDSM leader was the main, if not the only advocate of party demands and messages. He frequently called the citizens to be reminded of all the humiliations and pressures bestowed upon them by Nikola Gruevski and his regime, insisting that the local elections should be taken as a chance to punish the government for all the misery and poverty, blocked accounts, judicial executants, raised prices and debts left by the inconsiderate government spending, fake tenders and annexes, blackmails to businesses, undermined human rights and freedoms, no media freedoms and seven years of constant lies and spread of fear. Insisting that despite the end of the boycott, his party will stay strong on showing resistance to final victory over Gruevski and his clique, Crvenkovski continuously referred to the agreement for overcoming the political crisis, saying the agreement involved a dynamics which would lead to early parliamentary elections by September. "If the commission of experts determines within 60 days there had been violations of the Constitution, talks on early parliamentary elections begin. Gruevski must fulfill the promise for a name change and obtaining a date for EU accession talks by June", said Crvenkovski. He called for unity at the elections, saying no one should underestimate the Macedonian people. "This nation can persevere, but it can also strike back and punish. If this nation wants a different Macedonia, it must get one, if it wants victory, it must obtain it", stressed Crvenkovski.

VMRO-DPMNE and PM Gruevski, on the other hand, insisted that their deeds and actions executed in seven years represent a competitive advantage over the opposition. He accused Crvenkovski of constantly lying and manipulating the citizens, resorting to demagoguery and empty promises. Macedonian citizens, according to Gruevski, see through his shallowness as time has come for politicians who promise and deliver referring to his government's results in the spheres of economy, combat against corruption, crime, the country's EU, NATO integration processes. Contrary to Crvenkovski, Gruevski insisted that the agreement brokered by Commissioner Fule and MEP Howitt does not stipulate concrete provisions for early parliamentary election, and that Crvenkovski's insistence on the issue is yet another in the line of lies and manipulations in an attempt to divert the public from VMRO-DPMNE's success.

Struga and Kicevo were particularly sensitive issues in the electoral campaign. Following the provisions of the 2005 Law on Territorial Organization, the municipal boundaries of these two cities were to be expanded to smaller neighboring municipalities, drastically altering the demographics and the ethnic composition of the population. This reality, whereby despite the ethnic Macedonian majority in urban centers municipalities as whole would have an ethnic Albanian majority, provided fertile soil for heated nationalistic rhetoric from both sides. The ethnic gap widened with the creation of unnatural mono-ethnic coalitions (VMRO-DPMNE/SDSM vs. DUI/DPA). DUI candidate for Kicevo Mayor Fatmir Dehari spoke of ethnic Albanian territories extending from Resen to Lipkovo, DPA candidate for Struga Mayor Zijadin Sela called non-Albanian support a "national treason". The ethnic-Macedonian campus backfired when Gruevski in person during a heated pre-electoral rally in Kicevo said that the town was and will always remain Macedonian, as will Struga, Tetovo, Gostivar. "DUI's candidate has urged Albanians from the diaspora to come and vote in Kicevo. They should come and see

their relatives, but we should take this as a calling and turnout in massive numbers at the polls. The turnout should be 100 percent", said Gruevski concluding that ethnic Albania will not happen in Macedonia, not now, not ever.

Municipality of Centar was another important battleground. Home to the controversial project "Skopje 2014" VMRO-DPMNE stated early on that reclaiming victory in this municipality will be regarded essential so to secure an uninterrupted completion of the project. SDSM, on its part, promised to fight bitterly to secure the majority in Centar, hoping that by coming to power it will be in position to confirm the suspicions of crime and money laundering following the project. SDSM accused that 360 phantom voters from the region Mala Prespa (Albania) were included in the voter's list in Centar municipality alone to vote on March 24 and then return to Albania. Most of them were holders of IDs that listed their permanent residence in premises owned by the Public enterprise for management of the residential and commercial property of the Republic of Macedonia. SDSM provided evidence that as many as 60 people have been listed as living in one single premise, directly accusing the Ministry of Interior for trying to forge Centar's Electoral List. The Ministry declined the accusations.

The pre-electoral period was filled with government promises and deliverables. Minister of Finance Zoran Stavrevski, together with the Minister of Labor and social policy Spiro Ristovski and the candidate for Karposh municipality Jagnula Kunovska announced 550 denar increase of the pension check and additional 17% rise in the coming months. Agricultural producers and cattle breeders were not forgotten as well. During the campaign, subsidies were paid off to agricultural producers (tobacco producers) as well as milk and cattle producers. The Minister of Agriculture Ljupco Dimovski promised additional rise of milk subsidies in the upcoming period. On March 22 (two days prior to election day) the Ministry of Finance paid subsidies to 10.681 agricultural producers for support of cattle breeding, viticulture, groceries production, cereal and tobacco production. Health Minister Nikola Todorov announced that starting March 15, 202 medicaments would be sold at cheaper prices (12% decrease in average. In addition, the government promoted four measures for employment directed to the employment of 1.540 unemployed persons. Measures anticipate employment subsidies, subsidies for employing orphans, training through work and training through work with subsidy. Announcements for employment were published on February 18 and lasted until March 1. Commenting on all these promises, Transparency Macedonia stated its belief that by doing all these things the ruling party practically bought the votes of large part of the Macedonian citizens.

SDSM prominent members openly complained for members of government cabinet who promoted candidates for mayors throughout the country even before official start of campaign. As an example, SDSM Skopje candidate Jani Makraduli stated: "For only one day ministers Stavreski and Janakieski appeared on the opening of the Dracevo sewage system, PM Nikola Gruevski opened a garage together with the Centar municipality mayor Vladimir Todorovic, while the minister for exteriors Nikola Poposki promoted the Prilep mayor Marjan Risteski".

Another preelectoral move was the VAT returns for services performed towards the state institutions, which the government covered completely.

Attention drew the interview of Vane Cvetanov, the ex-director of the Agency on money laundering who accused VMRO-DPMNE for money laundering not only in Macedonia, but also in destinations abroad. He claimed that the government takes 500 million Euros "black" money from around fifty largest companies in Macedonia which are dealing with

“dirty” business. He also described the way the ruling party sets a system of bribery and pressure to create an efficient and obedient party voting machine which is heavily followed and controlled by the party apparatus. In addition, he said that the state resources and officials are put directly in service of the election campaign, which is against the law.

As the electoral campaign was drawing to a close, the international community intensified their appeals voicing expectations that the upcoming local polls in the country will be free and fair in which citizens will be able to exercise their democratic right to vote in a peaceful and normal atmosphere without any pressure. The EU Delegation to Macedonia insisted that despite being vital for the EU agenda, free and fair elections are first and foremost important for the citizens, including the political parties

Election Day was monitored by 8,379 domestic and 410 foreign observers. The Civic Association MOST accredited the greatest number of domestic observers - 3,941, while OSCE/ODIHR provided the biggest international batch with 204 observers. The assessment of the quality of the electoral process in general and Election Day in particular varied considerably among various observers and participants. Congratulating the citizens of Macedonia on their courage and high sense of democratic values, Minister of Interior Gordana Jankulovska said these local elections were conducted in peaceful, fair and democratic atmosphere, without any serious incident making them the best organized elections since Macedonia declared its independence. SDSM couldn't disagree more. Igor Ivanovski, Electoral HQ Chief, characterized the elections as completely irregular, unfair and undemocratic, accusing the governing coalition for having resorted to bribes, force, organized voting, detention of opposition activists, family voting etc. Elections, according to him, were compromised way before the day votes were cast as a result of abuse of state resources for party promotion and biased media coverage where everything was put in promotion of the government campaign. VMRO-DPMNE's propaganda machine, according to Ivanovski, was in full swing often resorting to hate speech and twisting opposition remarks and statements in order to create false impressions. SDSM accused the Government that speedy payment of state debts and dues shortly prior to elections were an intentional step to woo voters. Equal standing according to them was practically impossible due to the problematic “donations” from all electronic media to the ruling party, despite VMRO-DPMNE's unsettled debt of 3.5 million Euro accrued during the early parliamentary elections in 2011. SDSM yet again voiced its suspicions that the party paid off the debt through advertizing government projects, a market worth over 20 million Euros.

The civic association “Most” was the first to warn about the abuse of public resources during the election campaign, indicating that state resources and officials were put in direct service of the majority's local elections campaign. MOST documented use of municipality and state owned vehicles for promotional activities, open daily endorsement of VMRO-DPMNE candidates made by the Prime Minister and high government officials in working hours, calls for employment in state or municipal bodies and institutions despite regulations that prohibit these practices and intensive field activities made by high ranking officials in promotion of dubious infrastructure projects. According to MOST and a number of anti-corruption experts, government officials blatantly overstepped their responsibilities and authority, infringing Article 13 of the Law against Corruption and engaging in open political corruption by promoting various projects and policies in a period when such activities are forbidden by law. The State Anticorruption Commission remained silent on the allegations and failed to take action on these accusations.

One day after the first electoral round, OSCE/ODIHR reported that municipal elections in Macedonia were highly competitive and efficiently administered.

The European Commission welcomed the fact that local elections in Macedonia were held in a peaceful atmosphere without any major incidents. However, Fule's Spokesman Stano said they would wait for the official results of the State Election Commission (SEC) and the official report of the OSCE/ODIHR mission over the elections' administering, as well as resulting recommendations. European Parliament's Macedonia Rapporteur saluted the peaceful elections over Twitter, but later told MIA he would issue an official statement following the OSCE/ODIHR report. The US State Department joined the rapporteur and the European Commission in saluting the administering of the first round of local elections in Macedonia without any violent incidents.

5.4. OSCE/ODIHR Preliminary Report – First Round

OSCE/ODIHR Preliminary Report on Local Elections March 24-April 7 2013: The OSCE/ODIHR observation mission headed by Ambassador Geert-Hinrich Ahrens, consisted of 11 international experts based in Skopje. In addition, 16 long-term observers were deployed throughout the country from 2 March, 2013. The mission goal was to assess the municipal elections for their compliance with OSCE commitments and other international standards for democratic elections, as well as with domestic legislation. Observers closely monitored candidate registration, campaign activities, the work of the election administration and relevant governmental bodies, election-related legislation and its implementation, the media environment, and the resolution of election-related disputes. The main findings were as follows:

Election Day: The 24 March 2013 municipal elections were efficiently administered and highly competitive. Although the campaign was active, partisan media coverage and a blurring of state and party activities did not always provide a level playing field for candidates to contest the elections. Interethnic tensions overshadowed the campaign. Election day was calm, although some procedural irregularities were observed. Elections were held against the background of a recent parliamentary boycott and announced electoral boycott of the Social Democratic Union of Macedonia (SDSM) that ended on 1 March through a European Union brokered agreement between the leaders of SDSM and the Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO-DPMNE).

The electoral legal framework is comprehensive. In addition to amendments in November 2012, the Electoral Code was further amended in the weeks before the election to extend the deadline for candidate registration. While it is not a good practice to amend the legal framework less than one year before an election, the latter amendment enjoyed cross-party consensus. Further reform is necessary to address gaps in the Electoral Code. The State Election Commission (SEC) functioned efficiently and transparently and met electoral deadlines. Nevertheless, the SEC voted along ethnic lines to allow the withdrawal of candidate lists, negatively impacting on its impartiality and collegiality. While SEC sessions were open to election observers and the media, some Municipal Election Commissions did not announce their meetings in advance and took decisions in informal working groups thereby reducing the transparency of their work. Overall, the candidate registration process was inclusive and provided voters with distinct choices. However, the decision to extend the candidate registration deadline did not apply to groups of voters. This is at odds with the principles enshrined in paragraphs 7.5 and 7.6 of the 1990 OSCE Copenhagen Document, which

require authorities to respect the rights of all candidates to compete for political office without discrimination.

In line with legal requirements, one in each consecutive three places on candidate lists was generally reserved for the less represented gender. While there were previously no women mayors, 32 women stood as mayoral candidates in these elections and 2 were elected in the first round and 1 will contest the second round. The gender representation criteria were respected in election administration bodies.

Candidates were able to campaign freely and access to public space was provided without limitations. The campaign was active and increased significantly during the last two weeks before election day. Billboards, posters and banners were prevalent in cities and along the main roads, with VMRO-DPMNE enjoying the highest visibility. Candidates also relied on door-to-door campaigning, campaign rallies and meetings, as well as the use of social media and websites to reach out to voters. Candidates generally targeted voters from their respective ethnic communities. The recent political crisis sharpened the tone of the campaign and the use of ethnically divisive rhetoric led to heightened tensions in an intra-ethnic and inter-ethnic context. Although campaign events were generally peaceful, several cases of vandalized campaign offices, physical attacks, and destroyed or removed campaign materials were observed across the country. The violent protests that surrounded the appointment of Talat Xhaferi as the new Defense Minister at the start of the campaign period resulted in some political parties accusing one another of inciting ethnic tensions, prompting the international community and domestic civil society groups to urge calm ahead of the elections. In an effort to promote a positive campaign atmosphere, candidates in Skopje and some other municipalities signed a code of conduct in support of a peaceful and fair campaign. Allegations of voter intimidation and misuse of state resources persisted throughout the campaign.

The OSCE/ODIHR EOM observed multiple cases of party campaign materials being displayed on state property, including on lampposts, public buildings and bridges, which contravenes Article 82 of the Electoral Code. The OSCE/ODIHR EOM also observed several cases of government officials attending campaign events during working hours and using government vehicles, even when not warranted by security concerns. In addition, the government announced multiple vacancy notices as well as increases in pensions, welfare benefits and state support for agricultural products during the campaign. A number of interlocutors of the IEOM made allegations of intimidation of voters, especially of public sector employees. Collectively, this blurred the line between state activities and party campaigning and is inconsistent with paragraph 5.4 of the 1990 OSCE Copenhagen Document.

Some 119,000 citizens were removed from the voter lists prior to these elections as they did not possess a biometric identification card or passport. This cleansing of the voter lists enjoyed the support of all major parties. Despite enhanced confidence in the accuracy of the voter lists some complaints persisted, including on election day. The procedures for compiling and maintaining the lists would benefit from further improvement. The number of complaints filed with the courts was minimal and many stakeholders told the OSCE/ODIHR EOM that they lacked confidence in the complaints procedures and the courts. The SEC did not act on over 400 complaints related to early campaigning received before election day. The absence of clear procedures for handling

pre-election complaints by the SEC does not guarantee effective redress as provided by paragraph 5.10 of the 1990 OSCE Copenhagen Document.

Although the media monitored by the OSCE/ODIHR EOM provided extensive campaign coverage in the news, the public broadcaster and several private broadcasters displayed bias in favour of the governing coalition. Broadcast media largely failed to distinguish between state activities and party campaigning. While the public broadcaster allocated free airtime to candidates and created a special programme to cover campaign activities, these were broadcast outside of prime time, limiting their potential viewership.

The voting process was calm and peaceful, although procedures were not followed in some polling stations visited. Instances of group voting persisted and the secrecy of the vote was not always respected. Most vote counts observed were assessed positively, although procedural omissions were at times noted. Tabulation was assessed positively in all but five of the MECs observed. The SEC announced a preliminary voter turnout of 67%.

Main competing parties on local elections 2013: Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO-DPMNE, party in office) Social-Democratic Union of Macedonia (SDSM main opposition party), the three largest ethnic-Albanian parties represented in the parliament, the Democratic Union for Integration (DUI in office with VMRO-DPMNE), the Democratic Party of Albanians (DPA opposition party), and the National Democratic Revival (NDR opposition party).

As a result of the political crisis, the elections assumed a political significance beyond their municipal scope. The leader of the VMRO-DPMNE coalition described the elections as a referendum on the country's future, while the SDSM chairperson argued that the results of the elections would determine whether or not early parliamentary elections should be held. In addition, the elections were widely viewed as an important test in the context of the shared ambition of all mainstream political parties to promote the country's Euro-Atlantic integration. The 2013 elections were the first to be held after a merger of five municipalities into the single municipality of Kicevo. The reduction in municipalities and changed demographic profile of Kicevo led to an increase in inter-ethnic competition in the race for the mayor and council.

Legal Framework and Electoral System: The legal framework for municipal elections is regulated mainly by the Constitution and the Electoral Code. In addition to amendments in November 2012, the Electoral Code was further amended in the weeks before the elections to extend the deadline for candidate registration. While it is not a good practice to amend the legal framework less than one year before an election, the latter amendment enjoyed cross-party consensus. The remaining deadlines in the Electoral Code, including the start date for the campaign, were not changed to reflect this extension, resulting in confusion on when it was legal for candidates to start their campaign. Although there have been several recent reforms of the Electoral Code responding to OSCE/ODIHR and the Council of Europe's Venice Commission recommendations, remaining gaps and ambiguities should be addressed, including provisions on campaign finance, candidate registration, and complaints and appeals.

Mayoral and municipal council elections are held every four years in the second half of March. Each of the 80 municipalities and the City of Skopje elects a mayor and a

council. Mayors are elected through a majoritarian system consisting of two rounds. If no candidate receives more than 50% of the vote in the first round, a second round is held within two weeks between the two candidates who received the highest numbers of votes. There is also a one third turnout requirement of registered voters in the first round for the election to be valid.

Municipal councilors are elected by a proportional representation system with closed lists and no turnout requirement. The number of councilors elected per municipality depends on the population in each municipality. The number cannot be less than 9 or more than 33, except in the City of Skopje where the number is set at 45. In total, some 1,743,403 citizens were registered to vote for these elections.

Candidate Registration: In total, 350 lists for mayor and 480 lists for councils were submitted by 16 political parties, 8 coalitions and 97 groups of citizens by the revised registration deadline of 8 March.

Despite otherwise confrontational relations, VMRO-DPMNE and the SDSM agreed to submit a joint list of candidates in Kicevo and Struga, where close races between ethnic Albanian and Macedonian contestants were expected. The agreement to submit a joint list was made after VMRO-DPMNE had already registered candidate lists, which led the party to request the SEC to allow them to withdraw their lists in these two municipalities. The SEC decision to allow the withdrawal of lists was not accepted by the two MECs and they subsequently rejected the lists submitted by SDSM because they contained candidates already on the verified VMRO-DPMNE lists. The SDSM appealed the rejection of its lists to the Administrative Court, which overturned the decisions of both MECs on 9 March. DUI and DPA questioned the legality of the court's decision stating that the SEC did not have the authority to approve the withdrawal of lists once verified by MECs. In Kicevo, DPA publicly supported the candidate lists of DUI

The Campaign: The election campaign commenced officially on 4 March and ended at midnight on 22 March. The OSCE/ODIHR EOM observed a number of instances of early campaigning. In addition, because of the extended registration deadlines, parties in the SDSM coalition started to campaign before their lists were verified by the MECs.

Campaign Finance: All electoral contestants were obliged to open a special bank account for campaign funds and to submit reports on campaign expenditure to the SEC, State Audit Office and State Commission for Prevention of Corruption. In line with a prior OSCE/ODIHR recommendation, the Ministry of Finance developed an itemized campaign finance form and trained political parties on how to complete the reports. Although campaign expenditures are limited to MKD 180 (EUR 3) per registered voter in the municipality for which a list is submitted, campaign organizers are obliged to submit a unified report for all their lists that is not broken down by municipality. Thus, it will not be possible to determine if the limitation on expenditures was respected. In addition, concerns remain in respect of differing thresholds for donations by individuals and legal entities.

Media: There are a large number of registered media outlets in the country. They are divided along language and political lines. Television is the main source of political information. Since the last elections, the closure of two broadcasters and several print media has significantly reduced the number of media outlets critical of the government. Media coverage of the campaign is regulated by the Electoral Code, the Law on Broadcasting Activity, and regulations of the Broadcasting Council (BC). Broadcast

media are obligated to provide balanced coverage of the campaign and provisions are in place for free airtime and paid advertisements. While the media monitored by the OSCE/ODIHR EOM provided extensive campaign coverage in the news, it showed significant bias in favour of the governing parties both in terms of quantity and content of coverage.

The public broadcaster Macedonian Radio and Television (MRT) did not provide balanced coverage of the campaign. MRT's first channel, *MRT-1*, devoted 29 per cent of its news coverage to the government and 27 per cent to VMRO-DPMNE, mainly neutral or positive in tone. SDSM received 24 per cent of exclusively neutral or negative coverage. *MRT-2*, which provides programs in minority languages, displayed a similar approach, and devoted 27 per cent of mostly neutral coverage to the government and 21 per cent to DUI, while other major parties received between 8 and 12 per cent of mostly neutral coverage. For the private channels, *Sitel* and *Kanal 5* favoured the ruling parties and were mostly negative in tone towards the opposition, while *TV Telma*, *Alfa*, and *Alsat-M* provided more neutral coverage. MRT complied with its obligation to allocate free airtime to electoral contestants. However, the allotted time was aired outside of prime time, which decreased the potential audience as well as the interest of candidates in using the time.

Every broadcaster may sell up to 15 minutes per hour of paid political advertisements and every contestant may purchase up to 10 minutes of such time. The OSCE/ODIHR EOM monitoring showed that while the VMRO-DPMNE coalition used paid advertisements extensively, advertisements from other contestants were significantly less frequent. The BC is obliged to monitor compliance of the broadcast media and to react to irregularities identified. Based on its media monitoring results the BC initiated 24 misdemeanor charges against 17 television channels and their editors in chief for violating rules on paid political advertisement and airing advertisements paid from the state budget. In addition, monitoring by the BC revealed a lack of balance in the news coverage in favour of the ruling parties in most national broadcast media, as well as violations of rules for presentation of opinion polls by *Sitel* and *MRT Radio*. The BC did not take any action on these issues before election day.

Complaints and Appeals: The SEC has jurisdiction over complaints related to voter registration, violations of citizens' rights to vote on election day, and on the voting, counting, and tabulation of results. Appeals of these decisions are heard by the Administrative Court, whose decisions are final. Although short deadlines are provided for the resolution of complaints and appeals regarding the protection of candidate and voter rights, the Administrative Court adhered to the deadlines. Contrary to a prior OSCE/ODIHR recommendation, the SEC can only decide on some election day complaints if at least two complaints are submitted for the same polling station. Eleven complaints were filed with the Administrative Court during the candidate registration period that disputed the rejection of candidate lists by MECs, of which four were accepted. With the extension of the candidate registration deadline, three candidate lists that were initially rejected by MECs because of late submission were resubmitted and accepted. The SEC received over 400 complaints related to early campaigning, but did not act on these before election day. The lack of clear procedures for handling pre-election complaints by the SEC does not guarantee effective redress as provided by paragraph 5.10 of the 1990 OSCE Copenhagen Document. Representatives of some political parties told the OSCE/ODIHR EOM that they did not file complaints because they lacked confidence in the complaints procedures and the courts.

Election Day: Election day was calm and peaceful although some technical irregularities were noted. Several parties raised concerns about large numbers of diaspora voters returning on election day to vote. Preliminary figures announced by the SEC put voter turnout at 67 per cent. The SEC started announcing results on election night and posted them on its website by municipality and polling station.

The overall assessment of the voting process was good or very good in 94 per cent of observations. IEOM observers were not obstructed and could clearly observe procedures in 98 per cent of observations. However, procedural irregularities were observed in 11 per cent of polling stations visited. This included group voting (15 per cent), respect for the secrecy of the vote (12 per cent), proxy voting (3.5 per cent), and ballot boxes not sealed properly (3 per cent). In 95 cases observed, voters were turned away because their names were not on the voter list of that particular polling station. The performance of the EBs and their understanding of voting procedures were assessed positively in 90 per cent of observations. In addition, the IEOM noted that the secrecy of the vote could have been compromised in the 60 polling stations with less than 10 registered voters.

5.5. OSCE/ODIHR Preliminary Findings – Second Round

OSCE/ODIHR Statement of Preliminary Findings and Conclusions – Second Round: As in the first round of voting, the second round of municipal elections were efficiently administered and highly competitive. However, continued partisan media coverage and blurring of state and party activities reaffirmed the lack of a level playing field for candidates. Further efforts are required to address gaps and ambiguities in the Electoral Code and improve confidence in the voter lists. Overall, election day was calm and orderly. Between the two rounds, the State Election Commission (SEC) continued to meet regularly and met electoral deadlines. While the SEC conducted its activities in a transparent and largely efficient manner, collegiality deteriorated rapidly during the review of complaints, with decisions based primarily on party affiliation rather than their legal merit. The legal framework for the second round of municipal elections lacked detail on key issues concerning voter registration, campaigning, campaign finance, and media coverage. While the authorities took some steps to remedy procedural shortcomings noted during the first round of voting, there remains a need for continued electoral reform. Longstanding concerns among many OSCE/ODIHR EOM interlocutors regarding the accuracy of voter lists increased on the first round election day after a number of voters were not found on voter lists despite possessing valid biometric identification documents. The SEC decided not to allow citizens with biometric passports that listed the Republic of Albania as their address of living to vote in the second round even though they were included in the voter lists and had been allowed to vote in the first round. The campaign environment was competitive and candidates were generally able to campaign freely. The campaign remained active and calm, although the tone became more negative, with some candidates alleging fraudulent activities by their opponents in the first round. Allegations of voter intimidation and misuse of state resources persisted. This raised concerns about voters' ability to cast their vote "free of fear of retribution," as required by paragraph 7.7 of the 1990 OSCE Copenhagen Document. The blurring of state and party activities is at odds with paragraph 5.4 of the 1990 OSCE Copenhagen Document. The public and private broadcast media monitored by the OSCE/ODIHR EOM continued to display bias in favour of the governing parties. The public broadcaster decided not to allocate any free time to contestants or hold debates, limiting the scope of information for voters to make an informed choice.

Broadcast media largely failed to distinguish between state activities and party campaigning during news coverage. The SEC and State Commission for Prevention of Corruption did not decide on over 500 complaints on early campaigning and misuse of state resources submitted before the first round, thus denying complainants a timely and effective remedy as provided for by paragraph 5.10 of the 1990 OSCE Copenhagen Document. Complaints and appeals on the first round election day were largely dismissed on procedural grounds, although repeat voting was ordered in four polling stations. As in the first round, voting in the majority of polling stations visited by the OSCE/ODIHR EOM was calm and orderly overall and procedures were largely followed. Instances of group voting persisted and parties continued to raise concerns about large numbers of diaspora citizens returning to the country for the purpose of voting on election day.

First round results: Forty-nine mayors were elected in the first round with the required majority of votes, with second round elections between the top two candidates called for 7 April in 29 municipalities and the City of Skopje. Of the 49 mayors elected in the first round, 38 represent the governing Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO-DPMNE), 7 represent the Democratic Union for Integration (DUI), and 1 each represent the Social Democratic Union of Macedonia (SDSM), Union of Roma of Macedonia (URM), and Democratic Party of Turks in Macedonia (DPTM); 1 candidate stood independently. Two women were elected mayors in the first round and two additional women competed in the second round. The SEC announced that voter turnout for the first round was 67 per cent.

Provisions in the Electoral Code related to the second round leave important aspects unaddressed. This includes the start of the campaign, voter registration of citizens who turn 18 between the two rounds, campaign finance provisions, media coverage, and homebound voting.

Voter Registration: Longstanding concerns among many OSCE/ODIHR EOM interlocutors regarding the accuracy of voter lists increased after a number of voters were not found on voter lists in the first round, despite possessing the required biometric identification documents. The SEC did not take a decision on 39 complaints from citizens who stated that they were not on voter lists. On 2 April, the SEC, in a long and contentious session, decided not to allow citizens with biometric passports that listed the Republic of Albania as their address to vote in the second round even though they were included on the voter lists and had been allowed to vote in the first round.

The Campaign and Campaign Finance: The campaign period ended officially at midnight on 5 April, in line with the legislation. Some new materials appeared in municipalities during the week preceding the second round election day alongside posters, banners, and billboards left in place from the first round. While a majority of the candidates preferred to reach out to the electorate through door-to-door campaigning and regular press conferences, many also held meetings with voters. In contests between two candidates of the same ethnicity, candidates often sought the support of voters outside of their own ethnic group. Overall, the ruling VMRO-DPMNE campaign was significantly more visible. As in the first round, the campaign was competitive and candidates were generally able to campaign freely, although instances of defaced campaign posters continued. While the atmosphere remained calm, the tone of the campaign became more negative in some municipalities, and anonymous campaign materials appeared that were critical of candidates. Several candidates alleged fraudulent activities by their

opponents in the first round. Allegations of intimidation of voters persisted, most often of public sector employees, raising concerns about voters' ability to cast their vote "free of fear of retribution," as required by paragraph 7.7 of the 1990 OSCE Copenhagen Document. The prime minister and other government ministers campaigned vigorously on behalf of their parties' candidates, often during official working hours. Some ministers promoted projects in municipalities where second rounds were held and promised continued support from the central government should the governing party candidate be elected. On 30 March, the government announced a major plan to reconstruct and build new schools around the country, including several municipalities where governing party candidates were facing run-off elections. Allegations of misuse of state resources continued throughout the second round, including the posting of campaign materials by governing party candidates on state property. The blurring of the line between party and state raises concerns about the level playing field for candidates and is at odds with paragraph 5.4 of the 1990 OSCE Copenhagen Document.

Media: While Broadcasting Council (BC) regulations require the media to provide balanced coverage of the campaign, the legal framework provides limited regulation for media coverage of the second round of elections. The public broadcaster Macedonian Radio and Television (MRT) decided not to allocate any free time to electoral contestants or to hold debates, thereby limiting the scope of information for voters to make an informed choice. As in the first round of elections, the OSCE/ODIHR EOM media monitoring of the second round indicated a significant bias in favour of the governing parties both in terms of quantity and tone of coverage. All monitored broadcast media, except *Telma*, provided extensive coverage of government activities in the municipalities where second round elections took place but did not distinguish between state activities and party campaigning. Contrary to their legal obligations, the public broadcaster MRT did not provide balanced coverage. *MRT-1* devoted 21 per cent of its news coverage to the government and 37 per cent to VMRO-DPMNE, mostly positive or neutral in tone, with SDSM receiving 29 per cent of mainly negative or neutral coverage. *MRT-2*, which provides programs in minority languages, provided mostly neutral coverage, with 33 per cent of coverage to DUI and 16 per cent to DPA

Private channels *Sitel* and to lesser extent *Kanal 5* provided favourable news coverage to the government and VMRO-DPMNE and were strongly critical of SDSM, while *Telma* and *Alsat-M* provided more balanced coverage. The media monitoring conducted by the BC identified a lack of balance in the newscasts of most broadcasters in favour of the ruling parties; however the BC decided to react to these violations only after the second round.

Complaints and Appeals: The SEC did not decide on the 431 complaints submitted prior to the first round election day concerning allegations of early campaigning. In addition, 73 complaints filed by SDSM with the State Commission for Prevention of Corruption (SCPC), alleging the misuse of state resources during the VMRO-DPMNE election campaign, are still pending. The lack of clear procedures for handling pre-election complaints does not guarantee effective redress, as provided for by paragraph 5.10 of the 1990 OSCE Copenhagen Document. Following the first round voting, 8 political parties and coalitions filed 402 complaints with the SEC that challenged the results in 476 polling stations, of which 6 were accepted. Contradictory decisions were made on complaints alleging the same irregularities. The majority of complaints were dismissed on procedural grounds because either no evidence was submitted or the complaint was not noted in the protocol of the EB or the MEC. Others were dismissed because two

complaints were not filed in the same polling station, as required by the Electoral Code. The OSCE/ODIHR has previously recommended that this provision be removed as it undermines effective remedy. Based on the accepted complaints, the SEC annulled results in three polling stations in Strumica due to irregularities based on complaints from VMRO-DPMNE, as well as in one polling station in Dolneni based on a complaint from DPA. In Čair municipality, the SEC voted to inspect the election materials in 13 polling stations based on a complaint from DPA alleging that the results on the MEC protocol did not match those on EB protocols. The SEC upheld the complaint and amended the results of the 13 polling stations, resulting in a second round election in Čair. The Administrative Court heard 142 appeals, of which 141 were rejected as unfounded. An appeal from VMRO-DPMNE was accepted concerning one polling station in Kicevo, however, no repeat voting of the first round was held as the final result would not have changed. The public hearings observed by the OSCE/ODIHR EOM were formalistic and evidence was not presented by the complainants. On 3 April, the SCPC announced the initiation of an *ex officio* misdemeanor procedure against Andrej Žernovski, opposition candidate in Centar municipality, for alleged irregularities in financial reports during his time as a member of parliament between 2002 and 2011. Mr. Žernovski claimed the timing of the announcement was politically motivated.

Election Day: As in the first round, voting in the majority of polling stations visited by the OSCE/ODIHR EOM was calm and orderly overall, and procedures were largely followed. The voting process was calm and EB members at the polling stations visited followed procedures and managed the process efficiently. A number of instances of group voting were observed. While a few polling stations suspended voting for a short time to handle technical concerns or complaints, this did not negatively impact the voting process. As in the first round, several parties raised concerns about large numbers of diaspora citizens returning to the country for the purpose of voting on election day.

5.6. Election Results According to State Electoral Committee Data

In its report SEC stated that the total number of voters in the voting list is 1.743.403. In total, there were 481 lists of candidate councilors having 2.528 candidates. There were 350 candidate mayors. 106 were the coalitions, parties and groups of votes who submitted the candidates.

First round: March 24, voting took place in 2976 polling stations nationwide. Second round: April 7, voting took place in 1649 stations, in municipalities where mayors were not elected in the first round. Third round was organized in 78 polling stations in four municipalities, where was organized repeated voting.

SEC informed that VMRO-DPMNE-led coalition won most votes in 54 municipalities, the SDSM-led coalition in 7, DUI in 12, DPA, the Serbian Progressive Party in Macedonia, National Democratic Party, Democratic Party of Turks and the Alliance of Roma in one each, while two independent candidates won in two municipalities. The turnout was slightly over 67 percent. VMRO-DPMNE won most votes in Aerodrom, Berovo, Bitola, Bosilovo, Butel, Vasilevo, Gevgelija, Gradsko, Demir Kapija, Dojran, Gjorce Petrov, Zelenikovo, Ilinden, Kavadarci, Kocani, Kriva Palanka, Krusevo, Mavrovo-Rostuse, Makedonski Brod, Negotino, Novo Selo, Petrovec, Probistip, Rosoman, Sveti Nikole, Staro Nagoricane, Cesinovo-Oblesevo, Stip, Brvenica, Valandovo, Vevcani, Vinica, Gazi Baba, Delcevo, Demir Hisar, Dolneni, Zrnovci, Karbinci, Kisela Voda, Konce, Kratovo, Krivogastani, Kumanovo, Lozovo, Makedonska Kamenica, Novaci, Ohrid, Pehcevo,

Prilep, Radovis, Resen, Sopiste, Struga, Caska. SDSM gained most support in Bogdanci, Veles, Debarca, Rankovce, Strumica, Centar, Jegunovce. DUI won in Vrapciste, Kicevo, Lipkovo, Plasnica, Cair, Aracinovo, Bogovinje, Zelino, Saraj, Studenicani, Tetovo, Debar. DPA's only municipal win came in Tearce, the Serbian Progressive Party in Macedonia won the first round in Karpos, NDP in Gostivar, independent candidates in Mogila and Cucer Sandevo, Democratic Party of Turks in Centar Zupa, and United Democratic Forces of Roma in Suto Orizari. According to SEC, VMRO-DPMNE candidate Koce Trajanovski won most votes in the City of Skopje.

Two women were elected mayors in the first round of local elections – one in Kisela Voda and one in the Municipality of Gradsko. Biljana Belicanec-Aleksic and Zaneta Causevska will be at the helm of the municipalities in the next four years. There were no women mayors in Macedonia between 2009 and 2013. Two other women vied for the post in the runoff vote - Teuta Arifi in Tetovo and Anastasija Olumceva in Bogdanci (both were elected mayors).

In the heated race in Centar, Andrej Zernovski won 51.78% of the total number of votes cast. The electoral contest however went to a runoff, after SEC accepted a number of VMRO-DPMNE complaints that influenced the final count.

The second round was scheduled for April 7 and was administered in 29 municipalities (Aracinovo, Berovo, Bitola, Bogdanci, Brvenica, Butel, Veles, Vrapciste, Gostivar, City of Skopje, Debrca, Delcevo, Gjorce Petrov, Jegunovce, Kavadarci, Karbinci, Karpos, Kocani, Kumanovo, Lozovo, Mogila, Resen, Staro Nagoricane, Struga, Studenicani, Tearce, Tetovo, Centar, Cair and Cesinovo-Oblesevo) and the City of Skopje.

Number of councilor's seats won per party (based on the PR D'Hondt formula)

Municipality	NDP National Democratic Revival	VMRO- DPMNE lead coalition	SDSM lead coalition	DUI Democratic Union for Integration	DPA Democratic party of the Alban.	DPT Democratic Party of the Turks	DOM Democratic Reunion of Mac.
Skopje		22	14	5	3		1
Bitola		17	11				
Veles		12	11				
Gevgelija		11	8				
Gostivar	9	5	3	10	2	2	
Kochani		10	9				
Krushevo		6	5				
Kumanovo	1	12	12	4	2	+2 seats groups of voters	
Ohrid		12	8			+3 seat gr. of voters	
Prilep		16	11				
Struga	2		11	7	7		
Tetovo	1	5	2			1	
Kichevo			11	12			
Strumica		11	12				

In terms of mayor seats won, most of the elected mayors (56) are from the VMRO-DPMNE coalition, 14 from Democratic Union for Integration, 4 from the SDSM coalition, 2 from Democratic party of the Albanians, 1 Union of Roma, 1 Serbian Radical Party, and 2 independent candidates.

Elected mayors:

Municipality	Candidate	Votes	Candidate	Votes
Centar (Skopje) second round	Vladimir Todorovic (VMRO-DPMNE)	13.402	Andrej Zernovski (LDP)	14.383
Skopje	Koce Trajanovski (VMRO-DPMNE)	124.455	Jani Makraduli (SDSM)	76.390
Kumanovo Second round	Zoran Georgievski (VMRO-DPMNE)	24.318	Zoran Damjanovski (SDSM)	26.118
Ohrid (first round elected)	Nikola Bakraceski (VMRO-DPMNE)	21.004	Aleksandar Petreski (SDSM)	13.250
Kavadarci Second round	Aleksandar Panov (VMRO-DPMNE)	13.084	Betiane Kitev (SDSM)	9.488
Veles Second round	Slavco Cadiev (VMRO-DPMNE)	18.050	Ace Kocevski	14.407
Berovo Second round	Dragi Nadziski (VMRO-DPMNE)	4.924	Zvonko Pekevski	4.337
Bitola Second round	Vladimir Talevski (VMRO-DPMNE)	27.420	Mende Dinevki	20.647
Prilep (first round)	Marjan Risteski (VMRO-DPMNE)	28.632	Hari Lokvenec	18.920
Gostivar Second round	Rufi Osmani (RDK)	18.210	Nevzat Bejta (DUI)	19.348
Tetovo Second round	Teuta Arifi (DUI)	24.536	Sadi Bexheti (DPA)	18.521

5.7. Post-Electoral Events

The State Anticorruption Committee overslept the whole election process, although it had legal obligation to follow all possible breaches of the Law. In its report on the elections Transparency Macedonia said that SAC has no will, nor moral and professional capacity to answer such a task. According to TM, the state, with all its resources, had literally entered in support of the ruling parties with massive breach of the rules for fair and democratic elections. Although registered during previous election cycles as well, this phenomenon had now been so intense and brutal, that brought under question the basic democratic preconditions of an electoral process. The government's behavior, according to them, was not merely an issue of ethics and preparedness for fair political competition, but it was clearly and undeniably legally forbidden with the Law against corruption, representing the hardest form of political corruption. In conclusion, TM called for urgent change in SAC's composition due to its biasness, non-professionalism and partiality in favor of the governing parties

VMRO-DPMNE did not hide that they have irregularities in their financial management arguing that they are not even obliged to give explanations which are the sources of their financing. Building upon its 3.5 million euro 2011 election shortage, VMRO-DPMNE reported a gap of 1.4 million Euros. But the financial gap is not the only striking point in the ruling party's finances. Its list of donors includes data on considerable amounts provided by TV stations, radio networks and printed media, including 250 thousand Euros received from Media Print Macedonia (publisher of the most circulated printed media in the country), 160 thousand Euro from TV Sitel, nearly 150 thousand Euro from Channel5 and so on, amounting to 1,5 million Euro spent on advertising covered mostly

by donations. Contrary to them, SDSM spent “only” 220 thousand Euro on electoral advertising.

6. PARTY DEVELOPMENTS

6.1. SDSM 14th Congress and Change of Party President

After the unsuccessful local elections in SDSM was imposed the necessity of major party and leadership change, issues that have been debated for a long time in public, but at the same time these aspects have been heavily used by the ruling party in severely attacking the party leader Branko Crvenkovski at any occasion. Still, it is debatable whether the SDSM failures were due to its top leadership only, or was due to other numerous factors that tackled the whole party organization and functioning. Prominent party members emphasize that SDSM must draw good lessons from its defeat and think how it should act in the future. Other analysts advice that SDSM cannot allow itself other inconsistencies, quick turnovers, ideology wondering, and that as a left oriented party must give up all its right-wing policy steps which are drawn after their largest political opponent draws them first. It is said that the party needs cadre reconstruction, to bring more new people and change approach and party tactics in order to adequately compete with concurrent parties.

It seemed that things have matured for electing a new leadership structure with new strategic party approaches. The party Congress was set for June 2nd and a process for presidential candidates' nominations has been opened. Party members who submitted their candidatures for the presidential position were: Zoran Zaev¹ (candidacy accompanied with the suggested vice-president Radmila Sekerinska), Igor Ivanovski, Zoran Jovanovski and Kire Naumov². In their programs, they all promise modern political party with social-democratic ideology, which will defeat Nikola Gruevski and VMRO-DPMNE, which will make positive changes in the country and return the freedom and economic prosperity in the country. Internal party campaign started and at first rivalry has taken its strong dynamics.

In short, Zoran Jovanovski planned to introduce six main party coordinators one for the six electoral districts in the country, which shall be form that particular district; introducing measures for motivating the party base, including complete election MP list from the particular district; SDSM to state its position regarding the name issue after the Government will do that in public and define question which shall posed on the referendum; to form a shadow government as an additional pressure upon the government and VMRO-DPMNE; main focus on party financing shall be towards the membership fees.

Igor Ivanovski intended to form an analytical center; to form analytical-operational bodies and positions in areas in which the country is mostly criticized; to introduce a system of cadres orientation in order to be known who and what should be working on, creating a

¹ The current mayor of Strumica, elected for the third time at the 2013 local elections.

² Former Crvenkovski councilor from the times when he was the President of the Republic and former Director of the Intelligence Agency

long-term cadres base; to have local organizations decide on their own for their cadres for all elections for which may be introduced the concept of opened lists; financing should be oriented towards donations of small and middle businesses and after that follow the membership fees; for the name issue there should be interparty and interethnic consensus and protection of the Macedonian national interests and identity. Zoran Zaev suggested serious change in the complete way of party operating; instead of the current four vice-presidents there should be only one vice-president, and it will be Radmila Sekerinska; offered a strong economic program narrowly connected with the foreign policy.

Kire Naumov suggested six vice-presidents, each one from each electoral constituency; local organizations to have a stronger say in decision making on local elections; to form a shadow government, every minister should offer his team in his area; to nominate the presidential candidate for the 2014 presidential race; to introduce mechanisms that will return the role of the trade union in society and a protector of workers rights; to suggest measures for economic growth and guaranteeing social security; to withdraw the blank support for the name issue and to seek a meeting with the Prime Minister in order to be informed about the negotiations details.

As it was estimated that the number of potential candidates for the party president position were numerous, aiming to lower the competitive tones among them as well as the number of candidates due to the danger of non-rationally disperse the delegates' votes, competitors were advised to constructively exchange opinions and make an effort to settle on a smaller number of candidates at the party Congress.

At the Congress came 600 delegates (invited were 700). The SDSM President Branko Crvenkovski in spite of the action of the Initiative Committee for massive collection of membership signatures and the expressed support to remain on the presidential position, announced that he irrevocably withdraws himself from the position. During his speech, Crvenkovski said: "Today we are parting. I cannot accept the candidacy. SDSM needs new strength, a new fire keeper. I worked for four years. I was not hiding, not running away. I take the responsibility for all the defeats. Only God knows how much I wanted to bring you to victory. I want the new SDSM to be victorious and I shall always be here. Thank you for your loyalty". He admitted that the party strategic mistake was when they didn't react strongly enough when A1 and the other media were closed.

Voting showed that the majority of delegates elected Zoran Zaev as the party President who got a significant votes' difference from Zoran Jovanovski. Shortly after the Congress, Zaev composed the new Central Committee (as the President he has the right to co-opt five new members in the party's Central Committee) and Supervisory Committee and changed the party Statute in order to allow only one vice-president, for which position was appointed Radmila Sekerinska. Zoran Jovanovski left the party engagement and returned to his work at the Commercial Bank.

6.2. SDSM 15th Congress

Soon after the election of the new party leader, SDSM organized the 15th party Congress in order to adopt the changes in the party Statute. These changes anticipate enforcing of the Skopje party organization, since –as it was told by the SDSM leader Zoran Zaev– without victory in Skopje there is no victory in Macedonia. The new party Statute shall also mean widening of the Central Committee with one member from the rural areas, as

well as activating the party local organizations. SDSM shall get for the first time its vice-president, a place reserved for Radmila Sekerinska. At the Congress, suggested Statute changes were unanimously passed.

6.3. Buckovski Announced New Party Formation

Vladimir Buckovski, Former SDSM Prime Minister and Minister of Defense who broke away from the party, announced a creation of a new movement called “Civic Initiative for Positive Macedonia” which it is imagined to later transform itself in a party. To this idea joined well-known journalists, tycoons and other public figures. SDSM stated that they see this move as a chance for the government to create opposition according to its liking. SDSM stated that they believe that citizens will easily recognize this attempt and shall not support it.

6.4. GROM – Another New Party Founded

GROM is the name of the newly founded political party, headed by the current Karposh mayor Stevco Jakimovski, in which were included analysts, former members of SDSM and LDP, university professors, former mayors, well-known sportsman, lawyers etc. The party identifies itself as a third political option which in the upcoming period will be dedicated in opening branch offices throughout the country, with the ambition to soon become a party represented in the Assembly.

7. RESEARCH, POLLS, RATINGS

7.1. Reporters Without Frontiers - World Press Ranking

The civic organization Reporters Without Borders issued the World Press Index for the period 2011-2012 by which Macedonia was placed on the 94th position and graded 31,67. The organization is known to defend the freedom to be informed and to inform others throughout the world and from that perspective graded 179 countries worldwide. Macedonia concretely was showing a downfall of more than 10 positions compared to other countries and fitted in the group of countries that have “noticeable problems” in this domain. Lower in the list of countries that belong to the same region as Macedonia were Albania (96 place), Montenegro (107 place) and Turkey (148 place).

The 2013 Press Freedom Index (the organization is for the first time publishing an annual global “indicator” of worldwide media freedom) places Macedonia much lower in the scale, this year on the 116th place, which means downfall for 22 places from last year, with an average grade of 34,27. The report states that the fall is due to the arbitrary withdrawal of media licenses and deterioration in the environment for journalists.

It is said that Outside the European Union, freedom of information is in a state of collapse. Within its borders, Hungary and Greece have slumped; the Balkans remain rooted in the repressive practices of the past. For Croatia rating is 64th (+4), due to join the EU in June this year, and Serbia is 63rd (+17), so the picture is mixed. Legislative reforms have brought an improvement, but it should not be forgotten that there are still

many obstacles to overcome and old habits that are harmful to independent journalism still linger. Albania (102nd, -6), Montenegro (113rd, -6), and especially Macedonia (116th, -22) bring up the rear of the index for the Balkans with the same sorry record: judicial harassment based on often inappropriate legislation, the lack of access to public data, physical and psychological violence against those who work in news and information, official and private advertising markets used as a tool, the grey economy's hold over vital parts of the media. All are obstacles to the right to report the news and people's right to know it. Following the dangerous examples of Hungary and Italy, the Macedonian parliament is preparing to "legalize censorship", continually blowing hot and cold towards a profession that is often out on its own – says the report. The Reporters Without Borders secretary-general Christophe Deloire states in the Report that it does not take direct account of the kind of political system but it is clear that democracies provide better protection for the freedom to produce and circulate accurate news and information than countries where human rights are flouted.

7.2. Eurostat: Macedonia no Longer EU Asylum Threat

EU's statistical office Eurostat released in March data over the number of persons seeking and getting asylum in Union member-states in 2012, with Macedonia no longer a threat regarding asylum seekers, MIA reports from Brussels. Out of the 407,300 asylum applications, only 102,700 got Union protection, with no nationals from Macedonia, Serbia or Bosnia&Herzegovina in the first five groups of individuals seeking protection. Although the European Commission has asked for the introduction of a protective mechanism, which would temporarily annul the visa-free regime for certain states producing large numbers of asylum seekers, it has not been passed by the European Parliament or the Council of Ministers, whereas a solution has been found by last month's adoption of a single system for asylum seekers in the Union.

Almost two-thirds of the approved asylum applications were submitted in five countries - Germany, Sweden, Great Britain, France and Belgium. The largest number of EU protection beneficiaries come from Syria, followed by Afghanistan and Somalia. Pertaining to the Balkan region, only Kosovo is third on the list of asylum seekers in Luxembourg, with only five requesting protection.

7.3. Citizen's Negative Predisposition Reflected in Polls

Research agency "Progres" according to the research done in March 2013 shows a great deal of negative disposition among the citizens of Macedonia. At the question "In which direction the Republic of Macedonia is heading" 72% replied "in the wrong one" while 24% replied "in the right one". On the question "Do you think that after December 24, 2012 are justified the requests for early elections?" 44,6% replied "Yes", 38,8% replied "No" while "Don't know" replied 16,6% of the polled.

7.4. Country Rating on Democracy

Macedonia is on the 73rd place among 165 countries, according to the index of democracy ranked by the weekly "Economist". Other countries from the region that are better ranked are Serbia (66) Bulgaria (54) Croatia (50), Greece (33) Slovenia (28) while lower ranked are Montenegro (76) Albania (90) and Bosnia and Herzegovina (98). The index measures the democracy in 165 countries through the use of five categories:

election process and pluralism, civic freedoms, government functioning, political participation and political culture. Macedonia out of possible ten points has got a total result of 6,16. For the election process and pluralism the mark is 7,75, for government functioning only 4,64, for political participation 6,11 for political culture 4,38 while the highest mark is for civil freedoms 7,94.

Similarly, according to the latest Freedom House rating, Macedonia got an average mark of 3,93 and finds itself close to the group of countries that are semi-consolidated democracies and those with transitional governments and hybrid regimes. Judicial framework and independence got the mark 4.00 together with national democratic governance (4.25) and corruption (4.00). The downfall of the judicial framework rating is due to alarming disturbances in the investigation of a well known murder and after the bully political pressure on the courts by the Minister of Health which threw serious doubts upon the prospects for serious judicial reform and anti-corruption efforts.

7.5. State department on Human Rights Practices in Macedonia 2012

The latest State Department report on the Republic of Macedonia elaborates human rights practices of 2012. As the executive summary concludes, “the most critical human rights problem was the government’s failure fully to respect the rule of law, reflected in its failure to follow parliamentary procedures, interference in the judiciary and the media, selective prosecution of political opponents of the country’s leaders, and significant levels of government corruption and police impunity. Beyond the political interference in the judiciary, favoritism, inefficiency, and corruption slowed the delivery of justice. Tensions between the ethnic Albanian and Macedonian communities, as well as societal discrimination against Roma and other ethnic minorities, constituted another area of human rights concern.”

It is also said that “the government and its agents did not commit any arbitrary or unlawful killings; there were no reports of disappearances or politically motivated abductions or kidnappings”. Still, “other human rights problems reported during the year included mistreatment of detainees and prisoners by police and prison guards, poor conditions and overcrowding in some of the country’s prisons and mental institutions, delayed access to legal counsel by detainees and defendants, restricted exit rights for Roma, restricted access to asylum, domestic violence against women and children, child prostitution, discrimination against women and persons with disabilities, and mistreatment of patients in psychiatric hospitals. There was societal prejudice against members of the lesbian, gay, bisexual, and transgender (LGBT) community, who were the subject of harassment and use of derogatory language, including in the media. The government frequently interfered with workers’ right to strike.

The law prohibits torture and other cruel, inhuman, or degrading treatment or punishment, but there were credible reports that police used excessive force during the apprehension of criminal suspects and abused detainees and prisoners. Also, although the law prohibits arbitrary arrest and detention, there were problems.

The government took some steps to punish police officials guilty of excessive force and to strengthen the internal police investigation unit, but impunity continued to be a problem. There were credible claims during the year that the government interfered in

high-profile cases involving abuse of office or misuse of official position to coerce officials or party members or intimidate key opposition leaders.”

In April parliament confirmed three new Constitutional Court justices. The opposition claimed all three were chosen for their family ties to leaders of, or loyalty to, the ethnic Macedonian ruling party VMRO-DPMNE and did not appear qualified for the positions.

According to the ombudsman's 2011 report, the majority of the citizens' complaints in 2011 concerned the judiciary. The report stated that access to justice remained difficult, in spite of the amended laws. A significant amount of courts' budgets were expended toward damages for violations of the right to trial within a reasonable time. Citizens continued to face problems in trial courts and prosecution offices, and especially before the Administrative Court.

In the section on “Political Prisoners and Detainees” it is said that during the year there were claims that authorities detained persons for political reasons (the case of Ljube Boskovski). In the section of “Arbitrary Interference with Privacy, Family, Home, or Correspondence” the report states that by law such actions are prohibited and the government generally respected these prohibitions in practice. Also, membership in a party of the ruling coalition is increasingly a requisite for employment in public administration. But, the government used lustration (identifying individuals who collaborated with the secret services during the communist era and banning them from public office and other government benefits) as a means of attacking political opponents and disloyal former associates. In June parliament enacted a new lustration law that contains numerous elements of an older law previously struck down twice by the Constitutional Court. The new law requires the Lustration Commission to make the dossiers of former police informants publicly available on the Internet. In August the Commission published the first 11 dossiers online. A review of the cases revealed that the majority of the 26 citizens identified were actually victims of the communist secret police rather than police informants. Vladimir Milcin, a drama professor, director of the Soros Open Society Foundation, and outspoken government critic, was publicly identified (lustrated) by the government as a collaborator of the former secret police, although the secret police actually monitored, questioned, and harassed him during the communist era, according to his dossier, which Milcin had obtained through the law on access to information.

Of special importance is the Section 2 of the report that treats the respect for civil liberties, including the freedom of speech. It is said that the constitution provides for freedom of speech and press; however, the government did not always demonstrate respect for this right in practice, and government pressure on the media was a continuing problem. By law, individuals may criticize the government publicly or privately, but there were reports that the government attempted to impede criticism.

Regarding freedom of press, it is said that media outlets were covered by the same laws that restrict speech inciting national, religious, or ethnic hatred. A very limited number of independent media voices were active and expressed a variety of views without restriction, particularly through online outlets. Media outlets and reporting continued to be divided along ethnic and political lines. The government was the largest purchaser of advertising in the country and favored outlets and journalists it perceived as friendly. The Broadcasting Council also changed the regulations covering revenue restrictions on the

national Macedonian Radio and Television station to allow it more advertising minutes during prime time than other outlets.

Some journalists reported they were pressured to report a pro-government viewpoint or else lose their jobs. As the largest purchaser of advertising, the government also used financial pressure to coerce reporting along government lines. There were reports that the government pressured the media and forced journalists to practice self-censorship. Journalists reported far greater self-censorship when reporting on issues sensitive to the government. In June the Broadcast Council ordered A2 Television to close, allegedly for failing to meet content requirements of no more than 65 percent entertainment programming, and no less than 35 percent news and educational shows. This was the first time a television station had been closed on those grounds. Many regarded the closure as politically motivated. Owners of print media not aligned with the government reported that distribution companies aligned with the ruling party refused to distribute their publications. Still, there were no government restrictions on access to the Internet or credible reports that the government monitored e-mail or Internet chat rooms without judicial oversight.

On December 24, journalists were forcibly removed from a session of parliament during which opposition MPs had attempted to prevent the budget from being passed without the vote of a two-thirds majority as required by the constitution. The Ministry of Interior's PSU investigated a complaint about the incident from the Association of Journalists (AJM) but found no grounds for the complaint and dismissed it. The incident prompted outcries from citizens and the international community, including the International Federation of Journalists and the European Federation of Journalists.

During the year the AJM criticized specific media developments, such as the closing of A2 Television, and the overall decline in media freedom. The AJM called on authorities to engage publicly with members of the media to address the crisis. The Independent Trade Union of Journalists was another frequent voice of alarm over the erosion of media freedom. The ruling party, various ministries, and the president's cabinet regularly denied any undue pressure on journalists but at the same time expressed disappointment over reporting by some media outlets and criticized them and individual journalists for bias and unprofessionalism. In June, as part of the EU's High Level Accession Dialogue, the AJM and the government announced an agreement on the decriminalization of defamation and libel and slander and a schedule of fines for nonmaterial damage. Some editors and media owners expressed concerns that the steep fines would cause self-censorship. The implementing law was passed on November 14.

In the section regarding "Elections and Political Participation" it is said that in December the government failed to follow correct parliamentary procedures in adopting the 2013 budget. The ruling coalition skipped several steps to move the budget bill out of committee for plenary consideration while the speaker of parliament failed to provide copies of the budget for review prior to voting, as required by law. On December 24, opposition parliamentarians claimed they were not given the cards necessary for electronic voting. Opposition members physically blocked access to the speaker's rostrum; security personnel forcibly removed them from the plenary room on the speaker's order. Journalists also were forcibly removed without the two-thirds majority

vote of parliamentarians required by the constitution. The rump parliament then passed the budget as well as several other controversial pieces of legislation without debate.

In the section on “Corruption and Lack of Transparency in Government” it is said that there were reports that some officials engaged in corruption with impunity. According to World Bank governance indicators, government corruption was a problem. During the year there were credible claims that the government interfered in high-profile cases involving abuse of office or misuse of official position to coerce government officials and party members or to intimidate key opposition leaders. Police and judicial corruption also remained problems. As of August the Judicial Council removed five judges, four for unprofessional and unethical conduct and one for a criminal conviction and prison sentence.

The law provides for public access to government information. However, implementation of the law lagged in many areas, especially with regard to citizens’ access to the government’s financial and public procurement dealings. The anticorruption legislation requires income and asset disclosure by appointed and elected officials and their close family, including penalties for noncompliance. The declarations are made available to the public on the Anti-Corruption Commission Web site. However, anticorruption experts and the civil sector criticized the Anti-Corruption Commission for lack of political will and capacity to verify declarations’ veracity and lack of ability to sanction noncompliant officials effectively.

7.6. UN Special Rapporteur Report on Macedonia

In June 18-21, Macedonia was visited by the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression, Frank La Rue, who prepared a report for the needs of the UN Human Rights Council. Intention of the visit was a full assessment of the situation of freedom of opinion and expression in the country to be made. Preliminary observations are the following:

The protection of the right to freedom of opinion and expression constitutes the foundation stone for every free and democratic society. Ensuring the free exchange of information and ideas is a basic condition for the promotion of transparency and accountability. The Constitution of The former Yugoslav Republic of Macedonia clearly recognizes the centrality of this fundamental human right (article 16). The country further reaffirmed this commitment through the ratification of international human rights treaties such as the International Covenant on Civil and Political Rights and European Convention for the Protection of Human Rights and Fundamental Freedoms. Commended are some legal improvements recently made aligning Macedonian laws to international standards regarding freedom of expression. The most important reform in this regard is the decriminalization of defamation, completed in 2012. The Law on Free Access to Public Information, which is another indispensable requirement for the promotion of freedom of opinion and expression, was adopted in 2006. However, the implementation of this legal framework requires ongoing attention. The failure to fully and consistently translate laws into practice by both executive and judicial authorities can have a widespread chilling impact for freedom of expression. In this regard, is underlined part of the serious concerns brought to the rapporteur’s attention.

Harassment of journalists and the independent press by the judiciary: Investigative journalists and a critical press are essential players for the preservation of the free democratic space. Without freedom to investigate and denounce public authorities, without the freedom to promote open public debates, the role of journalists and the media is seriously undermined. The rapporteur was alarmed to hear several allegations on the use of various legal instruments to intimidate journalists and the independent media. The arbitrary enforcement of legal instruments to harass critical media risks silencing important voices in the country. As examples are mentioned:

In 2011, the closure of A1 and four other daily newspapers due to accusations of tax evasion and money laundering appears as a clearly disproportional response by the authorities to the offenses committed. It is not questioned the need to ensure that private media companies respect tax and finance law. However, the staging of massive police operations inside a press office and the dismissal of any alternative solutions to bring the group into compliance with the law resulted in the closure of important media actors. As the OSCE Representative on Freedom of the Media said: this acts lead to the *de facto* elimination of media pluralism in the country.

Decriminalization of defamation was regarded as a positive step. The use of criminal law to intimidate critical voices has an obvious chilling effect in the freedom of the press. Nevertheless, accusations of defamation continue to proliferate, putting an important burden for the functioning of some critical media groups who are often targeted by these actions which can take long time to be concluded. The fines prescribed by the new law on Civil Liability for Defamation appear to be too high considering the average salaries of journalists in the country. Journalists or media outlets cannot survive an onslaught of civil claims or demands. Another example are the recent accusations made against the Fokus magazine, their editor, and a journalist for reporting on a statement made by the former Ambassador of The former Yugoslav Republic of Macedonia to the Czech Republic concerning corruption among public officials. It is completely inappropriate for courts to consider claims of defamation regarding the reporting of declarations by state officials or other third parties. The same media group appears to be targeted by many other defamation claims related to its investigative work. Third example is the recent detention of the journalist Tomislav Kezarovski for an article he published in 2008 for Reporter 92 magazine in which he revealed the identity of a protected witness of a murder case. His detention provides another negative signal about the state of media freedom in this country. The use of detention to address the disclosure of a witness under witness protection in a news article seems to be clearly disproportionate.

Risk of deteriorating the legal framework: Additional legal reforms and regulations may further undermine the space for independent media in the country. In this regard, were highlighted some examples of legal changes that are worrying:

In July 2011, the Law on Broadcasting Activity was amended by the Parliament – the approved change increased the number of members of the Broadcasting Council from nine to fifteen, the new members being appointed by State institutions. The rapporteur agrees with the OSCE position that such an inclusion undermines the political independence of this regulatory body against the ultimate aims of the Law itself. It is said that regulatory agencies need to be fully independent from government and from political interference in order to fully perform their work.

Last month, the preparation of the draft Law on Media and Audiovisual Services raised further concerns among the national and international human rights community. The rapporteur is encouraged to learn that the government is now revising the draft in light of recommendations made by the public, including civil society and international organizations. Despite the positive inclusion of provisions that aim at harmonizing Macedonian legislation to some rules of the European Union, such as the Audiovisual Media Services Directive, a number of concerns were raised by different interlocutors. Besides sharing all concerns already expressed by analysis prepared by the OSCE and the Council of Europe experts, the rapporteur emphasizes the need to secure an open debate on the final drafting of this proposal. Such an important law must never be designed and adopted without proper consultation with civil society, in particular, the journalists associations and human rights organizations.

Other forms of pressure against independent journalists and media: The government is considered to be one of the most important purchasers of advertising in the country. Journalist associations, independent media and civil society organizations claim that public advertisement budget allocations tend to privilege media that are non-critical of the government. The use of public resources in advertisement must be open to close scrutiny to avoid the misuse of these resources in the promotion of favorable media in detriment of critical voices.

Judiciary system: Without an independent and efficient judicial system, basic freedoms are at risk of multiple violations. The interference in the independence of judges and lawyers risks undermining the most fundamental instrument for the protection of all human rights, including the right to freedom of expression.

The rapporteur is particularly concerned by the recent changes in the functioning of the Constitutional Court. The recent change of five members of the court appear to have seriously harmed the independence of this body, and delayed and compromised decisions, including cases related to the right to freedom of expression. Furthermore, the Court does not have the administrative and financial autonomy to perform its work with the required independence. Urgent steps need to be taken to reestablish the independence of this body. In this regard, I recommend the State invite my colleague the Special Rapporteur on the independence of judges and lawyers to visit the country in the near future.

Access to Information: Although the adoption of a Law on Free Access to Public Information was a commendable step, after over six years of its adoption, important limitations to the implementation of this law continue to be noted. Long and silent delays in the response of requests for public information and the inconsistent application of exemptions were noted. The pro-active display of information by public authorities, particularly in the internet, appears to remain limited. Thus, once again, greater government and judiciary efforts are needed to fully respond to the requirements established through this very important law.

Respect for diversity and responses to hate speech and incitement of hatred: Authorities are praised for the measures taken to ensure the functioning of media services controlled by or serving various minority groups in the country. Enabling different communities to have channels to express themselves and exchange information in their

own languages is crucial to secure the universal realization of the right to freedom of expression.

On the other hand, the rapporteur calls the attention to two additional concerns relating to the legislation on incitement of hatred and the treatment of minorities: Despite the improvements made in the legislation with regard to defamation, Article 319 of the Criminal Code remained unchanged. The UN Special Rapporteur on Freedom of religion in her 2009 visit called for reform of this article given its imprecise wording and the consequent chilling effect it represented for the freedom of expression and religion; International human rights law recognizes that the right to freedom of expression can be restricted where it presents a serious danger for others and for their enjoyment of human rights. However, it is crucial that these restrictions respect the following principles: a) they must be provided for by law, which must be clear, unambiguous, precisely worded and accessible to everyone; b) it must be proven by the State as necessary and legitimate to protect the rights or reputation of others, national security or public order, and public health or morals; and c) it must be proven by the State to be the least restrictive and proportionate means to achieve the purported aim.

Lastly, the rapporteur informed about episodes of attacks against the LGBT community during a march for the International Day of Tolerance in November 2012 and attacks against the 'LGBT United' and the Coalition 'Sexual and Health Rights of Marginalized Communities' in Bitola, this April. These episodes were reported to authorities, but the rapporteur concludes that it is crucial to ensure that any episode of hostility motivated by discrimination on the grounds of sexual orientation is investigated. He was also disturbed by allegations regarding statements made by high-level public authorities who openly reinforced discriminatory stereotypes against the LGBT community.

As a conclusion, the rapporteur states that Macedonia has stated its commitment to protect the right to freedom of opinion and expression and that during his visit, various authorities recognized the importance of this right in a democratic society and underlined important advances made such as the decriminalization of defamation. He considers all these policies as positive steps, but on the other hand, he expressed deep concern by the various reports he received concerning mostly to the emerging restrictions to the freedom of the media and journalists and the limitations to the independence of the justice system which must protect these rights.