



MONTHLY PROGRESS BRIEF ON THE EUROPEAN INTEGRATION PROCESS OF THE REPUBLIC OF MACEDONIA FOR JANUARY, 2010

01.02.2010

I. POLITICAL CRITERIA

In the area of Democracy and Rule of Law:

Improvement of the election process

The Management board supervising the work of the working group implementing the recommendations of OSCE/ODIHR approved the first drafts of the Action plans addressing the recommendations. The four thematic working groups continued with their regular meetings during the course of January, 2009. The Management board, chaired by the Deputy Prime Minister in charge of EU Affairs Dr. Naumovski, will hold additional meeting in February to discuss the progress made in the finalisation of the Action plan on the implementation of the ODIHR recommendations.

The Secretariat for European Affairs, as an institution coordinating the work of the thematic working groups, prepared integral Information for the Government on the activities and the progress made by the working group.

Government

The National Programme for Adoption of the Acquis, revision 2010 (NPAA, 2010) was adopted by the Government on its 133rd session on the 29th of December. The annual revision of NPAA was aiming at addressing the EC recommendations from the Regular Report (2009) and the SA Committee and sub-committees meetings in 2009, addressing the EC comments on NPAA (2009), further development of the Accession Partnership priorities as well as, additional improving of the overall consistency of the document with the strategic and budgetary planning.

In order to involve different stakeholders in the process of the revision of the NPAA 2010, the document was communicated and discussed in the Committee for European Affairs within the Assembly of the Republic of Macedonia as well as, the National Council for European Integration. Furthermore, on the 28th of January the document was discussed with the members of the civil society. During this meeting, it was agreed that all comments coming from the civil sector and related to the content and the structure of the NPAA to be submitted to the Secretariat for European Affairs by 5.02.2010. The Government on its session on the 26th January 2010 adopted 38 laws (out of 103) deriving from the NPAA 2010.

With the aim of ensuring regular and prompt monitoring of all activities deriving from the process of European integration it was decided to intensify the work of the Working Committee for European Integration (WCEI). Thus, the committee will hold



regular monthly meetings (every last Wednesday of the month) with the state secretaries from the line ministries, where among other issues, the level of realisation of NPAA activities will be discussed and monitored. In addition, according to the WCEI's Rules of procedure, the subcommittee for the preparation of NPAA and the negotiation positions comprised of the Heads of NPAA Working groups was reintroduced. The first meeting of the subcommittee is scheduled for 10.02.2010.

Anti-Corruption policy

The Law on Public Servants was adopted by the Government. The Law is a framework of administrative principals for the large scope of public servants which corresponds into a great extent to the principals for civil servants (GRECO recommendation from the second evaluation round). It sets provisions regarding rights, duties and responsibilities of public servants.

The State Commission for Prevention of Corruption on the 12.01.2009 on its own initiative submitted a request to the Public Revenue Office for initiating a procedure for examination of a property condition of the president, members of the steering committee of the National Agency for European Educational Programmes and Mobility according to Article 26 from the law on Prevention of Corruption. At the same time the SCPC initiated a case on fact - finding in the National Agency.

Reform of the Public Administration

On the last meeting of the Committee on the reform of the public administration the Slovenian expert Mr. Gregor Virant, the former minister for public administration attended as well. He will be to a great extent involved in the modernisation of the public administration. In the period 11 - 14 January during his field visit he held separate meetings with the respective institutions discussing PAR issues. Also a workshop for human resources management and civil service system in the EU – the case of Slovenia was held with the representatives from HR units.

The Law on Inspection Surveillance was adopted by the Government. The Law regulates the procedure for conducting the inspection surveillance by the state inspectorates on central and local level.

Secretariat for European Affairs, Civil Servants Agency and General Secretariat, with the support of UK assistance, have been working intensively on the preparation of the Human Resource Management Standards and their compliance with the national legislation. This activities have resulted with a comprehensive Manual/Guidelines as a tool not just for assessing the performances of civil servants, but as a basis for further development of the human capital as the main asset of the state institutions. Implementation of the HR standards will illustrate the European good practises and will contribute to new and better solutions in management of people



The process of assessment of the 10 pilot institutions (Ministry of Interior, Ministry of Labour and Social Policy, Ministry of Finance, Ministry of Environment and Physical Planning, Ministry of Justice, Secretariat for European Affairs, Civil Servants Agency, the General Secretariat of the Government of the Republic of Macedonia and Secretariat for Legislation) against 16 HR standards has been completed. Number of systems, procedures and good practices which can contribute to new and better solutions in management of people, have been identified. The priorities set for the next quarter are: Mentoring for new employees, Delegation, Internal Communications/Team Meetings and Sickness /Absence Management.

According to the procedures of the Manual on Dismissal of Commanders of Police Stations in the previous period the commanders of following Police Stations have been dismissed: Police Station in Gazi Baba (on 07.11.2009), Police Station in Prilep (on 26.12.2009), and Police Station in Radovis. The dismissal procedure for the commander of Police Station in Strumica is ongoing. The internal announcement for selection of commanders for the abovementioned police stations was published on 28.01.2010.

Improvement of judicial system reform (see Chapter 23-Judiciary)

The Government of the Republic of Macedonia on its session on 26.01.2010 adopted the Law on the Academy of Judges and Public Prosecutors, thus establishing the merit system for selection and appointment of judges and public prosecutors; and the Law amending the Law on the execution of court rulings.

In the area of Respect of human rights and the rights of non-majority communities

The Government adopted the Law for associations and foundations. The Law will contribute to further development of the dialogue between the Government and the civil society.

Starting January 1, responsibility for keeping home record and the issuance of certificates from birth, married and dead stem book will be run by the Directorate for keeping personal identification records, through its 8 regional departments, 26 regional offices and 239 offices situated in rural settlements. With a decision of the Government of Republic of Macedonia, movable and immovable properties were transferred from Ministry of Interior to the Directorate for keeping personal identification records.

A procedure for ratification the CoE Convention for protection of children against sexual exploitation and sexual abuse was initiated.

The Law on Prevention and Protection against Discrimination has been adopted by the Government on the session held on January 26.

The Draft -Law for ratification the Protocol 14 bis of the ECHR entered the governmental procedure. The Protocol 14 bis is limited on the procedural measures



contained in Protocol 14, which will accelerate the processing of the cases at the European court of human rights.

In order to prevent the corruption between prison staff, boxes for personal belongings of the employees and boxes for reporting corruption are installed in the penitentiary institutions. Also the telephone number for reporting corruption is in use. All the employees and visitors are obligated to pass metal detectors scan. Programme and Manuel for trainings of the employees are foreseen to be adopted till the end of January.

The Draft Programme for financing the reconstruction of the penitentiary institutions and the educational-correctional centres for year 2010 has been adopted by the Government.

The working group for protection of persons without ID held its second meeting. On this meeting UNICEF presented their research for the non-registered children and children without ID. Also the Roma NGOs presented their experience from field work with people without ID. The next meeting will be held of February 17 and concrete solutions should be indicated.

4 local action plans for employment of Roma were adopted. The local Action plans are in accordance with the reviewed Action plans from the Roma Strategy and Decade and will be implemented in Tetovo, Gostivar, Bitola and Prilep at first.

The law on free legal aid is in parliamentary procedure.

II ECONOMIC CRITERIA

Concerning the key priority: Enhance the general business environment by further improving the rule of law, strengthening the independence of regulatory and supervisory agencies, speeding up legal procedures and continuing registration of property rights, following progress has been made.

RIA is fully applied as of 1 of July 2009. The trainings for RIA are organised on a continuous basis. In January individual trainings for the implementation of RIA have been realised for 40 civil servants form the state administration, by engaging foreign consultant.

The second phase of regulatory guillotine is focused on implementing an action plan of the Customs Union. The action plan consists of 54 recommendations enabling additional simplifying of customs operations. The measures include continuous presence of the inspections at all border crossings, increasing the administrative capacity of customs administration, reduced documentation, reducing fees, eliminating unnecessary procedures, electronic connectivity with other competent institutions, additional legislative changes and other measures to allow easier movement and clearance of goods.



As part of the third phase 200 companies as well as the chambers of commerce have been asked to submit proposals for cutting down administrative barriers that impose difficulties when doing business.

In view of further enhancing of the administrative capacity of regulatory and supervisory bodies the Agency for Supervision of fully-funded pension insurance (MAPAS) strengthened the capacity with 5 new employments, at the end of 2009. The Commission for Protection of Competition strengthened the administrative capacity in particular for state-aid by employing 2 new employees. The administrative capacity of the Energy Regulatory Commission was strengthened with 3 new employments in order to monitor the market effectively.

In view of improving the transparency of public procurement as of January, companies will have the opportunity to actively engage with their remarks in the preparation of technical documents for public procurements, enabled through the Internet forum for this purpose. The goal is for economic operators to introduce changes aimed at improvement and warn on the shortcomings prior to the issuing of the tender documentation. The Ministry for Information Society will provide a username and password for applying companies. Each document posted at the Internet forum will have a timeframe, after which the documentation is reviewed by Ministry representatives. If necessary, changes would be made, whereas the document would become official for the relevant public procurement.

III. ASSUMING THE OBLIGATION OF THE EU MEMBERSHIP

3.01. FREE MOVEMENT OF GOODS

3.1.2 HORIZONTAL ISSUES

STANDARDISATION

The Institute for Standardisation of the Republic of Macedonia (ISRM) works intensively on the fulfilment of the 9 criteria for full membership in CEN and CENELEC.

Standards adopted by ISRM and Internal rules for the operation of ISRM

Several technical committees held meetings, whereupon the most of the standards were placed on a public debate.

There is a process of alignment of the internal rules of ISRM, with the internal rules of the European bodies for standardisation.



Promotional activities

ISRM has issued the Monthly Bulletin of Macedonian standards for January 2010 on its web page.

ACREDITATION

The Programme for operation of the Institute for accreditation of the Republic of Macedonia (IARM) for 2010 entered in governmental procedure.

MARKET SURVEILLANCE

The Law on Market Surveillance was adopted by the Government.

3.1.3 OLD APPROACH DIRECTIVES

The Rulebook on the Approval of Altered and Repaired Vehicles was adopted and published in Official Gazette (Official Gazette of the Republic of Macedonia No.72/10) in accordance with the Law on vehicles.

3.02. FREEDOM OF MOVEMENT OF WORKERS

The Law on Ratification of the Agreement between the Republic of Macedonia and Canada on Social Insurance is in parliamentary procedure.

The Law on Ratification of the Agreement between the Republic of Macedonia and Australia on Social Insurance is in parliamentary procedure.

3.04. FREE MOVEMENT OF CAPITAL

The Law amending the Law on prevention of money laundering is in Parliamentary procedure. These amendments are in the line with the Directive 32005L0060 for protection on use of the system for prevention of money laundering, implementation of the Convention CETS 198 from 2005 of the Council of Europe and harmonization with the Directive 32006L0070 about the definition of “politically exposed persons”.

Also, the Directorate for prevention of money laundering signed a Memorandum for cooperation with San Marino.

3.06 COMPANY LAW

The Draft Law Amending the Company Law, aligning with the Directive 2005/56/EC on cross-border mergers of limited liability companies has been adopted by the Government. The Rulebook on the form and content of the annual accounts of banks and other financial institutions was adopted and published in Official Gazette. (Official Gazette of the Republic of Macedonia No. 4/2010).



3.07 INTELLECTUAL PROPERTY LAW

The Law on Ratification of the Patent Law Treaty was adopted by the Parliament on 29th December 2009 (Official Gazette of the Republic of Macedonia No.163/09). Thus the procedure for protection of the patent right was simplified and the consumers gained benefits.

The Law on Ratification of the Singapore Treaty on the Law of Trademarks and the Law on Ratification of the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks were adopted by the Government of the Republic of Macedonia and entered in parliamentary procedure.

On 5th and 6th of January 2010, representatives of the Coordination Body for Industrial Property visited the United Kingdom (London and Newport) using TAIEX assistance. The purpose of the visit was to get familiar with the activities of the United Kingdom in the fight against intellectual property crime. On 18th and 19th of January 2010 representatives from the State Office for Industrial Property took part in the training for industrial design held in Budapest, as part of IPA project.

From 25th to 29th of January 2010 representatives from the State Office for Industrial Property took part in the Standing Committee on Patents in Geneva.

On 28th and 29th of January 2010, as part of the cooperation with the European Patent Academy, one judge participated in the training, "Disputes in the field of patents".

The Coordination Body for Intellectual Property in January conducted one coordinated action on 8 entities (6 natural persons and 2 legal entities). In this action a total of 709 pieces (6 computers using unlicensed Microsoft software and 703 CDs and DVDs) were seized.

The State Market Inspectorate submitted 4 applications for misdemeanour procedure. The Ministry of Interior initiated 1 criminal procedure. The Public Revenue Office issued two coupons for payment of a fine in the amount of 1000 euros in denar counter value for the legal person and 500 euros in denar counter value for the person in charge in the legal person. The coordinated action was conducted in Skopje.

3.08 COMPETITION

In the course of January, in the area of antitrust, the Commission for protection of competition (CPC) adopted 1 decision on concentration.

The administrative capacity of the CPC was enhanced within the framework of the project "Strengthening of the administrative capacity of the Commission for protection of competition for enforcement of antitrust and state aid legislation", by organising in-house seminars for employees of the CPC regarding cartels and prohibited agreements on 18, 20, 21 and 22 of January.

With the view of improvement of the enforcement record in the area of state aid, the CPC adopted two opinions.

3.09 FINANCIAL SERVICES



3.09.2 Insurance and professional pension insurance

The Law amending the Law on Compulsory Fully Funded Pension Insurance has been adopted by the Government. The objectives of the amendments are to ensure budget independence of MAPAS from the budget of the Ministry of labour and social policy as well as to ensure greater independence of regulatory bodies.

3.09.3 Financial market infrastructure

The Law amending the Law on Fast Money Transfer is has been adopted by the Government. The amendments of this Law refer to the reduction of funds necessary for the operation of the companies for fast money transfer from 100.000 EUR to 20.000 Eur. Also the amendments refer that the global money transfer system should be available in minimum 20 countries from which 11 should be members of OECD.

3.09.4 Securities market and investment services

The Law amending the Law on Securities has been adopted by the Government and its amendments are in line of harmonization with the Directives 31997L0009, 32007L0044 and in the line with recommendations of the Peer Assessment Mission 2007.

3.10 INFORMATION SOCIETY AND MEDIA

In the reported period the remarks received by the EC were incorporated in the Law pursuant to the comments received in the last EC report. Additional amendments were introduced to the provisions regulating construction of electronic communications infrastructure. The amendments were submitted to the operators for opinion. The Amendments to the Law on Electronic Communications are now in Governmental procedure.

According to the opinion, positively assessed are the amendments that: foster the power of the Agency in the regulatory process; clarify the procedures on naming and dismissal of the members of the Commission, the Agency's Director, the Agency accountability and transparency in its working; clarify the procedure on the approval of the referent offers on interconnection and access; align the work of the operators with the Law and the user's rights; clarify the procedure on the selection of Universal service provider and introduce further transparency relating the prices and quality of service etc.

Broad casting activity

Securing independence and autonomy in the work of the Public Service Broadcaster MRT

The Government of RM adopted Amendments to the Law on Broadcasting Activity abolishing the provisions that introduced the possibility of instigating bankruptcy and liquidation procedure against the PSB. The Amendments were adopted by the Parliament in January.



Financing of the Public Service Broadcaster MRT

In the reported period, MRT is trying to activate the existing payment mechanism for collecting the broadcasting fee.

Activities and measures for suppression of unauthorized media concentration

Pending cases:

- Case: Ros Metropolis, City Radio, ClubFM
- Case: TV A1 & dailies Vreme, Spic, Koha
- Case: TV AB Channel & daily Vecer

(BC collected evidences; the cases are still with the competition protection authority)

Resolved case:

Case: Same persons managers of Metropolis Radio and City Radio and advertising agencies.

Cases in process:

Case: Same person is manager of TV Kanal5 and TV Kanal5+

3.11 AGRICULTURE AND RURAL DEVELOPMENT

In January, 2010, the following legislative acts have been adopted and published in the Official Gazette of the Republic of Macedonia:

1. 2010 Programme on financial support for the agriculture, OG no. 7/2010
2. Programme for financial support of rural development in 2010, OG no. 8/2010

The government adopted the following laws:

1. Law on Agricultural and Rural Development (aligned with 32009R0073); this Law regulates the agricultural and rural development, the goals and measures within the agricultural and rural policy, state aid, as well as the forms of organisation in the agriculture and agricultural information system.
2. Law on Wine (aligned with 32008R0423; 32008R0479; 32008R0524; 32009R0555; 32008R0981; 32008R1087; 32009R0436; 32009R0606; 32009R0607; 32009R0702); this Law regulates the production of wine and other grape and wine products, the classification of wines, the viticultural policy, the management of the productional capacities, the description, labelling and protection of wine, wine marketing and trade, as well as production, labelling and protection of wine with geographical indication.

3.12 FOOD SAFETY, VETERINARY AND PHYTOSANITARY POLICY



The Law on Animal Feeding Food Safety has passed the governmental procedure. This Law aligns the Macedonian legislation on the subject of animal feeding food safety with the EU legislation in the scope of its production, processing, storage and distribution.

The Government passed the framework Law on Food Safety (aligned with 32000L0013; 32001L0018; 32002R0178); this Law approximates the Macedonian legislation with the EU legislation in the field of labelling, presentation and advertising of foodstuffs; deliberate release into the environment of genetically modified organisms; general principles and requirements of food law and establishing the Macedonian Food Safety Authority

Veterinary policy

For the purpose of strengthening the administrative capacity several official veterinarians and persons employed in Veterinary Directorate directly involved in specific area took a part in events organized by European Commission. The particulars of the events are as follows:

1. DG SNACO - organized Events in framework of Better Training Safer Food (BTSF) Program:

- Sixth Feed Law seminar - Better Training Safer Food (BTSF) – DG SNACO training course held from 25th to the 29th of January 2010;
- BTSF training course on microbiological criteria in foodstuffs held form 25-29 January 2010 in Berlin, Germany.

2. TAIEX - organized events:

- Expert Mission on animal products (animal by products, official controls in food business operators in slaughterhouses) held from 25-29 January 2010, in Veterinary Directorate Skopje;
- Workshop on official controls in co-organization with Ministry of Health - Food Directorate (see Food Safety rules below) held on 26 January 2010 in Ohrid.

The aim of the trainings above are to spread knowledge and best practices in order to increase the level of expertise with regard to specific area issues.

Food safety rules

The administrative capacity of the Food Directorate has been strengthened by:

- three state officials of whom two state food inspectors and one associate in the Risk analysis department. 2 employments are in the final stage of realisation.
- Workshop on official controls, organized by the Food Directorate, within TAIEX mission. The workshop, attended by 30 employees from the Food Directorate, took place on January 25-26 in Ohrid.



Phytosanitary policy

Two events have been organized and conducted which main purpose were strengthening the capacity of both Directorate for seed and seeding material (point 1 below) and Phytosanitary Directorate (point 2 below) as it is mentioned below.

1. Workshop on Marketing of vegetative propagating material of vine, fruit plants, ornamental plants and forestry in Skopje, 28 - 29 January 2010.

The aim of this workshop is to help in the implementation of EU legislation in relation with marketing of vegetative propagating material of vine, fruit plants, ornamental plants and forestry. They will focus on the determination of the characteristics and minimum conditions for inspecting the vine varieties.

2. Study visit on Implementation of EC plant passport system AGR IND/STUD 34635

Organized in co-operation with Phytosanitary Administration of the Republic Slovenia and Ministry of Agriculture, Forestry and Water Economy of the Republic Macedonia in the Republic Slovenia

18 - 21 January 2010

Aim of the meeting: The study visit was proposed for preparing the core phytosanitary administration and inspection officials for the practical application and enforcement of phytosanitary legislation and control firstly to support official registration for the purpose of plant passports and phytosanitary certification and secondly for systematic recording of plant health checks and outbreaks as a basis for geographic distribution maps of harmful organisms based on practice in MS. EC legislation covered by the study visit was: 1. Plant health: 2000/29/EC, 92/90/EC, 93/50/EEC, 92/105/EEC; 2. Marketing directives: 92/33/EEC, 93/69/EEC, 93/62/EEC, 93/48/EEC, 93/64/EEC, 93/79/EEC; 98/56/ES; 1999/66/ES; 92/34/EEC, 68/193/EEC, 2002/56/ES ; 2008/72/EC.

3.13 FISHERIES

The Programme with Measures for the Promotion of Fisheries and Aquaculture was adopted and published in the Official Gazette of the Republic of Macedonia no. 7/2010.

3.14 TRANSPORT POLICY

Based on the Law on working hours and mandatory rest times for mobile workers and the devices for international road transport (Official Gazette of RM number 161/09), the following secondary legislation has been passed:

1. Rulebook on the method of transferring data and the manner of keeping records from the tachograph,
2. Rulebook on the technical characteristics of the tachograph and the manner of use, installation, repair, inspection and control of the tachograph,
3. Rulebook on the form and content of the application for issuance or extension of



the authorization for the installation, inspection, control and repair of tachographs, and

4. Rulebook on the form and content of the application and the procedure of issuing of memory cards.

Regulations 3820/85/EEC, 561/2006/EC, 3821/85/EEC and 2135/98/EC have been transposed in the above mentioned legislation.

A new Law on Railways has been prepared and entered Governmental procedure. It aims to transpose the following EU measures: Directive 91/440/EEC, Directive 92/106/EEC, Directive 95/18/EEC, Directive 2001/12/EC, Directive 2001/13/EC, Directive 2001/14/EC, Directive 2004/49/EC, Directive 2004/51/EC, Directive 2007/58/EC, Directive 2008/110/EC and Regulation 1370/2007.

Also, a new Law on Railway Safety has been prepared and adopted by the Government. The Law is aligned with the EU safety directives in railway transport: Directive 2004/49/EC, Directive 2008/110/EC, Directive 2007/59/EC, Directive 2002/15/EC

The Network Statement of the Macedonian railway infrastructure for 2010 was prepared and defined in 2009, by according to Railway Law and published on 01.01.2010 on the WEB site.

Decree on the conditions, the rules and manner for securing from illegal activities was enacted by the Government of the Republic of Macedonia No.19-5892/1-09 of 12 January 2010. It transposes the following EU measures:

- Regulation (EC) No.300/2008 of the European Parliament and of the Council of 11 March 2008 on common rules in the field of civil aviation security and repealing Regulation (EC) No.2320/2002
- Commission Regulation (EC) No.820/2008 of 8 August 2008 laying down measures for the implementation of the common basic standards on aviation security
- Commission Regulation (EC) No.1217/2003 of 4 July 2003 laying down common specifications for national civil aviation security quality control.
- Commission Regulation (EC) No.1486/2003 of 22 August 2003 laying down procedures for conducting Commission inspections in the field of civil aviation
- Commission Regulation (EC) No.1138/2004 of 21 June 2004 establishing a common definition of critical parts of security restricted areas at airports.

TAIEX Expert Mission for finalizing the amendments of the Law on Aviation was realized in the period January 11-15, 2010 in Skopje. The Law is expected to be adopted by the end of the first quarter of 2010.



3.15 ENERGY

The preparation process of the Strategy for development of the energy is in final stage. The Strategic Impact Assessment has been prepared and published on the Ministry of economy's website on 22 of January 2010.

In January 2010, additional 5 Concession Agreements for Small Hydro Power Plants were signed with the best ranked bidders for the third international public announcement. Total installed capacity for 28 small hydropower plants is 16 MW envisaged electricity generation per year is 58 GWh, and planned investments are 30 million Euros for 2009 and January 2010.

In the field of internal market, during January 2010, the Energy Regulatory Commission of the Republic of Macedonia adopted the following decisions:

- 2 Decisions for highest selling prices for different oil derivates on every fourteen-days period in accordance with the Methodology for establishment of the prices for different oil derivates as prescribed by the Annex D of the Agreement for purchase and sale of shares and for concession of the Oil Refinery AD "OKTA" – Skopje, signed between the Government of the Republic of Macedonia and the share hold company "EL.P.E.T. - Balkanize" as a strategic investor;
- Decision for price for selling of natural gas to the tariff customers directly connected to the natural gas transmission system for first quarter in 2010;
- Decision for issuing license for performing energy activity trading with oil and oil derivates and befouls and blends of liquid fuels from fossil origin used for transport with befouls to company ALOV AD – Skopje;
- Decision for issuing license for performing energy activity electricity transit to the company EFT MAKEDONIJA – Skopje.

In addition, the Energy Regulatory Commission issued the following:

- Tariff system for electricity;
- Rulebook on the manner, conditions and procedure for disputes resolution between the companies and users of energy activities, as well as the compensation of the costs for resolving the dispute;
- Decision for approval of regulated maximum price for generation, distribution and supply of geothermal energy for the regulated period to the company KJP VODOVOD Cocaine – working unit GEOTERMA;
- Decision for price for selling of natural gas for the tariff customers connected to distribution system in Technological industrial development zones (DTIDZ) - Skopje for first quarter in 2010.

In January 2010, Energy Regulatory Commission participated on the following events:

- 1st Workshop on Quality of Service Study, held in Vienna, Austria;
- 11th ECRB Customer Working Group meeting, held in Vienna, Austria;



- ERRA Licensing/Competition meeting, held in Amman, Jordan;
- ERRA Tariff/Pricing Committee meetings, held in Amman, Jordan.

During January 2010 the Ministry of Economy has conducted several important activities in the field of energy efficiency. Namely, the Service Contract between the Ministry of Economy, as the Contracting Authority and the Energy Agency of the Republic of Macedonia and Austrian Energy Agency as the Contractors for implementation of the project “Enabling the Environment for Introducing Energy Efficiency in Buildings in the Republic of Macedonia” was signed on 15 January 2010. By signing this Service Contract, conditions are created for starting the project implementation.

A public discussion on Rulebook for issuing guarantees of origin for electricity from CHPP, was held on 13 January 2010. The organisation was performed by the Energy Agency of the Republic of Macedonia and the public discussion was attended by the representatives from relevant energy institutions and energy companies.

In the field of radiation safety, during January 2010, 6 licenses for practices with ionizing radiation have been issued and 15 inspections have been performed by the Radiation Safety Directorate.

3.19 SOCIAL POLICY AND EMPLOYMENT

According to the analysis and recommendations gained within the implementation of the Twining project “Review of the national labour legislation”, the amendments of the Law on employment and insurance in case of unemployment that are in line with alignment with EU Directives, are in final preparation stage.

Implementation of the project “National labour legislation and practice through enhancement of integral access of flexsecurity” started in January. This project will be implemented during 2010, and is supported by the MATRA Programme of the Netherlands and in cooperation with the Dutch Ministry of social work and employment. The aim of the project is usage of the Dutch and EU experiences in the area of flexsecurity in the labour market; comparative analysis with the national legislation and experiences from the implementation of the legislation; policies and measures for employment in the context of flexsecurity. Within the implementation process, active involvement of the social partners is expected.

In the area of safety at work, the final consultations are taking place for preparation of Rulebook on protection of safety and health of workers from the risks related to exposure to chemical substances, transposing Directives 98/24EC and 2000/39 EC for chemical substances and Directive 91/322/EEC for establishing indicative limit values risks related to exposure to dangerous gases, vapours, and aerosols at work.



During January, Operative plan for active measures for employment 2010 is created, based on analysis of the effect and results of the Operative plan 2009 implementation. The OP 2010 is send to the Government for adoption.

The draft version of the National strategy for fight against poverty and social exclusion is prepared. Currently, there is a process of consultation with all relevant partners, including NGO's, local self government, and social partners, in order to determine the final text that will cover strategic policies for social inclusion of the vulnerable groups.

Revised National strategy for equal rights of people with disabilities (2010-2014) is prepared and sent to the Government for adoption.

A Protocol for treatment of street children is made, with aim to provide inter-sector approach in solving the problem of children leaving on the street. The Protocol is sent to the Government for adoption and is expected to help in reducing dangerous influence of the street towards development and growth of the children.

With the purpose of carrying out the process of deinstitutionalization, a civil association (Republic centre for support of people with intellectual disabilities "Poraka") is chosen on public announcement, to open 16 house units for people with intellectual disabilities from the south-eastern part of the country, with intention to establish effective social services for independent leaving of these people.

Training for capacity building of people working in daily centres for street children took place, dealing with treatment of street children. Training for providing legal help to victims of family violence was organized too, targeting NGO's working in the area of social protection.

Within the project "Support to Commissions for equal opportunities in the units of local self government", grant competition was open for implementation of action plans for gender equality, and three municipalities received funds for their activities.

The Ministry of labour and social policy in cooperation with the British council started a project for equal opportunities and diversities, with the purpose of capacity building of the NGO's that are to be involved in the implementation of the Law on prevention and protection against discrimination.

Operative programme for implementation of the National action plan for gender equality 2010 is prepared.



Within the project “Preparation and analysis of relevant legislation and citizens diary for overcoming unequal treatment and access of Roma women to the state institutions”, an analysis is prepared and ready to publish.

The proposed Law on prevention and protection against discrimination was adopted by the Government.

3.22 REGIONAL POLICY AND COORDINATION OF STRUCTURAL INSTRUMENTS

In January activities have been undertaken for completing the process of Operational Programme for Regional Development modification. Following the comments received at the Sectoral Monitoring Committee for Operational Programme for Regional Development by EC representatives, revised proposal of OPRD (2007-2009) for next programming period (2010-2011) has been modified.

This version has been submitted to the Government at its regular session on 26th of January 2010. Additionally, the revised proposal of OPRD has been submitted to Sectoral Monitoring Committee, by initiating “written procedure” in order to acquire their opinion on the proposal. After approval of the Government and consent by the Sectoral Monitoring Committee, we expect officially to be submitted to European Commission by Strategic Coordinator.

In regard of national regional policy implementation Annual programme for balanced regional development has been adopted on 12th of January 2010.

3.23 JUDICIARY AND FUNDAMENTAL RIGHTS

JUDICIARY

In January 2010, the Ministry of Justice prepared the amendments to the Law on Court. The Law is in government procedure. The Law amending the Law on Courts increases the transparency and the responsibility of the court institutions in the country. Moreover, it introduces liability if the court violates the principle of trial within reasonable time (applying financial fee to the judge failing to apply this principle during the trial of the case).

The Law incorporates the fundamental principles from the European Convention on Human Rights – strengthening the mechanisms for distribution of cases in the courts in order to ensure impartiality (this matter will be further regulated with the Law on management of court cases), introduces medical and psychological examination of judges when applying for a post, and further increases the responsibilities of the presidents of the courts by strengthening the disciplinary sanctions.

The Government of the Republic of Macedonia on its session on 26th January 2010 adopted the Law on Academy for Judges and Public Prosecutors and the Law amending the Law on Execution of Court Rulings. The Law on the Academy introduces the merit



system in the selection of judges and public prosecutors based on their performance during the initial training. After they receive the final grade, a rank list is composed solely on the performance and the grades received during the training. The top three on the rank list have the right to apply for a post within the appellate district, whereas the rest are obliged to apply for a position where they have completed the second phase of the initial training. If the candidate fails to apply in two consecutive terms for the announced post, he/she loses the status of a graduate. The new Law follows the best European practices on the subject matter. Once translated, the Law will be forwarded to the Delegation for information. The Law on the Academy increases the financing of the Academy through the central budget, addressing the recommendation by the EC given in the last two Progress Reports.

The Law on the Execution of Court Rulings further specifies the work of the executors. The Law specifies the provisions on the supervision over the executors, thereof creating a legal base for a Rulebook on conduct of supervision over the executors, as well as defining the disciplinary responsibilities of the executors.

3.24 JUSTICE, FREEDOM AND SECURITY

Migration

The process of updating the Migration Profile of Republic of Macedonia for 2009 is ongoing.

On 27 January the Friends of MARRI Meeting took place in Skopje under the Montenegrin MARRI Presidency-in -Office. MARRI Representatives presented the ongoing and planned activities and the issue on the future funding of the developed MARRI Project Proposals was discussed.

Asylum

The amendments to the Law on Administrative Fees were adopted ("Official Gazette of R.M."no.06/10), so all the preconditions for issuing personal documents to persons under subsidiary protection were fulfilled. The process of issuing of these documents started on 26.01.2010.

Police cooperation and fight against organised crime

In the frame of the bilateral cooperation between Macedonian MoI and the Federal Ministry of Interior of Germany, police equipment was donated by the German federal criminal service for the needs of the Organized crime Department.



3.25 SCIENCE AND RESEARCH

Research policy

In the course of January the implementation of the Programme on procurement of equipment for laboratories within the State Universities and Public Scientific Institutes continued.

The public call for showing interest by the institutions was opened and was open for submitting applications until the 20th of January. In this period it is expected for the scientific public institutions to show interest and submit quality elaborations on the their needs of laboratories referring to the aims and priorities, sustainability, the benefits for the academic and scientific public, the contribution to the strengthening the links between the science and the economy sector. The evaluation will be conducted by a competent commission consisted from relevant experts, established by the Ministry of education and science.

The total budget allocated for this activity is 60. 000. 000 EUR. The project is planned to be implemented within 4-year period. 5% of the total amount allocated for this purpose, is planned for 2010, the first year of implementation.

3.26 EDUCATION AND CULTURE

Vocational education and training

The VET Centre developed structure and instruments for conducting the Analyses of two-year and three-year vocational education. The Analyses are being realised in the course of January.

Methodology for development of standards for occupations was prepared with support of the British Council.

The activities of the VET Centre for managing and implementing the projects aimed at enhancing and supporting the reforms of the vocational education and training system is ongoing:

- Project “Systematic Evaluation of the four-year VET provision”, supported by the European Training Foundation. The expected outcomes are: better understanding of the social and economic impact on the graduates of the VET provision and determining how they are perceived in the labour market, building up the capacity for research and evaluation in order to introduce changes in the education system.
- Participation of the VET Centre in the working groups for activities of the designing a National Qualification Framework, a process that is supported by the



Lifelong learning Project - Technical assistance to the Ministry of Education and Science.

Education of adults – life long learning

In the reported period the capacities of the Adult education centre were strengthened by organizing and delivering trainings for the employees on various topics within the frames of the Project for Lifelong learning - Technical Support for the Ministry of Education and Science. The trainings included: Project Cycles Management, experiences and examples of adult education in the EU countries, National Qualification Framework and Training Need Analysis. Also the employees participated at the following events: Study visit to Regen, Germany, organized by DVV International; at the International Conference on Innovative Apprenticeships "Promoting Successful School-to-Work Transition in Torino, Italy organized by European Training Foundation; Participation at the Seminar on Non-formal Education; Conference on adult education and Lifelong learning in Slovenia; Participation on the Mutual Learning Project on Adult Education in Torino, Italy and Zagreb, Croatia, organized by European Training Foundation.

Community programmes - Tempus and Erasmus Mundus

The period for submitting proposals for the Third Call for applications for Tempus IV faze is ongoing and it will be open until 9th of March 2010.

The call for applications for Erasmus Mundus (2009 -2013) that encompasses the actions External Cooperation Window и Western Balkan Window was announced in December and the process of submitting the applications is ongoing. The deadline is by the end of April 2010.

Community programmes - LLP an Youth in action

The National agency for European Educational programmes and mobility is actively working on the preparations of the Working programs for the LLP a Youth in action programme in cooperation with DG Education and Culture.

Two working meetings were realized in Brussels, for the sectoral sub programmes of the LLP. Two workshops were organized and delivered for the potential beneficiaries for the sub – programmes Leonardo da Vinci, Comenius and Grundtvig.

3.27 ENVIRONMENT

In the area of **Horizontal legislation**, the Government adopted the Draft Law Amending the Law on Environment, with which further transposed the EU Directive 32001L0042,



elaborated in more details the principle “silence of administration silence” and introduced eco-tax for heavy motor vehicles.

The National Council for Sustainable Development was established by the Government, upon adoption of the National Strategy for Sustainable Development (“Official Gazette of the Republic of Macedonia” No.8/2010). This Council will be consultative body to the Government on the sustainable development policy.

The Government adopted the Programme for Environmental Investments for 2010 (“Official Gazette of the Republic of Macedonia” No.8/2010) by which 122.500.000, 00 denars were allocated for financing and co-financing environmental projects in 2010.

Rulebook on the quantities of the upper limits-ceilings of the polluting substances emissions for the purpose of determining projections for certain time period that are addressing the decreasing of the quantities of the polluting substances emissions on annual basis (“Official Gazette of Republic of Macedonia” No. 2/2010), was adopted.

Rulebook on the hazardous substances, limit values (thresholds) for the presence of hazardous substances and the criteria or properties by which a substance shall be classified as hazardous, is in the process of publishing into the Official Gazette of the Republic of Macedonia.

Workshop on Transposition and implementation of the EU Directive for environmental liability 32004L0035 took place on 20.01.2010 in Skopje. Representatives of the relevant ministries and institutions, municipalities, business sector and NGOs participated.

Regarding climate change, a consultative meeting on the Copenhagen Accord and the future steps needed after Copenhagen Summit has been organised by the MEPP. Representatives of relevant ministries, faculties, MANU, NGOs and stakeholders took part on this meeting, after which Republic of Macedonia submitted Appendix 2 of the Copenhagen Accord to the UNFCCC Secretariat.

In respect of the civil protection, the Law on Ratification of the Agreement between the Government of the Republic of Macedonia and the Government of the Republic of Hungary for Cooperation and Mutual assistance in case of disasters (“Official Gazette of the Republic of Macedonia” No.10/2010) was adopted.

Republic of Macedonia dispatched humanitarian assistance to the affected population in the Republic of Albania, due to the floods in this country. This humanitarian assistance was composed of: 43 members of the Republic protection and rescue units for flood protection; 7 water pumps with capacity of 3000 l/min; 14 water pumps with capacity of 250-400 l/min; 10 power aggregates; 5 rubber boats with capacity for 8-10 people; 8 tents for 50 people. The protection and rescue units operated in the area of Shkodra during the period of 10-19.01.2010.

New department in the Protection and Rescue Directorate was formed due to the acquirement of the Air Tractor AT-802 airplanes for fighting with open range fires. There is an ongoing procedure for filling the positions in the department (pilots, engineers,



technicians etc), after which selected personal will be send for training in order to be prepared for the summer season.

The Protection and Rescue Directorate, in cooperation with the International Trust Fund for Demining and Mine Victims Assistance and the Government of USA, started a project for clearance of Ohrid Lake from unexploded extra-ordinance on 26th of January 2010. The project will last 20 operational days and the Protection and Rescue Directorate's team for under water and land demining will be used.

The procedure for signing the MoU with the EC for participation in the Community Civil Protection Mechanism and the Civil Protection Financial Instrument is in the final stage. Republic of Macedonia sent response to the EC regarding the EC's official confirmation of the text of the document and we expect this procedure to be finished very soon in order the internal procedure for ratification of the MoU to be commenced.

Regarding **air quality**, the Government also adopted the Draft Law Amending the Law on Ambient Air quality which is parliamentary procedure at the moment. These amendments provide transposition of the following EU measures: 32008L0050, 32001L0081, 32000L0069 and 32001L0080 and legal basis for reporting to the EEA, the executive body of LRTAP Convention and other relevant international organisations.

The Government also adopted 5 Laws on Ratification of 5 Protocols under the UNECE Convention for Trans-boundary Effects of Air Pollution and they are in parliamentary procedure at the moment¹.

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- ¹ Law on Ratification of the Protocol to the 1979 Convention on Long-range Transboundary Air Pollution on Long-term Financing of the Cooperative Programme for Monitoring and Evaluation of the Long-range Transmission of Air Pollutants in Europe (EMEP)
 - Law on Ratification of the Protocol to the 1979 Convention on Long-range Transboundary Air Pollution on the Reduction of Sulphur Emissions or their Transboundary Fluxes by at least 30%
 - Law on Ratification of the Protocol to the 1979 Convention on Long-range Transboundary Air Pollution on the Control of Emissions of Nitrogen Oxides or their Transboundary Fluxes
 - Law on Ratification of the Protocol to the 1979 Convention on Long-range Transboundary Air Pollution on the Control of Emissions of Volatile Organic Compounds (VOCs) or their Transboundary Fluxes
 - Law on Ratification of the Protocol to the 1979 Convention on Long-range Transboundary Air Pollution on Further Reduction of Sulphur Emissions



In the area of **waste management**, the Directorate for Environment issued 1 license for transport of non-hazardous waste and 1 license for transit of dangerous waste (Basel Convention).

In respect of **nature protection**, the Government adopted the Draft Law Amending the Law on Nature Protection which is currently in parliamentary procedure. These amendments will enable adoption of bylaws related to nature monitoring in accordance with EU Directives 31979L0409 and 31992L0043.

Final version of the Plan for Management of the natural and cultural heritage of the Ohrid region with Action Plan was prepared and it will be send to the UNESCO Committee for World Heritage seated in Paris.

Workshop on Promotion of the Study for Ezerani took place on 26.01.2010 in municipality Resen.

In the area of **Industrial Pollution Prevention and Control (IPPC)**, the Government adopted the Draft Law on Ratification of the Convention on the Transboundary Effects of Industrial Accidents which is in the parliamentary procedure at the moment.

Regarding **forestry**, the Government adopted the Programme for Expanded Reproduction in Forests for 2010 ("Official Gazette of the Republic of Macedonia" No.8/2010), by which financial resources in amount of 150.000.000, 00 denars were determined for expanded reproduction of Macedonian forests in 2010.

3.28 CONSUMER AND HEALTH PROTECTION

28.1 Consumer protection

The Government of the Republic of Macedonia on a proposal of the Ministry of Economy, adopted the Program for amending the Program for consumer protection for the period 2009-2010 ("Official Gazette of RM" No 5/10).

The Government of the Republic of Macedonia adopted the "Information for the realisation of the activities of the Program for consumer protection for the period 2009-2010 in 2009". This activity is in accordance with the Governmental Program for 2009.

28.2 Public Health

According to the Law on Health Care, annual health care programs were adopted by the Government and published in the Official Gazette No 7/10 from 20.01.2010:

1. Program "Health for All" for 2010
2. Program for protection of population in the Republic of Macedonia against HIV/AIDS for 2010
3. Program for compulsory immunization of the population in the Republic of Macedonia for 2010



4. Program for preventive measures against tuberculosis for the population in the Republic of Macedonia for 2010
5. Program for preventive health care for the population in the Republic of Macedonia for 2010

3.29. CUSTOMS UNION

As from 01.01.2010, the Customs Administration of the Republic of Macedonia took over the whole administration and collection of the excises on the whole territory of the country.

Pursuant the amendments to the law on administrative taxes, as from 23rd January 2010, the Customs administration abolishes the administrative taxes payable for lodging of customs declarations, requests for Issuance of movement certificate EUR1, documents prescribed by the international and interstate agreements, adopted and ratified by the Republic of Macedonia which are used instead of customs declarations, as well as for entries for taking in/out of goods into and from free zone and free warehouse.

The Government of the Republic of Macedonia, on its session held on 26.01.2010, adopted the Law amending the Customs Law, aligning some parts of it with the acquis, and setting up a legal basis for establishment and implementation of the new Customs declaration processing system.

The Government adopted also amendments of the Law on customs tariff, introducing partial alignment with Acquis in view of imposing integrated customs tariff in accordance with the legal regulations of the Republic of Macedonia

3.31. Foreign Security and Defence Policy European Security and Defence Policy (ESDP)

The representatives of MoI of Sweden expressed their readiness for organizing twinning project regarding preparing police officers to participate in peace missions which was requested by the MoI of Republic of Macedonia.

Common Foreign Security Policy (CFSP)

The European Commission gave positive response to the request of Republic of Macedonia for organizing a regional TAIEX seminar on implementation of international restrictive measures. A respond from the Commission is being expected regarding the date and place where the seminar will take place.

The Information for participation of Republic of Macedonia in the Common Foreign and Security Policy in the period 01.07-31.12.2009 was drafted and submitted to the Government for adoption.



Activities were undertaken regarding updating the list of international restrictive measures accepted by Republic of Macedonia on the web site of MFA.

3.32 FINANCIAL CONTROL

Two key laws regarding the audit have been adopted by the Government. By adopting the Laws, a crucial progress has been made in the field of external audit and protection of the EU's financial interests.

The Law on State Audit was prepared in extensive communication with the relevant Dg's in the European commission, providing increased financial and operative independence of the State Audit Office. Additionally, the Law gives solutions concerning the improvement of the audit reports follow up.

Regarding the second, Law on Instrument for Pre-accession Assistance Audit, it regulates the work of the Audit Authority in the Republic of Macedonia. According to the recommendations from the European Commission, the Audit Authority has been established as a separate body independent from the State Audit Office. The latter, was one of the requests for accreditation of the Decentralized Implementation System in the Republic of Macedonia, as well.

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IPA AND BILATERAL ASSISTANCE RELATED ISSUES

TAIEX

During January 2010, 49 TAIEX applications were submitted. Two events were organised and 6 Macedonian participants attended the events.

PUBLIC INFORMATION AND COMMUNICATION ACTIVITIES

The SEA website was regularly updated with EU-related news and 4637 hits were registered. In addition, SEA started to issue monthly electronic newsletter which is distributed to domestic institutions, media, NGOs, and other interested parties, as well as to EU institutions, EU embassies to the Republic of Macedonia and foreign media. The newsletter is published on SEA website. In regard with cooperation with the civil sector, several meetings were held with NGO representatives to discuss the possibilities for



cooperation in the process of European integration and communication with the public.
The MK-EU Info Centre continued with its regular activities.

