



GOVERNMENT OF THE REPUBLIC OF MACEDONIA  
**Secretariat for European Affairs**

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И Сонцето е звезда · Македонија во ЕУ  
The Sun, too, is a star · Macedonia in the EU

**MONTHLY PROGRESS BRIEF**  
**ACCESSION PARTNERSHIP**  
**No. 07/2009**

**SKOPJE, July 2009**

## INTRODUCTION

The first edition of the Monthly Progress Brief was released in January 2006 on the implementation of the European Partnership 2006.

In February 2008 the Council of the European Union adopted the Accession Partnership for the Republic of Macedonia containing eight key priorities as benchmarks for launching accession negotiations.

The Monthly Progress Brief provides a summary of the achievements of the Republic of Macedonia in the process of accession to the European Union, vis-à-vis the priorities contained in the Accession Partnership 2008.

The Brief is intended to provide timely and accurate information to the European institutions and EU Members states, as well as to the domestic decision makers and broader public, on the progress made.

Additionally, the reporting mechanism serves as a constant reminder to the line ministries and other responsible agencies of their commitments, while providing an opportunity for summarising the realised progress in the preceding month.

This edition covers the major developments during the month of July 2009.

*Following resignation of Deputy Prime Minister Mr. Ivica Bocevski, [Dr. Vasko Naumovski](#) was appointed Deputy Prime Minister for European Affairs in the Government of the Republic of Macedonia. He took office on 10 July 2009.*

## I. POLITICAL CRITERIA

(Key priorities of the Accession Partnership are incorporated)

*With regard to the **key priority related to promoting a constructive and inclusive dialogue, in particular in areas which require consensus between all political parties, in the framework of the democratic institutions***

The Prime Minister held a meeting with the leaders of the biggest political parties represented in the Parliament, on key issues related to the implementation of the benchmarks for opening accession negotiations. The leaders of position and opposition parties VMRO\_DPMNE, SDUM, DUI, New Democracy committed to the implementation of the benchmarks and constructive action in the Parliament, specifically to legislative proposals related to the benchmarks, such as the Law on Parliament, Law on Financing Political Parties and the Amendments to the Law on Civil Servants. It was also agreed to discuss, within the Committee for Mandatory Immunity issues proposals for amendments to the Rules of Procedure, based on the recommendations of the Venice Commission, as well as implementation in the Parliament of the Law on Languages of Non-Majority Communities exceeding 20% of the population.

Two meetings have been held between the Prime Minister and the Association of Local Self-Government Units (ZELS) on the implementation of the key priorities, particularly on issues concerning the local self-government. The Prime Minister demonstrated the readiness of the Government to further support the municipalities by increasing the financial resources available to them. A special meeting was held between the Government and the ZELS on the implementation of the Ohrid Framework Agreement. The meeting resulted in constructive discussion and strengthened engagement on the implementation of the Ohrid Framework Agreement at local level, as well as promotion of the activities of the committees for inter-ethnic relations, in co-operation with the Parliament's Commission on Inter-Ethnic Relations.

On 23 July, the Deputy Prime Minister for implementation of the Framework Agreement and the Mayor of Skopje held a meeting regarding the implementation of the Framework Agreement, including equitable representation in the public institutions. The City of Skopje has earmarked funds for bilingual signs and markings.

On 29 July, the Association of Local Self-Government Units (ZELS) held a meeting focused on the implementation of the Framework Agreement, application of the Badintaire principle in local self-government, establishment and operation of committees on community relations and implementation of the Law on Civil Servants, attended by mayors of municipalities where at least 20 percent of the total population are members of a certain community, as well as representatives of foreign embassies to Macedonia. The Deputy Prime Minister for implementation of the Framework Agreement and the Chairman of the Parliamentary Commission on Inter-ethnic Relations participated.

Deputy Prime Minister for European Affairs Vasko Naumovski participates at the meetings of the President of the Assembly with co-ordinators of political groups, as a representative of the Government.

In July the National Council for European integration held public debates on the Draft law on Free Legal Aid, the Draft Law on Protection from Discrimination, the Draft Amendments to the Criminal Code and the Law on Criminal Procedure, as well as the Amendments to the Law on Conflict of Interest. The Council was supported with additional three employments.

The Secretariat for European Affairs submitted a six-month report on the implementation of the National Programme for the adoption of the Acquis to the National Council for Euro-Integration.

The Parliament's services were strengthened with 15 new employments in line with the NPAA 2009 plans.

With regard to the **key priority *Ensure effective implementation of the Law on Police:***

**The Law on Internal Affairs was adopted** ("Official Gazette of the Republic of Macedonia" No. 92/2009), which introduces a career system for the police offices in accordance with best practices on European level.

The bylaws for the implementation of the Law have been drafted.

Training Program for the Managerial Structure of the Police was developed.

Concerning the **key priority *Establish a sustained track record on implementation of judiciary reforms and strengthen the independence and overall capacity of the judicial system. Implement the reform of the prosecution and finalise the appointment of the Judicial Council:***

The Government adopted the Analysis on the implementation of the Law on Administrative Disputes. A Working group was established in the Ministry of Justice to draft the amendments to the Law, in consultation with SIGMA.

On the session of the Judicial Council, held on 07.07.2009, 6 judges were appointed from the candidates trained by the Academy for training of judges and prosecutors. At the same session, a Decision was made for publishing announcement for additional 9 judges in the basic courts, from the candidates trained by the Academy.

The Annual evaluation of the work of all 655 judges, which started on 07.05.2009, was completed on 06.07.2009, with the evaluation of the presidents of the Courts. The evaluation was performed by the following grades: Very Good, Good, Satisfactory and Non satisfactory. The Judicial Council prepared a Report on the evaluation of the judges for the period of 2008.

The new document on further judiciary reforms is available on the web site of the Ministry of Justice for public consultation.

The procedures for the employments in the court administration foreseen in the NPAA are ongoing. Selection procedures for additional staff are ongoing for the new court structures, i.e. the Higher Public Prosecutor's Office and the Appellate Court in Gostivar.

Since the beginning of July, all the courts in the Republic of Macedonia have functioning web pages, with relevant information on their operation and cases, greatly contributing to transparency and visibility of the functioning of courts.

(links available at: [http://pravda.gov.mk/novost\\_detail.asp?lang=mak&id=406](http://pravda.gov.mk/novost_detail.asp?lang=mak&id=406) ).

In terms of the **key priority *Establish a sustained track record on implementation of anti-corruption legislation:***

**The Amendments to the Law on Financing of Political Parties were adopted** by the Parliament. The amendments impose stricter control on the financing of the political campaigns and the political parties in general.

The Law on the National Intelligence Data Base is in government procedure.

The final version of the Feasibility study for the National Intelligence Data Base was adopted on the meeting of the Steering Committee held on 21.07.2009.

The Amendments to the Law on Conflict of Interests are in parliamentary procedure and were discussed at the National Council for European Integration. The amendments widen the scope of the Law (including public and civil servants) and set out the procedure for determining and sanctioning conflict of interests, as well as introducing misdemeanour sanctions for violations.

The provision on illicit enrichment was incorporated in the Amendments to the Criminal Code, which entered parliamentary procedure. The Amendments to the Criminal Code were discussed at the National Council for Euro-integration on 22.07.2009.

The State Commission for Prevention of Corruption published a list of mayors, who have not submitted declarations of assets. Only the mayors from two municipalities have not submitted declarations of assets.

For the period January - July 2009, 55 misdemeanours procedures were initiated for failure to submit declaration of assets. So far, 11 decisions were delivered, and 21 procedures were initiated for checking the property status changes.

In terms of the **key priority *Ensure that recruitment and career advancement of civil servants is not subject to political interference, further develop a merit-based career system and implement fully the law on civil servants***

The high-level Inter-Ministerial Committee of the Government for public administration reform, headed by the Prime Minister intensified its work. The four Deputy Prime Ministers, Minister of Justice and the Secretary General of the Government are members of the Committee. The Committee examined the drafted amendments to the Law on Civil servants, which are being further discussed with SIGMA.

The Action Plan on Strengthening Human Resources Management Units was adopted by the Government.

Human Resources Management standards were drafted and entered Government Procedure.

The Agency for Civil Servants compiled a Review on the performance appraisal of the civil servants for 2008. According to the Review, from 8088 civil servants on central and local level, 7202 were appraised. Out of 144 institutions on central and local level 112 submitted performance assessment reports to the Agency for Civil Servants.

Premises for the Training Facility of the Civil Servants' Agency were provided by the Government.

Concerning ***follow-up to elections***:

The Methodology for the revision of voters' lists was consulted with political group representatives and submitted to the Government for adoption.

Concerning cases on irregularities from the 2008 elections, by 13 July 13 a total of 15 criminal proceedings were completed and verdicts issued against 29 persons sentencing them to 88 years imprisonment in total. In addition, misdemeanour sanctions were issued against 17 persons.

Following the publication of the Final Report of OSCE/ODIHR on the presidential and local elections in the Republic of Macedonia 2009, an action plan is being drafted to address the recommendations.

***Human rights and protection of minorities***

The new detention facilities of the prison Skopje have been completed, thereby increasing the capacity of the prison for 170 persons.

The Unit for the elderly in the Idrizovo prison was fully renovated. The Unit has the capacity of accommodating 20 persons.

The Ministry of Labour and Social Policy, in cooperation with the Academy for Training of Judges and Prosecutors, Ministry of Justice and OSCE, organised the first of the four planned trainings for judges, prosecutors, public ombudsman and lawyers. This activity is part of the National Action Plan for Gender Equality and Operative programme for 2009.

The trainings on anti-discrimination, part of the programme "Macedonia without discrimination", funded by the EU programme *Progress* have commenced.

The Amendments to the Law on Protection of Children were adopted ("Official Gazette of the Republic of Macedonia" No. 83/2009).

The minister responsible for the implementation of the Strategy for the Roma and the mayors of Kumanovo, Prilep and Kicevo signed a Memorandum for the implementation of the Roma Decade and Strategy.

A workshop for evaluation of the work of the Roma information centres for the period 2007-2009 and preparation of the Programme for the work of the centres in the period 2009-2011 took place at the beginning of July.

Macedonian Minister of Local Self-Government and Slovenian Minister of Local Self-Government and Regional Policy signed a memorandum of cooperation. The memorandum aims at strengthening mutual cooperation in regional development, functioning of local self-government and decentralisation, fiscal decentralisation and preparation for conducting joint projects.

## **II ECONOMIC CRITERIA**

Concerning the key priority to *reduce impediments to employment creation and address in particular youth and long term unemployment*

Resources for active employment measures have been increased for 76% in 2009, compared to 2008, with 80% higher scope of beneficiaries.

Despite of the crises, the unemployment rate in first quarter decreased 6% compared to the same period previous year (standing at 32,7%).

The study "Convergence to the European Union: Challenges and Opportunities", elaborated by the Ministry of Finance in cooperation with the United Nations Development Program (UNDP) was promoted. It presents a review of the challenges for economic convergence of the Republic of Macedonia to the EU and provides relevant guidelines.

The public sector, business community and experts will have an opportunity for mutual dialogue through the newly established "Economic Forum", as a portal on the website of the Ministry of Economy. The project's goal is to strengthen dialogue among government institutions, i.e. Ministry of Economy, business community and the academic community on economic issues of topical interest. It is initially focused on the country's energy perspectives, increase of competitiveness and improvement of the business climate, effects and challenges of the global economic crisis, as well as opportunities to promote the country as an attractive tourist destination.

*In terms of the benchmark 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***

The Law Amending the Law on Civil Procedure was adopted. Action on proposals for payment orders based on trustworthy documents will no longer be dealt by courts, but by public notaries. This provision is expected to result in a more expedient procedure in enforcing payments of non-disputable liabilities.

## **III. ABILITY TO ASSUME THE OBLIGATIONS OF MEMBERSHIP**

### **Free movement of goods**

The Action Plan for compliance with Articles 28-30 of the TEC was drafted and is in inter-ministerial consultation.

### **Freedom of movement for workers**

The bilateral negotiations on the text of the Agreement on Social Insurance with Australia were finalised on 3 July 2009.

### **Free movement of capital**

The Directorate for prevention of money laundering and financing of terrorism signed a Memorandum for cooperation with and the financial intelligence unit of Portugal.

Thus, the Directorate has signed memoranda for co-operation with 29 countries.

### **Public procurement**

Models of standard tender documentation for procedures conducted electronically and with e-auction were prepared and published. One training for e-procurement for contracting authorities was organised.

### **Company law**

The Government of the Republic of Macedonia approved the text on the Law Amending the Company Law, aligning with the Directive 2007/36/EC on the exercise of the rights of shareholders on general meeting in listed companies, i.e. the companies with special notification obligations.

Tender for technical assistance of the Central Registry of Republic of Macedonia for realisation of the One-Stop-Shop System phase 2 was published, intended to provide complete electronic entry of newly established companies into the trade registry in accordance with the European laws for electronic signature and electronic related security.

The Law on Public Enterprises was amended with provisions, which clearly specify that public enterprises apply the International Accounting Standards and the International Financial Reporting Standards and other provisions increasing transparency. Amendments followed recommendations by the State Audit Office.

### **Intellectual property law**

**The International Convention for the Protection of New Varieties of Plants (UPOV Convention was ratified** by the Assembly of the Republic of Macedonia.

The Rulebook on patent, the Rulebook on industrial design, the Rulebook on trade mark and the Rulebook on professional exam for representatives in the procedure of the industrial property protection and the representatives register were enacted (*“Official Gazette of the Republic of Macedonia”* No. 92/2009).

On 13-14 July 2009, a delegation from the Patent and Trademark Institute of Denmark visited the State Office of Industrial Property. Possibilities for further cooperation were discussed.

On 15 July 2009 the State Office of Industrial Property of Republic of Macedonia and the State Office of Patents and Trademarks of Republic of Romania signed a Plan for cooperation.

Representatives of the State Office of Industrial Property took part at the Committee for Patent Law held in Munich, Germany on 20-21 July 2009.

In July the Coordinative Body for Intellectual Property carried out a coordinated action over 14 entities in Skopje (12 natural persons and 2 legal entities). 1.323 items infringing copyrights and other related rights were seized, out of which 1.195 DVDs. The State Market Inspectorate initiated 5 misdemeanour procedures.

### **Competition policy**

The Draft-amendments to the Law on Technological Industrial Zones and the Amendments to the Regulation on establishing conditions and procedure for granting regional aid, introducing the regional aid map, are in inter-ministerial consultation.

### **Financial services**

The National Bank of the Republic of Macedonia enacted Amendments to the Guideline of the Rulebook for conducting of the Decision for content and manner of functioning of Credit register (*“Official Gazette of the Republic of Macedonia”* No.89/2009).

The Securities and Exchange Commission, issued a decision for temporary prohibition of 30 days of operation for one brokerage house for infringements to the Law on securities and rules of trade.

### **Agriculture and rural development**

The Program for using the Funds of the Instrument for Pre-Accession Assistance for Rural Development (IPARD) for the period 2007-2013 was adopted (*“Official Gazette of the Republic of Macedonia”* No. 83/09)

The Programme for Agricultural Financial Aid for 2009(*“Official Gazette of the Republic of Macedonia”* No. 84/09) was amended.

### **Food safety, veterinary and phytosanitary policy**

The Rulebook on the Manner and Procedure on Conducting Professional Controls of Products of Animal Origin Intended for Human Nutrition was enacted (*“Official Gazette of the Republic of Macedonia”* No. 95/09)

The Programme for Usage of the Public Veterinary Health Funds for 2009 was amended (*“Official Gazette of the Republic of Macedonia”* No. 90/09)

### **Fisheries**

The Rulebook on Marking an Area around a Fishery and the Rulebook on Allowed Fishing Gear were enacted (*“Official Gazette of the Republic of Macedonia”* No. 94/09)

The public calls for concessions for commercial fishery, as well as for recreational fishery on the Prespa Lake and on the Dojran Lake were published (*“Official Gazette of the Republic of Macedonia”* No. 93/09)

### **Transport policy**

Following discussions with the European Commission on compliance of the road charges with the Transport Agreement of the Republic of Macedonia with the EC, the Government of the Republic of Macedonia decided to abolish the road charge, thus not only confirming compliance with the Transport Agreement, but achieving compliance with the acquis. The amendments to the Law on Public Roads to this end are already in parliamentary procedure.

### **Energy**

Public discussion on the Draft Strategy for Energy Development was held on 24.07.2009. Representatives from all involved institutions and stakeholders, experts, academia, NGO's and international organisations took part. The Committee on Economic Affairs of the Assembly of the Republic of Macedonia held a public debate on the Strategy on 29 July 2009.

The Government signed an agreement for water concession with the Austrian company "Energie Zotter Bau", which has acquired 16 sites for construction of small hydro-power plants at international calls announced in 2007. The plants, due to be completed by June 2012, will annually produce 26,48 GWh. The total estimated investment of the Austrian company for construction of the small HPPs is about 15 million Euros.

Italian ENEL SpA, German-Slovenian corporation RWE AG-HSE and Austria's Verbund are the qualified companies at the international tender for construction of hydro power plants Chebren and Galishte. The qualified companies can submit their official bids by October 15. The construction of the 600mW plants will cost about Euro 500 million, whereas ELEM would fund 10-50%.

The Energy Regulatory Commission (REC) issued licenses for performing trade of electricity to the company ALFA ENERGO DOO Skopje, as well as for trade with natural gas to the company ALFA GAZ DOO Skopje.

In July 2009, the Energy Regulatory Commission of the Republic of Macedonia issued decisions, regulating the highest selling prices for different oil derivatives, for natural gas to the tariff customers directly connected to the natural gas transmission system for the third quarter in 2009; as well as on maximum revenue and the regulated average price of generation, distribution and supply of thermal energy for heating for different companies for the period from 1 August to 31 December 2009;

On 17 of July 2009 the Energy Regulatory Commission held a public discussion on the Rulebook on setting the price of blends of liquid fuels from fossil origin which are used for transport, with biofuels.

On 7 July 2009 in Vienna the Energy Regulatory Commission had a meeting with the Energy Community Secretariat on the "Rulebook on the method and conditions for electricity price regulation" and the level and costs for the losses in the electricity distribution system.

Representative of the Energy Regulatory Commission participated on ERRA training Course: "Introduction to Energy Regulation" held in Budapest from 13 to 17 July 2009.

The Energy Agency proceeded with the procedure for introduction of the first electricity producer from renewable energy sources (the company – photovoltaic plant SIETO) into the register. Also, the Agency has proceeded with the procedure for granting status of preferential producer of electricity from renewable energy sources, to the company SIETO.

On 17 July 2009, the Republic of Macedonia and Austria signed an agreement for non-refundable grant of 1.6 million Euros, intended for creating an environment for introducing energy efficiency in the construction sector. The Austrian grant will be utilized for implementation of the Programme for Energy Efficiency of Buildings in the period August 2009 - September 2012. A portion of the grant (110.000) will be covered by the Switzerland's State Secretariat for Economic Affairs, while the national contribution provided by the Ministry of Economy will be 115.000 EUR.

The activities for preparation of the Rulebook for Acquiring the Status of Preferential Producer of Electricity Produced from Combined Heat and Power Plants (CHPP) are ongoing. The draft Rulebook is prepared and opinions from the responsible institutions and stakeholders are collected.

During July, 6 licenses for practices with ionizing radiation were issued and 25 inspections have been performed.

The Radiation safety directorate verified the data for radioactive lightning rods for the following cities: Kocani, Vinica, Negotino, Kicevo, Gostivar, Makedonska Kamenica and Ohrid for the Regional IPA Project “Dismantling, conditioning and disposing of radioactive lightning conductors” .

In the period 1-3 July within the frame of the EC regional project on Management of medical radioactive waste, a mission of international experts visited several institutions in the Republic of Macedonia dealing with medical radioactive waste. During the visits the current situation and plans in these institutions were discussed, and recommendations for upgrading the practices, as well as possibilities for further support of EC projects provided.

The representatives from the Radiation Safety Directorate participated at the following workshops: “Latest Emergency Preparedness and Response Arrangements and Capabilities”, held in Vienna, Austria; 5<sup>th</sup> Meeting of National competent authorities for incidents in the country and abroad, Vienna, Austria, 7-10 July 2009; Regional Workshop on “Self-Assessment of National Regulatory Infrastructure and the Radiation Safety Information Management System (RASIMS)”, Vienna, Austria, 13-17 July 2009.

## **Taxation**

The Law Amending the Law on the Value Added Tax, introducing a tax rate of 5% for supply of water for irrigation is in parliamentary procedure.

Concerning revenues collection, at the end of July (for the period January – July), 95% of the budget plan for taxes and 115% of the budget plan for social contributions was realised. A total amount of 35.399.815.131 denars was collected from taxes in the period January – July. The increased collection of the social contributions from salaries is a result of the introduction of integrated collection of duties from salaries, as well as the gross salary principle.

The Memorandum of Understanding between the Republic of Macedonia and the European Community on the participation of the Republic of Macedonia in the Community Programme “FISCALIS 2013” was ratified by the Assembly of the Republic of Macedonia.

## **Social policy and employment**

### *Labour Law*

Within the planned activities of the Twinning project “Review of the National Labour Legislation”, a special workshop took place, where the most important issues connected to the proposals and requirements for transposition of the EU legislation into the Law on Labour Relations were presented and discussed.

The Law amending the Law on Labour Relations is in government procedure. With the new law, the issues of criteria for representation and procedures for compliance with criteria are provided, as well as the Directive 2003/88/EC of the European Parliament and the Council that regulates certain aspects of the working time is transposed. With the changes, the law is aligned in terms of the rights of workers that work at night, breaks, day rest etc.

### *Social Dialogue*

Within the process of consultations with the social partners, a special meeting was organised with representatives from the trade unions, where the proposed changes of the Law on Labour Relations were discussed. After the consultations, certain proposals were incorporated in the Amendments.

### *European social fund*

During July 2009, a Draft audit report from the audit mission was delivered by EC services on transfer of competences for decentralized management of the IPA 4<sup>th</sup> component “Development of human resources”.

### *Social inclusion and social protection*

A workshop on evaluation of the work of the Roma information centres for the period 2007-2009 and preparation of the Programme for the work of the centres in the period 2009-2011 took place at the beginning of July. This workshop is part of the planned activities for improvement of the coordination and cooperation with the Roma information centres.

The Draft Law on Sign Language is in parliamentary procedure.

The Draft Law Amending the Law on Employment of People with Disabilities was adopted.

The Draft Law on Social Housing is in inter-ministerial consultation.

A new Department for deinstitutionalization is established in the Ministry of Labour and Social Policy, responsible for implementation of the National strategy and the Operative plan for deinstitutionalization.

Several activities from the Action plan for prevention and combating sexual abuse and paedophilia have been realised: two cycles of trainings for 33 journalists; trainings for 30 professionals from the centres for social work for early identification of the children-victims of sexual abuse and working with those children, as well as procedures for opening national SOS line for victims of sexual abuse and paedophilia.

### *Antidiscrimination and equal opportunities*

The Ministry of Labour and Social Policy in cooperation with the Academy for Training of Judges and Prosecutors, Ministry of Justice and OSCE, organised the first of the four planned trainings for judges, prosecutors, ombudsman and lawyers, as part of the National Action Plan for Gender Equality and Operative programme for 2009.

During July, planned activities from the project “Drafting and analyzing relevant legislation and citizens’ registers for overcoming unequal treatment and approach of the Roma women to the public institutions” are continuously realised. Questionnaires are prepared for field research.

Training for antidiscrimination within the project "Macedonia without discrimination", funded by the EU programme *Progress* was organised, first from the planned three trainings. The target groups were coordinators for equal opportunities in the ministries and social workers from the Centre for Social Work in Skopje.

Intensive work is done in the alignment of the legislation in the area of education and science with the Law on equal opportunities between women and men. 14 laws are selected in the area of education and science that are to be analysed in terms of gender equality.

### **Enterprise and industrial policy**

The **Industrial Policy of the Republic of Macedonia 2009-2020 was adopted**. This strategic document sets the vision of a "pro-active industrial policy that will encourage the orientation of Macedonian industry towards higher value added products and services based on knowledge, innovation and collaboration". The Strategy identifies five areas of intervention: (i) international cooperation of the key participants in the economic development and FDI enhancement, (ii) applicable research & development and innovation, (iii) eco-friendly technologies, products and services for sustainable development, (iv) SME development and entrepreneurship, (v) collaboration in networks, clusters. These five areas will be effective horizontally. The document is available at

<http://www.economy.gov.mk/WBStorage/Files/Industrial%20policy%20of%20the%20RM%202009-2020.pdf>

Memorandum of cooperation between the Ministry of Economy and the Austrian Development Agency (ADA), as well as the Agreement for implementation of the project "Modernisation of Capacities for Economy Based on Knowledge" were signed in July in Skopje. The project, co-financed by the Government of the Republic of Macedonia, is worth 578.565 Euros. The project is expected to expand the capacity of the Agency for Promotion of Entrepreneurship, small and medium enterprises and regional centres and to increase the number of employed and self-employed especially amongst the younger generation.

### **Trans-European networks**

On 01-02.07.2009, the Steering Committee meeting for development of the Core Network of South Eastern Europe took place in Skopje. The Core Network modification was preliminary agreed among participating countries and priority projects and soft measures to be included in the following Multi-annual Plan (MAP) 2010-2015 were further discussed.

### **Regional policy and coordination of structural policy**

On 24 July, 2009 **the European Commission delivered a decision on conferral of management powers to the national authorities for the Regional Development Operational Programme (IPA Component III)**. The decision enables the implementation of the Operational Programme for Regional Development.

The environmental impact assessment study for the IPA Application Major Project "Construction of the new Motorway section of Pan-European Corridor X, section Demir Kapija – Smokvica, was prepared and is in procedure for adoption.

In regard of Component IV, the draft Audit report for conferral of management by DG EMPL Audit Unit was received.

The Rulebook on the methodology and procedure for conducting project proposals evaluation, was finalised.

The Draft Strategy for Regional Policy is in parliamentary procedure. The Ministry of Local Self Government has initiated the drafting of an Action Plan for implementing the Strategy for regional development.

On 16 and 17 July a delegation from the Local Government and Regional Policy Service of Slovenia, headed by the Minister Zlata Plostajner visited Macedonia. A Memorandum of understanding was signed on future cooperation between the two ministries. The focus is on issues of regional policy and preparatory activities for implementation of cohesion and structural policy of the European Union.

The Committee for European Affairs of the Assembly of the Republic of Macedonia discussed on the progress of IPA, upon the Communication submitted by the Secretariat for European Affairs.

### **Judiciary and fundamental rights**

The Law on Court Taxes is in parliamentary procedure. It decreases the court taxes at an average of 20%.

The Law Amending the Law on Mediation is in parliamentary procedure. In addition to amending provisions deemed necessary from the practice of application of the Law so far, the Law introduces mediation in family and criminal cases.

The Council of Public Prosecutors adopted a Decision on the number of public prosecutors in the Public Prosecutor's Office for Fight against Organised Crime and Corruption, raising the current number of ten to twelve prosecutors (*"Official Gazette of the Republic of Macedonia"* No. 90/2009).

### **Justice, freedom and security**

The European Commission submitted a Proposal for a Council regulation amending Regulation (EC) No 539/2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement, according to which **it is proposed that the visa requirement is lifted for the citizens of the Republic of Macedonia, Serbia and Montenegro**. In the Explanatory Memorandum, it is stated that **the Republic of Macedonia has met all the benchmarks stated in the Roadmap**.

The Amendments to the Law on Foreigners (*"Official Gazette of the Republic of Macedonia"* No. 92/2009) were adopted. The amendments further align the legislation on foreigners with the Schengen border code.

### **Science and research**

*European Research Area*

*COST*

During July 2009, three joint actions were held by the COST programme, in the areas of agriculture and urbanism, information and communication and forestry.

*SEE ERA NET +*

The Ministry of Education and Science is preparing for the joint call for projects in the areas of agriculture, food and ICT, which is to be opened on 31 August 2009. The total amount of this call will be 150.000 Euros, whereas the Ministry of Education and Science will participate with 100.000 Euros.

*Cooperation with the International Agency for atomic energy concerning the project cycle 2009 -2011*

The Country Proposal Framework for the period 2010 -2015 is being drafted.

### *Research policy*

The secondary legislation of the Law for Scientific and Research Activity (“*Official Gazette of the Republic of Macedonia*” No. 46/08 and 103/08) as well as the Law on Promoting and Supporting the Technological Development (“*Official Gazette of the Republic of Macedonia*” No. 41/08 and 106/08), was completed by enacting the following rulebooks (all published in the “*Official Gazette of the Republic of Macedonia*” No. 82/09): Rulebook on the manner and the procedure of appointment to an academic title; Rulebook on the manner, the procedure and closer criteria related to the extraordinary appointment to academic and assistant title; Rulebook on the manner and the procedure of funding, generation and professional improvement of the academic and research staff; Rulebook on the procedure and detailed criteria related to co- funding in the field of publishing; Rulebook on the manner and the procedure of funding scientific and research programmes; Rulebook on the manner and the contents of the Registry for entity of technological development.

## **Environment**

### *Horizontal legislation*

According to the Law on Environment, List of experts for projects’ environmental impact assessment and List of experts for strategic environmental assessment have been established.

Public debate for Environment Impact Assessment of the project on Wind Farm Kozjak was held on 16 July 2009.

The following trainings and workshops were attended: Informal meeting of the Ministry of Environment of EU member states and candidate countries for EU membership, 23-25 July 2009, Are, Sweden; ECENA Exchange programme, 29 June – 3 July 2009, Ohrid; Workshop for preparation of Strategy for communication, in organisation of SEA; Workshop for Landfills in the Polog Region, in organisation of Regional Environmental Centre.

### *Protection and Rescue*

The national forces for protection and rescue are in full capacities with 29 rapid action teams.

### *Air quality*

Representatives of the Ministry of Environment and Physical Planning participated on the Regional meeting for the Project for Ratification of the 3 remaining protocols of the Convention for Trans-boundary Effects of Air Pollution on 2 July 2009 in Skopje.

### *Nature protection*

The Law on proclamation of Alshar site for monument of nature was adopted (“*Official Gazette of Republic Macedonia*” No. 83/2009).

Two public debates were held: Public debate for re-proclamation of the monument of nature Prespa Lake on 21 July 2009 in Resen and Public debate for re-proclamation of the monument of nature Dojran Lake on 23 July 2009 in Dojran.

### *Water management*

Representatives of the Ministry of Environment and Physical Planning participated at the Meeting of the working group for integrated cross border management with water resources, within the UNECE Water Convention on 8–9 July 2009 in Geneva, Switzerland.

*In the area of Chemicals the following bylaws have been adopted:*

- Rulebook on the manner of classification and labelling of hazardous chemical substances (*“Official Gazette of the Republic of Macedonia”* No. 85/2009) and
- Rulebook on the manner of labelling and the manner of packaging hazardous chemical substances (*“Official Gazette of the Republic of Macedonia”* No. 87/2009).

## **Consumer and health protection**

### *Consumer protection*

On 20 July, 2009, a public opening of bids on the public call to all interested consumers' associations for granting funds for projects on informing, counselling and education of consumers took place.

### *Public Health*

The Rulebook on Pictorial Warnings of Tobacco's Harmful Effects was adopted (*“Official Gazette of the Republic of Macedonia”* No. 94/09).

## **Customs Union**

The Memorandum of Understanding between the Republic of Macedonia and the European Community on the participation of the Republic of Macedonia in the Community Programme “CUSTOMS 2013” was ratified by the Assembly of the Republic of Macedonia.

## **Financial Control**

**The new Law on Public Internal Financial Control was adopted.** The previous laws on public internal financial control and on internal audit are now integrated in a consistent framework for financial management, control and internal audit. The Law is also highly relevant for the process of public administration reform.

## **COOPERATION FOR INTEGRATION**

On July 14 the EU High Representative for the Common Foreign and Security Policy, Secretary-General of the Council of the European Union visited the Republic of Macedonia and met the highest representatives of the country.

On July 24 **Commissioner for Enlargement Olli Rehn visited the Republic of Macedonia.** Commissioner Rehn expressed optimism that **there is a real chance for fulfilment of the benchmarks and that Macedonia could start accession negotiations**, depending on the results delivered in the next two months. Commissioner Rehn also said that he was impressed by the quality of the implemented reforms for visa liberalisation.

On July 27 the Sixth Stabilisation and Association Council took place in Brussels, under the Chairmanship of Mr. Antonio Miloshoski, Minister of Foreign Affairs of the Republic of Macedonia and co-chaired by Mr. Karl Bildt, Presiding the EU Council for General Affairs and External Relations. From the Macedonian side, Deputy Prime Minister for European Affairs Mr. Vasko Naumovski and Deputy Prime Minister for implementation of the Ohrid Agreement Abdulakim Ademi participated at the Council. The SA Council noted the country's primary objective and strong commitment to advance in the EU integration process by opening accession negotiations and welcomed the progress made in the implementation of key priorities of the Accession

Partnership. The SA Council recommended to the Government to keep up its efforts in order to fully meet the benchmarks related to the opening of the accession negotiations before the next Progress Report of the Commission.

### **Institution building, training**

In the course of July 2009 the annual competition for awarding scholarships for MA studies on EU/EI abroad was launched. This scheme has been in place for seven years.

From 13-17 July, three civil servants took part in the training organised by IPA Dublin on structural funds and the auditing systems.

A group of civil servants took part in the training supported by the Dutch MATRA/MTEC programme in the period 29.06. 10.07.2009, on public finance management.

Supported by the GOFRE/SPFRE Project, 8 training sessions on application of the Regulatory Impact Assessment regulations were held in 8 ministries: Ministry of Economy (15.07.2009), Ministry of Justice (16.07.2009); Ministry of Culture (21.07.2009); Ministry of Foreign Affairs (22.07.2009); Ministry of Labour and Social Policy (22.07.2009); Ministry of Education and Science (23.07.2009); Ministry of Environment and Physical Planning (31.07.2009). 80 civil servants attended.