

**SUMMARY COST-BENEFIT  
ANALYSIS FOR THREE LEGAL AID  
MODALITIES FOR THE PERIOD  
2017-2020**



## **EXECUTIVE SUMMARY**

In 2016, ESE partnered with other organizations providing primary legal aid to poor clients to calculate the cost to the organizations of providing these services. The analysis was done in respect of three modalities – preliminary free legal aid provided by organizations authorized under the Law on Free Legal Aid (LFLA); free legal aid provided by non-LFLA authorized organizations, and community-based paralegal services.

In 2017, ESE again partnered with other organizations in follow-up research that explored the other types of costs and benefits associated with the three modalities. Information on costs to clients was collected through case logs maintained by the organizations in respect of their clients over six months. The pre-specified categories of costs were client travel costs (both to and from wherever they went), the client lost work (income foregone) costs, client childcare costs, attorney travel costs (again in both directions), court initiation fees, court verdict fees, expert evidence cost, and administration and related fees. Information on benefits to clients was collected through structured questionnaires completed in respect of a sample for whom case logs were completed. Information on costs to the government in respect of authorized organizations and attorneys was found in the government's 2016 annual report on the implementation of the LFLA.

In the period 2017-2020 ESE continued to collect the data from three CSO's, each from a different legal aid modality. The analysis of the consolidated data for this four-year period is elaborated below. The main findings suggest that the mean costs of FLA clients (399 MKD) are significantly higher compared to paralegals (270 MKD) and especially to LFLA clients (67 MKD). In terms of satisfaction from service providers, the beneficiaries of the three involved organizations are in a great manner satisfied from the provided help and support for the resolution of their legal problems.

The general conclusion is that the CSO's are playing a significant role in addressing the legal problems faced by a vulnerable group of citizens. They are providing legal advice and paralegal support, preparing written submissions, and strengthening the capacities of the poor and vulnerable for self-representation. On another side, the Ministry of Justice grants free legal aid to a limited number of citizens, leaving a large number of people without the opportunity to resolve their legal problems. In such circumstances, the CSO's remain the main provider of legal aid for vulnerable groups of citizens, which stresses the need for recognition of their credibility and increased State funding for their operation and service delivery.

## ANALYSIS OF THE CONSOLIDATED COST-BENEFIT DATA FOR 2017-2020

This analysis elaborates the summarized data collected over a period of four years, from three CSO's that are providing different legal aid modalities: HOPS are providing free legal aid services outside of the Law on free legal aid (LFLA), MKC Bitola is providing free legal aid in the frames of the Law on free legal aid, and IRIZ are providers of paralegal services for Roma population.

The data for estimating the costs and benefits came from several sources:

1. Government information in the annual reports on the LFLA for the private attorney cost.
2. Case logs kept by all three categories of CSOs on the costs incurred by clients. These are discussed further below.
3. Client satisfaction questionnaires completed with clients on completion of cases.

### Provided free legal aid by the State and private attorney costs<sup>1</sup>

Table 1 shows the data about the number of approved requests for free legal aid and the budget allocated by the Ministry of Justice for the registered attorneys and CSOs for the provision of free legal aid.

**Table 1. Granted FLA and budget allocated for the period 2017-2019**

	2017	2018	2019	Total
<b>Requests Approved</b>	74	80	90	244
<b>Budget for Lawyers</b>	1.359.897	1.365.704	1.159.572	3.885.173
<b>Budget for CSO's</b>	26.400	13.200	16.500	56.100
<b>Total</b>	<b>1.386.297</b>	<b>1.378.904</b>	<b>1.176.072</b>	<b>3.941.273</b>

In the period 2017-2019, the total number of submitted requests for free legal aid was 444, out of which 244 were approved and 200 were rejected for not fulfilling the criteria for approval. The government's expenditures for remuneration of attorneys and CSOs in the period of the three most recent years was 3.941,273 MKD for these 244 cases. The attorney costs constitute a significant part of this amount at 3.885,173 MKD. The average (mean) attorney cost per case is, therefore, MKD 15.923. This cost is incurred by the government. We then calculated the attorney cost that is not covered by the government as 30/70 of the average per-case cost to the government. This yields an amount of MKD 6.824 for attorney costs not covered by the government. Adding the two costs, we get MKD 22.747 as the total cost per case of attorneys. It is important to stress that the registered CSO's were provided with insignificant funds in the amount of 56.100 for the period of three years, which is not based on their actual operational costs and costs for service provision.

This discrepancy between the real costs and those compensated by the State is a result of non-evidence-based prioritization and budgeting by the Ministry of Justice. This conclusion is supported

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<sup>1</sup> The data elaborated refers to the three year period 2017-2019, since the Narrative Report about the provided FLA in 2020 by the Ministry of Justice was not published in the period of preparation of this analysis.

by the fact that the free legal aid budget for 2019 was 5.000.000 MKD, yet the Ministry of Justice has spent only 24% or 1.176.072<sup>2</sup>. There is a need for the conduction of transparent budgeting with the inclusion of the representatives of CSO's and representatives of vulnerable groups of citizens as most affected with the implementation of the Free Legal Aid Law.

### *Case logs*

The following section contains a cumulative analysis of the data collected through the case logs in the period of four years, 2017-2020. It is important to note that for the purposes of this analysis, the calculations of the costs for this period incorporate only the data provided by the organizations that participated in all the cycles of data collection. Therefore, this analysis incorporates a comparison of the data gathered for 2017-2020 from the following organizations: IRIZ as a provider of paralegal services, MKC as a provider of free legal aid in accordance with the LFLA, and HOPS as providers of free legal aid outside LFLA. In this regard, the total number of provided case logs collected was 551. Figure 1 shows the proportion of cases that were resolved and unresolved at the end of the specific year in which the case logs were recorded; overall, 381 cases were on-going and 170 cases were finalized.

**Figure 1. Number of resolved and unresolved cases**

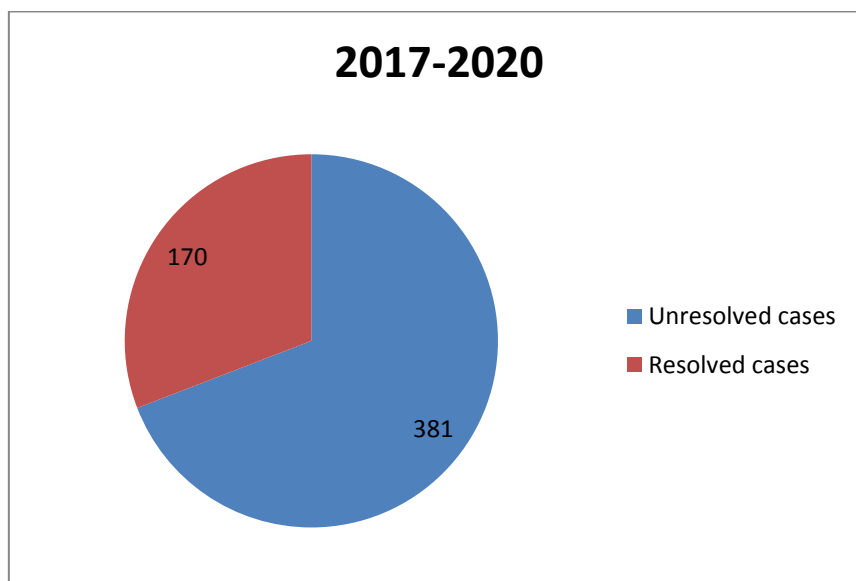


Table 2 shows the comparison of the total number of clients for whom cost information was provided across the different organizations and service types. The number of clients of paralegal services is substantially larger than for the other two service types. In particular, the number for the organization authorized to provide free legal aid under the LFLA is 101, and the number of cases of the organization that provides free legal aid outside the law is 115. These differences do not necessarily reflect the actual number of clients of each of the organizations as the organizations did not give case logs for all their clients. The differences are therefore important primarily for how they affect overall patterns.

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<sup>2</sup> Annual Report about the Provided Free Legal Aid 2019, available at [https://www.pravda.gov.mk/Upload/Documents/ГодишниИзвешта\\_2019.pdf](https://www.pravda.gov.mk/Upload/Documents/ГодишниИзвешта_2019.pdf)

**Table 2. Number of cases by organisation and service type compared by years**

Type of service	Organization	Year				Total
		2017	2018	2019	2020	
FLA	HOPS	25	21	36	33	115
LFLA	MKC	16	13	62	10	101
Paralegal	IRIZ	75	82	124	54	335
<b>Total</b>		<b>116</b>	<b>116</b>	<b>222</b>	<b>97</b>	<b>551</b>

Table 3 shows the number of clients who incurred different types of costs per service type. The general conclusion is that the clients of different legal aid modalities are facing similar patterns in terms of types of costs, with slight differences in the most incurred costs. In this regard, client travel costs are the most common type of costs incurred by 233 out of 551 clients. The administrative costs are the second most common type of costs incurred by the clients in 62 cases. Court initiation costs were incurred by 26 clients and court verdict costs by 12 clients. There were 39 clients that incurred other costs. If we look at the proportion of different costs per modality, the travel costs were less likely to be reported by paralegal and LFLA clients, because these services are mainly provided in the community. In addition, poor clients may be forced to walk because they simply do not have money to pay for other forms of travel. Thus 96% of the free legal aid clients incurred travel costs, in comparison to 34% of paralegal clients and 9% of the LFLA clients.

**Table 3. Number of clients incurring different costs by service type per modality**

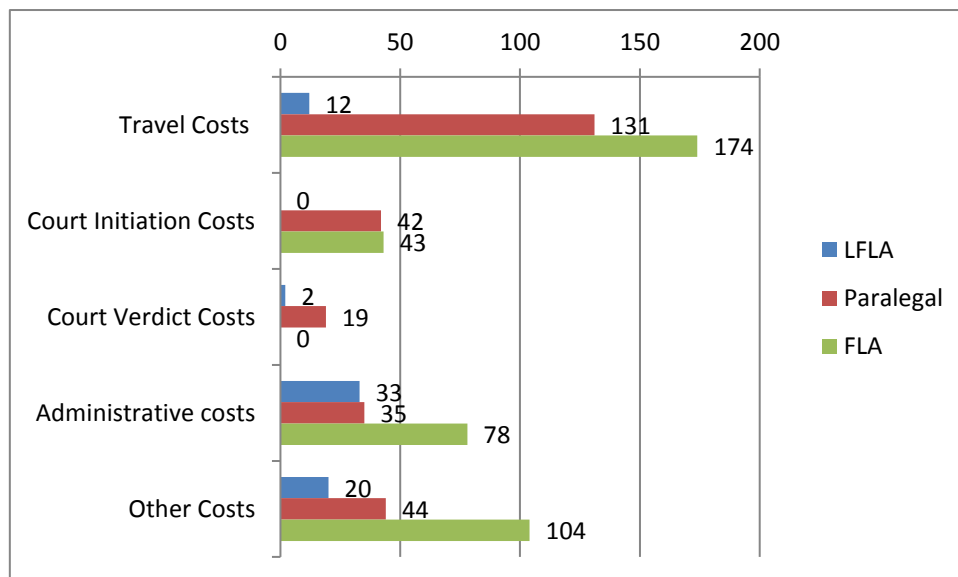
TYPE	FREE LEGAL AID	LFLA	PARALEGAL	TOTAL
<b>Client travel</b>	110	8	115	<b>233</b>
<b>Client lost work</b>	0	0	0	<b>0</b>
<b>Client childcare</b>	0	0	0	<b>0</b>
<b>Court initiation</b>	6	0	20	<b>26</b>
<b>Court verdict</b>	0	1	11	<b>12</b>
<b>Expert evidence</b>	0	0	0	<b>0</b>
<b>Admin fees</b>	15	22	25	<b>62</b>
<b>Other</b>	17	0	20	<b>37</b>
<b>Number of cases</b>	<b>115</b>	<b>101</b>	<b>335</b>	<b>370</b>

Client lost work, client childcare costs, and expert evidence costs were not reported at all. ESE had additional consultations with the organizations involved to explore the reasons for this pattern. The

organizations reported the client lost work costs were not actually incurred by the clients, since they are either unemployed or employed but tried to resolve their legal problems during their free time. In the case of child care costs, usually, some relative takes care of the children and the client does not pay for child care services. The lack of reporting of the costs for expert evidence is due to the fact that the clients are not financially capable of paying these costs on their own and therefore generally do not benefit from expert evidence.

Figure 2 shows the mean cost per client by type of cost and type of service. The mean is calculated across all clients in a service type, whether or not that cost was incurred. This results in a reduction in the mean where there are many clients who did not incur a particular type of cost. It is evident that the mean costs of the paralegals for all different types of costs are higher than for the LFLA clients but lower than those for the free legal aid clients who receive services outside of the LFLA except in the case of court verdict costs. The figure confirms that two types of costs – client travel and administrative costs – tend to be found across two legal aid modalities, while court initiation fees and court verdict fees were more common for paralegal clients.

**Figure 2. Mean cost per client by type of cost and type of service.**



The mean travel costs for the free legal aid clients are much higher in comparison to the other two legal aid modalities, which is understandable if we take into account the significantly higher proportion of FLA clients that incurred travel costs. On another side, the paralegal client's travel costs are significantly higher than those of LFLA clients since some of the paralegal clients who had to visit certain institutions which are located in Skopje incurred higher travel costs. In this regard, if the mean is calculated only for those who incurred travel costs, the mean travel costs for paralegal clients is higher than the mean for the clients of the other two modalities (381 MKD for paralegal clients, 182 MKD for FLA, and 150 MKD for LFLA clients). Mean administrative costs for free legal aid clients were twice as much as those for paralegal and LFLA clients. Mean court initiation fees were similar for free legal aid and paralegal clients and there were such costs incurred for LFLA clients. This is due to the fact that the LFLA clients use free legal aid for the initiation of court procedures for resolving their legal problems and they did not incur any court-related costs in this regard. The mean

cost for the “other” category of costs is higher for the free legal aid clients than for the other two modalities.

Table 4 compares the results after the total cost per client is calculated by adding all the different types of cost for each client. The table shows the total across the 551 clients and the mean cost per client for each of the service types. The mean costs for the free legal aid clients are 399 MKD, which is significantly higher than the mean costs of the paralegal clients which is 270 MKD, and especially compared to LFLA clients, which is 67 MKD. On the other hand, the table shows a substantial difference between the mean and median, especially for paralegal and LFLA clients, since the median cost for these modalities is 0. This is due to the fact that a significant proportion of clients did not incur any costs at all. On the other hand, the median for the free legal aid clients is 210 MKD, due to the significant proportion of clients that incurred certain costs.

**Table 4. Total costs by service type per year**

Type	Number of clients	Total MKD	Mean cost	Median cost
Free Legal Aid	115	45.909	399	210
LFLA	101	6.762	67	0
Paralegal	335	90.517	270	0
<b>Total</b>	<b>551</b>	<b>143.188</b>		

#### ***Legal aid and paralegal support provided***

The organizations from all three legal aid modalities were actively involved in the resolution of the problems faced by their clients. The following part incorporates information about the legal problems faced by the vulnerable groups of citizens and the legal or paralegal services which were provided by the CSO's for the resolution of these problems.

The Free Legal Aid organization is providing services for people who use drugs, sex workers, persons in prison facilities. The most common legal problems faced by these vulnerable groups of citizens were related to criminal court procedure (17), misdemeanor procedure (9), and debt problems (12). In addition, the FLA organization provided free legal aid for the resolution of other problems faced by their beneficiaries, such as domestic violence (3); divorce (2); custody/alimony (3); health care (2); social protection (1); police torture (1); heritage (1); civil court procedure (1) damage compensation (1) and other problems (11). The following written submissions were prepared in this regard: 8 Requests; 6 complaints; two appeals; one lawsuit; and 5 other written submissions.

The LFLA organization is registered in accordance with the Law on Free Legal Aid<sup>3</sup> and they are providing primary legal aid and supporting their beneficiaries to submit requests for approval of secondary legal aid that is provided by registered attorneys. Their beneficiaries are citizens in social risk with the unfavorable socio-economic situation and therefore a significant part of them faced

<sup>3</sup> Official Gazette No. 08/2895 from 16th May 2019

legal problems related to the enjoyment of social protection rights (23). In addition, the organization has provided legal advice and written submissions for resolution of the following legal problems: criminal court procedures (7); property relations (3); debt problems (3); employment rights (3); custody over children (2); social housing (3); domestic violence, including preparation of request for temporary measures of protection (2); divorce (2); child protection (1); damage compensation (1); court procedure - fees exemption (2); pension rights (1), child education (1). For the resolution of the above-listed problems, the LFLA organization has prepared the following written submissions: 18 Appeals for termination of social protection rights; 19 Requests; 6 Requests for Free Legal Aid; two lawsuits, one proposal for issuing temporary measures of protection against domestic violence and six other submissions.

The paralegal organization has provided paralegal help and support to local Roma community members mainly related to enjoyment and termination of social protection rights (104), such as the right to guaranteed minimum help, social financial support, or help, and support from another person. In addition, the paralegals supported their clients in protection and enjoyment of other human rights, such as health rights and health insurance (10); divorce (12); alimony/custody (13); obtaining personal documents (13); debt problems (9); child education (4); employment (3); misdemeanor procedures (3); pension fund (4) other problems (13). For the resolution of the above-listed problems, the paralegals have prepared the following written submissions: 39 Appeals; 16 Lawsuits; 34 Requests; and 5 other written submissions. In addition, the paralegals contacted ESE for resolution of problems faced by their clients, especially problems that demanded professional legal aid and preparation of written submissions such as lawsuits. For illustration, after the amendment of the Social Protection Law<sup>4</sup> in 2019, a significant portion of paralegal clients applying for minimum guaranteed help needed to submit evidence that they are not financially supported by their family members with whom they do not live, such as children or parents. For these purposes, they needed to initiate court proceedings against their relatives for non-payment of alimony and they were provided with lawsuits through the programs for paralegal assistance and support.

### *Client Satisfaction*

This part of the analysis is based on the data gathered from follow-up interviews with beneficiaries of the organizations that previously participated in the collection of costs-related data through case logs.

The follow-up interviews were conducted on the basis of a satisfaction questionnaire that incorporates the following: four questions relating to the time spent on seeking assistance; ten questions that asked the client to rate different aspects of the quality of the service provided by the NGO; and seven questions relating to emotional stress experienced.

In the period 2017-2020, there were 106 follow-up interviews conducted with the clients from the three legal aid modalities. Table 4 shows the number of clients interviewed per legal aid modality. In total, there were 19 interviews conducted with free legal aid clients, 53 interviews with paralegal clients, and 22 interviews with LFLA clients.

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<sup>4</sup> Official Gazette No. 104 from 23.05.2019



**Table 4. Number of clients interviewed per modality in the period 2017-2019**

Modality/Year	2017	2018	2019	2020	Total
Free Legal aid	8	4	7	/	19
Paralegal	22	26	5	10	63
LFLA	5	/	17	2	24
<b>Total</b>	<b>35</b>	<b>30</b>	<b>29</b>	<b>12<sup>5</sup></b>	<b>106</b>

If we compare the main findings from the client satisfaction questionnaire, there are no significant differences between the clients of different legal aid modalities. Therefore, the following section incorporates combined presentations for the three modalities, and individual presentations of the result per modality, for the period of four years.

### *Time spent*

The total time spent on solving their legal problems incorporates the following parameters: time spent in searching for legal aid; time spent in collecting documents and evidence needed to support the cases; and time spent in communicating with relevant institutions.

Table 5 shows the time that clients reported having spent on the case. The results show that a larger proportion of paralegal clients (74% or 39 out of 53) spent relatively little time – up to two weeks – on resolving their legal problems, in comparison to LFLA clients (21%) and free legal aid clients (16%). On the other side, higher proportions of free legal aid clients (7 out of 19) and LFLA clients (10 out of 22) spent more than six months to resolve their legal problems. There were only five paralegal clients that spent more than six months resolving the legal problems faced.

**Table 5. Time spent by clients on solving cases**

	Free Legal Aid	Paralegal	LFLA	Total
<=2 weeks	3	39	5	47
<=1 month	1	8	0	9
<=2 months	1	5	4	10
<= 6 months	3	5	5	13
> 6 months	7	5	10	22
Not specified	4	1	0	5
<b>Total</b>	<b>19</b>	<b>63</b>	<b>24</b>	<b>106</b>

<sup>5</sup> The smaller number of follow-up interviews in 2020 is due to the decreased number of clients of CSO's as a result of COVID 19 crisis.

### *Rating of quality of services*

The clients reported a high quality of services provided by the CSO's and the overall mean rating for the clients of all three legal aid modalities is 4.8 (out of a possible 5). Table 6 shows the comparison of the mean ratings, between the three legal aid modalities.

**Table 6. The average score on the satisfaction from the quality of services provided in 2017-2020 for free legal aid and paralegal clients.**

<b>Service type/Modality</b>	<b>Free Legal Aid</b>	<b>Paralegal</b>	<b>LFLA</b>	<b>Total</b>
<b>Polite Treatment</b>	4.7	5.0	4.8	<b>4.8</b>
<b>Respectful treatment</b>	4.8	5.0	4.9	<b>4.9</b>
<b>Honest communication</b>	4.7	5.0	4.8	<b>4.8</b>
<b>Process explained</b>	4.8	4.9	4.8	<b>4.8</b>
<b>Rights/options explained</b>	4.8	4.9	4.6	<b>4.6</b>
<b>Understood explanation</b>	4.9	4.9	4.8	<b>4.8</b>
<b>Timely service</b>	4.9	4.9	4.8	<b>4.8</b>
<b>Opportunity for questions</b>	4.9	5	4.8	<b>4.8</b>
<b>Outcome satisfactory</b>	4.9	3.8	4.5	<b>4.5</b>
<b>Total</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>

The paralegal clients are slightly more satisfied than the free legal aid clients and LFLA clients for all the aspects of the services provided, with the exception of satisfaction with the outcome among the paralegal clients, which is scored at 3.8. and is lower than for the clients of the other two legal aid modalities. This is the aspect over which the organizations are likely to have the least control.

### *Stress suffered*

A high proportion of clients (88 out of 106) from all three legal aid modalities reported that they experienced stress as a result of the legal problem faced. Figure 3 shows the different forms of emotional stress experienced as a result of the process for resolution of the problem. Hopelessness (84 out of 106) and disappointment (80 out of 106) are the most commonly experienced forms of emotional stress by the clients of three legal aid modalities. Humiliation is less reported, but mainly as a result of the low proportion of paralegal clients that experienced this form of emotional stress.

**Figure 3. Number of clients that experienced different forms of emotional stress**

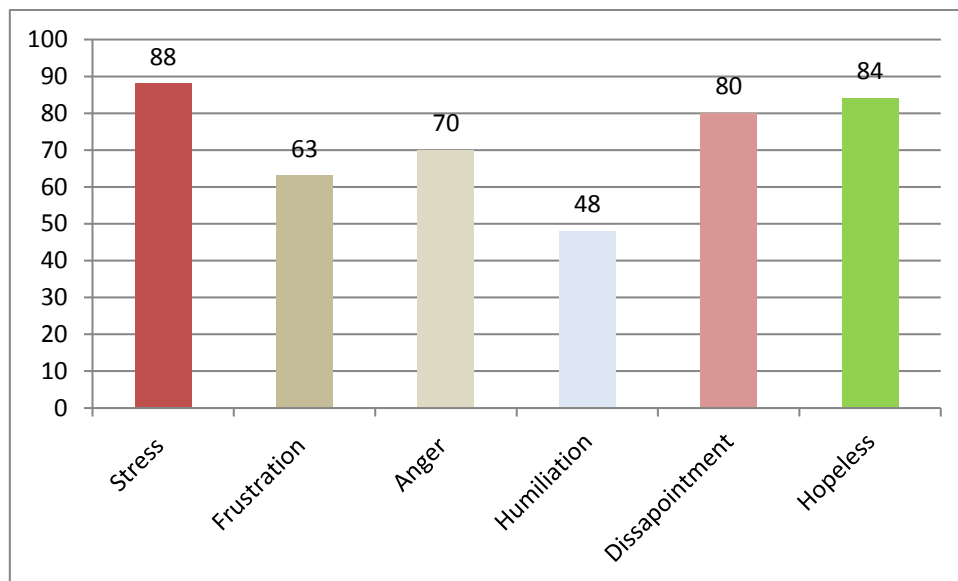


Figure 4 shows that higher proportions of LFLA clients experienced different forms of stress as a result of the problem and the process itself (85%), compared to free legal aid clients (79%) and paralegal clients (58%).

**Figure 4. The average proportion of the clients from different legal aid modalities that experienced different forms of emotional stress**

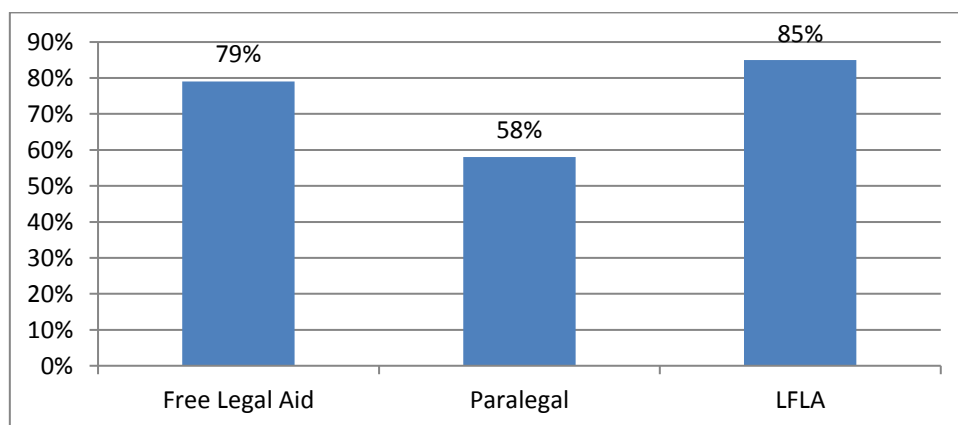
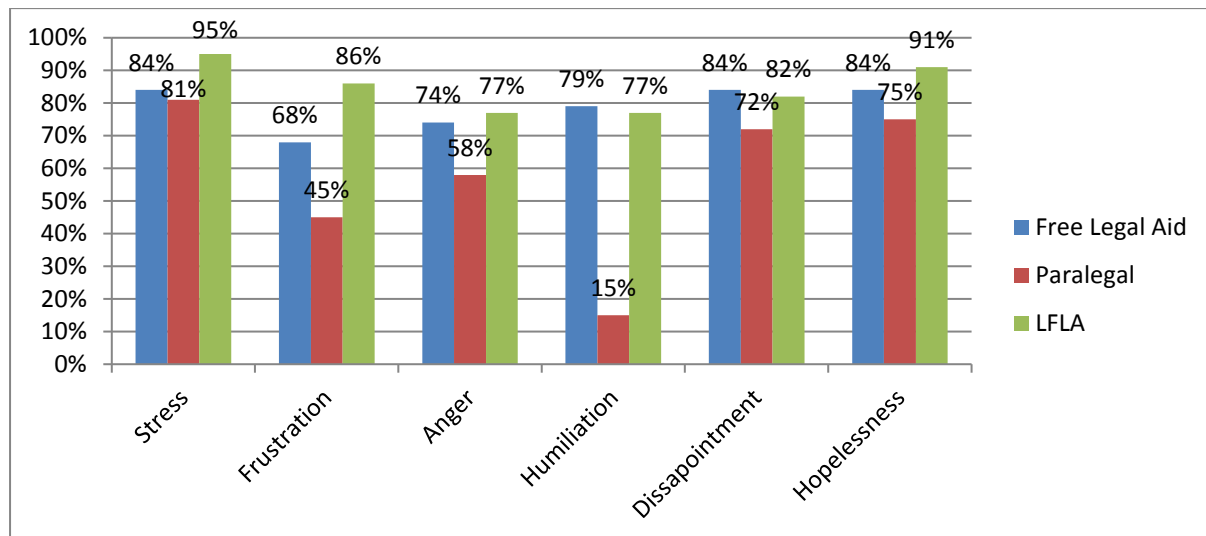


Figure 5 shows that all forms of emotional stress are reported by relatively high proportions of the LFLA clients. There is a significant difference between the proportions of paralegal clients that reported humiliation and frustration and the proportions of clients from the other two modalities. For instance, humiliation was reported by only 15% of the paralegal clients in comparison to 79% of free legal aid clients and 77% of LFLA clients. Frustration was experienced by 45% of the paralegal clients, 68% of the free legal aid clients, and 86% of LFLA clients.

**Figure 5. The proportion of clients from different legal aid modalities that experienced different forms of emotional stress**



### *Conclusion*

The patterns in the type and level of costs incurred are very similar across the three years. The most common costs incurred by the clients were the travel costs, court procedure-related costs, and administrative costs.

A significant number of clients did not incur any costs at all, mainly due to their poor economic situation and inability to cover the costs on their own.

The mean costs of the clients that actually incurred some type of costs are significantly higher than the mean costs based on the total number of clients.

The data obtained for the period of three years is consistent in terms of the slight differences between the different legal aid modalities. The patterns in the type and level of costs incurred across the three years are very similar if we exclude several exceptional cases of high costs. Similarly, the pattern in respect of time spent by the client in the case is consistent across the three years.

Levels of satisfaction with services are very high in all three years, with slight differences among the free legal aid clients and LFLA clients across the years. In respect of outcome, however, the level of satisfaction is lower and especially low in respect of paralegal services. As noted, the outcome is the aspect over which the staff of the organizations has the least control.

The patterns in respect of stress showed differences between different legal aid modalities. Higher proportions of LFLA clients reported different forms of emotional stress as a result of the problem and process, compared to the proportion of the clients from the other two modalities. Hopelessness and disappointment are the most commonly experienced forms of emotional stress by the clients of the three legal aid modalities.

## Appendix: Details cost-benefits for the three service modalities

**Table 4. Summary comparison of costs and benefits per client (Costs in MKD)**

		Poor users	Government	Attorneys
<b>LFLA</b>	<b>Costs</b>	<b>67</b>		
	Direct costs	47		
	Indirect costs	20		
	<b>Benefits</b>			
<b>Free Legal Aid</b>	<b>Costs</b>	<b>399</b>		
	Direct costs	295		
	Indirect costs	104		
	<b>Benefits</b>			
<b>Paralegal</b>	<b>Costs</b>	<b>270</b>		
	Direct costs	227		
	Indirect costs	44		
	<b>Benefits</b>			

**LFLA legal aid (Costs in MKD)**

	<b>Poor users</b>	<b>Government</b>	<b>Attorneys</b>
<b>Costs</b>	<b>67</b>	<b>15.923</b>	<b>6.824</b>
<b>I. Direct costs</b>	47	15.923	6.824
Salaries for the staff			
Operational costs			
Travel costs for getting the legal advice/information	12		
Court fees for submission and initiation of the court procedure			
Costs for getting the court verdict	2		
Costs for experts opinion			
Administrative fees	33		
<b>II. Indirect costs</b>	<b>20</b>		
Travel costs for attorney			
Opportunity costs – monetary (users)			
Child care costs (users)			
Other	20		
<b>Benefits</b>			
Access to preliminary legal advice	100%		
Access to court representation			
Access to information about rights	100%		
Enjoyment of rights	90%		
Access to quality services	96%		
Compliance with obligations			

**Free legal aid not through the LFLA (costs in MKD)**

	<b>Poor users</b>	<b>Government</b>
<b>Costs</b>	<b>399</b>	
<b>I. Direct costs</b>	<b>295</b>	
Salaries for the staff		
Operational costs		
Travel costs for getting the legal advice/information	174	
Court fees for submission and initiation of the court procedure	43	
Costs for getting the court verdict		
Costs for experts opinion		
Administrative fees	78	
<b>II. Indirect costs</b>	<b>104</b>	
Travel costs for court hearings (attorney and users)		
Travel costs to other institutions		
Opportunity costs – monetary (users)		
Opportunity costs – time (users)		
Child care costs (users)		
Other	104	
<b>Benefits</b>		
Access to preliminary legal advice	100%	
Access to court representation		
Access to information about rights	100%	
Enjoyment of rights	98%	
Access to quality services	96%	
Compliance with rights		

**Paralegal services (costs in MKD)**

	Poor users	Government	NGOs
<b>Costs</b>	<b>270</b>	0	
<b>I. Direct costs</b>	<b>227</b>	0	
Salaries for paralegal staff			
Support costs (ESE)			
Travel costs for getting the legal advice/information	131		
Court fees for submission and initiation of the court procedure	42	-	-
Costs for getting the court verdict	19	-	-
Costs for experts opinion	-	-	-
Administrative fees	35		
<b>II. Indirect costs</b>	<b>44</b>	0	0
Travel costs for court hearings (users)		-	-
Opportunity costs – monetary (users)			
Child care costs (users)			
Other	44		
<b>Benefits</b>			
Access to preliminary legal advice	100%		
Access to court			
Access to information about rights	100%		
Enjoyment of rights	76%		
Access to quality services	99%		
Compliance with rights			