



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.**

**06/08**

**SKOPJE, June 2008**

## **INTRODUCTION**

The first edition of the Monthly Progress Brief in January 2006 was released on the implementation of the European Partnership 2006. This year (2008) in February, the Council of the European Union adopted the Accession Partnership for the Republic of Macedonia containing 8 key priorities as benchmarks for launching accession negotiations.

In line with the overall activities for fulfilment of the Key priorities as well as the priorities of the Accession partnership 2008, the Monthly Progress Brief will continue to provide the European Commission and the EU Member States with a clear picture of the progress that the Republic of Macedonia makes on a regular basis in the accession process, primarily vis-à-vis the Key priorities and recommendations contained in the Accession Partnership 2008. Additionally, the reporting mechanism also serves as a constant reminder to the line ministries of their commitments and deadlines, while providing an opportunity for summarising the realised progress in the preceding month.

This is the thirtieth Progress Brief, covering the month of June 2008.

## KEY PRIORITIES OF THE ACCESSION PARTNERSHIP

As to the key priority related to the **ensure proper implementation of all commitments undertaken under the stabilisation and association agreement** in the field of electronic communications amendments to the Law on Electronic Communications have been drafted. These amendments envisage annulment of the existing concession agreements. They shall also improve the appeal procedure, in line with the Framework Directive. Interventions have also been made in regard to number portability as this service shall start being provided by the end of August 2008.

In terms of the key priority **promote a constructive and inclusive dialogue, in particular in areas which require consensus between all political parties, in the framework of the democratic institutions**, , The new Assembly held its inauguration session on the 21<sup>st</sup> of June. On Its first session, the new President of the Parliament was elected – Mr. Trajko Veljanovski, from VMRO-DPMNE. On 23<sup>rd</sup> of June, the President of the Republic officially gave the mandate to the leader of the political party that won the elections – Mr. Nikola Gruevski, from VMRO-DPMNE.

The Government of the Republic of Macedonia on its session held on 21<sup>st</sup> of June, **prioritised 143 laws and submitted them to the Parliament**. Laws relevant to the benchmarks were prioritised.

The Parliament of the Republic of Macedonia on its second session on 26<sup>th</sup> of June, adopted the Decision for establishment of a Budgetary Council to ensure the financial autonomy of the Parliament and improve its effectiveness in regard to the adopted Action Plan. The Budgetary Council will be responsible to plan and allocate the financial need of the Parliament and propose the financial implications to the Government in order to be included in the Budget of the Republic of Macedonia.

In terms of the key priority related to the **ensuring effective implementation of the Law on Police**, additional 5 commanders of police stations were appointed in Kumanovo, Debar, Gevgelija, Tetovo and Stip according to article 24, paragraph 5 of the Law on Police. Thus, the total number of appointed commanders of police station at the end of June was 37 out of 38. In accordance with the Action plan on **dissemination/information** campaign on the new **Policing Rulebook**, the 6th and last phase of training of police officers on the practical application of the rulebook was completed. Around 2280 police officers have been trained, out of whom 40 police officers were trained as trainers. Draft version of the Human Resources Strategy was prepared. In order to create the legal basis for the establishment of the training centre within Mol, upon the establishment of the new Parliament, the Government submitted the amendments of the Law on Internal Affairs and the Law on the Establishment of Faculty on Security within the University “St. Kliment Ohridski.

In terms of the key priority relating to **establishing 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 Administrative court recorded a total of 8163 cases by end of May (as of 1.01.2008, 5804 cases are inherited from the Supreme Court, while in the period January – May 2008, 2359 new cases were received). 1415 of the cases were completed by the end of May 2008. The **Appellate court in Gostivar** until end of May registered a total of 2601 cases, out of which 1183 were completed.

The employment procedure for 18 clerks in the Administrative Court and for 14 clerks in the Appellate Court in Gostivar was finalised. They will start with their duties after the appeals deadline elapses.

In June the **Academy** organised/cooperated in organisation of a total of 8 different seminars with participation of 180 participants (160 judges, 14 prosecutors, 2 court/prosecutors administrative clerks, 1 prosecutors clerks and 4 other participants). On 20-21 June and 23-24 June the Academy organised preparatory instruction for the candidates that intend to take the entrance test on the Academy, especially targeting the candidates belonging to the members of the communities. The Academy's Committee for qualification and admission of candidates was constituted, setting the date for taking the qualification test on 5 July 2008.

In terms of the **key priority V** relating to ***establishing a sustained track record on implementation of anti-corruption legislation***, the Action plan comprising all the necessary steps for **setting up integrated system for sharing of criminal intelligence** was finalised and submitted to the Government for adoption. The plan includes the phases for the establishment of the system, the responsible institutions as well as the necessary funds for its establishment. The Government prior appointed the Project Board (steering committee) that will be responsible to run the project. The amendments to the Law on Interception of Communications entered Governmental procedure.

In terms of the **key priority VI** relating to ***ensuring that recruitment and career advancement of civil servants is not subject to political interference, further developing a merit-based career system and implementing fully the law on civil servants***, the following progress was noted: the CSA and administrative bodies continued with the activities on completing the data base for training of civil servants.

The Rulebook on the narrow conditions for granting a financial award to the civil servants was adopted (Official Gazette of the Republic of Macedonia No. 77/2008).

CS-3 forms on trainings of each civil servant were submitted by **52** administrative bodies. The 2008 Annual Training Programmes with defined target trainings for each category of civil servants (modules) were submitted to the Agency for Civil Servants by **45** administrative bodies. 38 institutions have established HR Units,

The Civil Servants Agency has prepared an Analysis of the performance appraisal for 2007. By 27 June 2008, 98 administrative bodies have submitted appraisal reports to the CSA:38 central government bodies, 16 judicial institutions and 44 local government units

In total, the appraisal procedure has been conducted for 8467 civil servants (91, 8%) of the total number of 9161 civil servants.

In regard to the priority ***to reduce impediments to employment creation and address in particular youth and long term unemployment proportionality of the minimal health insurance***

With regards to the implementation of the Operational Program on Active Employment Policies and Measures 2008 the following have been realised by June 2008:

- 98 programs on training, prequalification and additional training were conducted. Out of total 1992, 1161 persons have completed the program, 1087 have been employed, out of which 1038 persons, at present, are employed.
- 48 trainings on foreign languages and computers skills were completed for total of 713 persons (523 women). In details, 26 trainings for computers were completed for total of 370 persons (261 women) and 22 trainings for foreign languages for total of 343 persons (262 women).

In terms of the priority ***to 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***

On 27<sup>th</sup> June 2008 the Decision for entry into use of established Real Estate Cadastre was published, covering **74%** of the territory of the RM.

With regards to the *implementation of the Bankruptcy Law* and its by-laws the following activities have been realized:

- An announcement for training of 500 candidates for passing exam for authorised bankruptcy trustee license was published. List of 177 applicants expressing their interest was prepared.
- Issuance of licenses for authorised bankruptcy trustees – licenses for authorised bankruptcy trustees were issued for 94 natural persons and 9 for legal entities

## **1. POLITICAL CRITERIA**

***(activities not included in key priorities are noted)***

### **Elections**

The parliamentary elections for 120 deputies from 1540 candidates of 18 confirmed lists were held on the 1 June with a voter turnout of 58%. The SEC decided to hold re-runs of the elections in 187 polling stations with 162.000 voters in the constituencies 1,2, and 6, in election poles where irregularities were noted. The first re-run was held on the 15 June in a peaceful atmosphere. The second re-run for 15 polling stations with approximately 15.000 voters was held on the 29 of June in a peaceful atmosphere.

The OSCE noted remarkable improvement with regard to the issue of security on the days of the re-run.

The work of the SEC and the election administration in general was assessed as effective and transparent in terms of addressing complaints arising from the elections.

Following the re-runs, the SEC announced the results of the elections, according to which the coalition led by VMRO-DPMNE won 63 mandates, the coalition led by SDSM 27 mandates, DUI 18 mandates, DPA 11 mandates and the Party for European future 1 seat in the parliament.

The activities for detecting and sanctioning the perpetrators of the election incidents during the election campaign and during the early parliamentary elections have continued;

The SEC dismissed six presidents of MECs where there were election irregularities on 1 June (Brvenica, Tetovo, Bogovinje, Gostivar, Lipkovo and Saraj) and appointed new presidents for the re-run on 15 June.

In relation with the incidents perpetrated during the election campaign, the police solved 14 cases, for which 23 perpetrators were faced with criminal charges for 19 criminal acts, most commonly referring to *violence* and *causing danger with a dangerous item during a fight or quarrel*. Misdemeanour charges were pressed against 5 persons.

In relation with the incidents on 1 June, the day of administering the early parliamentary elections, the Ministry of interior (Mol)) has solved 28 cases and adequate measures are being undertaken against the perpetrators. The police submitted criminal charges against 151 perpetrators with substantiated suspicion for having perpetrated 49 criminal acts, while 9 persons have been charged with 4 misdemeanours. Most of the cases are related with the criminal acts prevention of elections and voting as well as unlawful production, storing and trading with weapons or explosive materials.

During the days of the re-run of the early parliamentary elections held on 15 and 29 June 2008, three persons are criminally prosecuted for 4 criminal acts: prevention of elections and voting, abuse of voting rights as well as unlawful production, storing and trading with weapons or explosive materials. In addition, 5 persons have been charged with misdemeanours.

Of the total number of reported persons in relation with the incidents during the election campaign and on the day of voting, detention was determined for 61 perpetrators

The Mol undertook activities for assessing the work of the police on the day of the voting and the re-run. Due to determined irregularities 27 police officers have been suspended and against 10 of them criminal charges have been initiated for existent suspicion of having performed criminal acts prevention of elections and voting, unlawful production, storing and trading with weapons or explosive materials, abuse of official duty, bribing during elections and voting etc, while one police officer has been charged with a misdemeanour for violating public order.

## **Decentralisation**

In June, a panel discussion on fiscal decentralisation was held. The discussion was centred on the problems of the municipalities which have entered the second phase of fiscal decentralisation and was attended by mayors, representatives of the Ministry of Finance as well as representatives of municipalities.

## **Fight against corruption**

The State Commission for Prevention of Corruption, at the session held on the 17.06.2008 decided to initiate a misdemeanour procedure before the competent courts against the 6 former MP's out of 120 who have not submitted an asset declaration 30 days following the termination of their function, as stipulated in the Law on prevention of corruption.

In addition, the Commission adopted a conclusion that the failure to submit the assets declarations fulfils the necessary conditions for the Public Revenue Office to submit individual requests for initiating a procedure for examination of the property situation against these persons in accordance with this Law.

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

In accordance with the Law on the legal status of a church, religious community and religious groups, the Rulebook on the form and content of the application form for registering in the single court register of churches, religious communities and the manner of its management was adopted and published (Official Gazette of the Republic of Macedonia no.68/2008)

The Government adopted the Decision on the total number of students as well as the additional quotas for students of non majority communities, which are to be enrolled at the Universities in Skopje, Bitola, Shtip and Tetovo for the academic year 2008/2009(Official Gazette of the Republic of Macedonia no.74/2008)

## **2. ECONOMIC CRITERIA**

According to the State Statistical Office data, the Retail Price Index, in June 2008, in comparison with the previous month is 100.8, while the Consumer Price Index is 100.3. The increase of the Consumer Price Index by 0.3% is a result of the higher indices of fruit by 15.0%, meat by 1.8%, cereals by 1.7%, processed fish by 1.1%, processed vegetable by 0.9%, fish by 0.8%, processed meat by 0.3%, dairy products and fats by 0.2%, and other food products by 0.7%.

This month also increased oil derivatives by 7.7%, package holidays by 7.0%, passengers transport by 2.3%, accommodation services by 1.7%, household appliances by 0.6%, food and beverages in hotels and restaurants and personal articles by 0.5%.

A decrease of the Consumer Price Index, in June 2008, in comparison with the previous month, is registered for vegetables by 16.6% and clothes by 0.3%.

The Retail Price Index, in June 2008, compared with June 2007, has registered an increase by 8.4%, while the Consumer Price Index has increased by 10.1%.

The value of the consumer basket for food and beverages for a four-member household, in June 2008, calculated on the basis of retail prices, is 12 333 denar and, in comparison with the previous month, it is lower by 0.7%.

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

### **Free movement of goods**

In the framework of PECA (European Protocol for Conformity Assessment) negotiations, the following legal acts were sent to the respective services in the EC: Rulebook and Concordance Table of Gas Appliances; Rulebook and Concordance Table of Simple Pressure Vessels; draft Law on Technical Inspection and Rulebook on non-automatic weighting.

A training on implementation of Machinery directive was organised for the WG which is in charge for preparation of the new Rulebook on machinery.

In June, the Institute for Standardisation of the Republic of Macedonia (ISRM) adopted 158 new standards and standardisation documents, out of which 139 are connected to EU directives.

One additional Mirror Technical committee was formed in the area of plastics, completing the total number of 30 Technical Committees.

ISRM participated in the general assemble of European body of standardisation CEN and CENELEC from 24-26 June in Bucharest. Furthermore, representatives of ISRM participated in the training "Eurocodes - standards for design in civil engineering, legislation and the national implementation", organised in the framework of CARDS Regional project on quality infrastructure. .

### **Free movement of capital**

Regarding the legislative alignment in the field of movement of capital and payments Decision Amending the Decision on the Manner and Conditions for Opening and Maintenance of Accounts of Non Residents was adopted by the National Bank of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" No.78/08). This

Decision allows non residents to deposit foreign currency on their account, during one month, in the amount for which no bordereau is needed.

## **Company law**

Amendments to the Company law passed Governmental procedure. Amendments to the Law are related to the transposition of the article 29 of Second Company Law Directive 77/91/EEC on pre-emptive rights (with suspended effect) and further transposition of the provisions of the Directive 2003/58/EC concerning provisions on electronic submission and registration by the authorised applicant. By these amendments a legal basis is created for enacting a bylaw on electronic submission of annual accounts to the Central Registry. Furthermore, voluntary liquidation of companies was provided, as a measure to further improve market exit.

## **Intellectual property law**

According to the World Customs Organisation - "Customs and IPR Report 2007", the Republic of Macedonia advanced among top 10 countries on the list of countries ranked by seizure of the counterfeited and pirated goods.

The Customs Administration acted in 14 new cases (in 9 cases goods were aimed for import and in 5 cases goods were for transit). Customs authorities retained temporarily 150.704 pieces of goods and 18.000 kg of washing powder.

During this period, Customs officers acted ex-officio upon 12 cases<sup>1</sup>, while in some cases there were no requests from the right holders, and for some the procedure is ongoing. During this period 716 pieces of counterfeited goods were destroyed.

In June, Customs authorities acted upon 21<sup>2</sup> new requests from the right holders on well known trade marks.

On the 10<sup>th</sup> of June Customs Administration held one day seminar in co-organisation with representative office SNB-REACT for protection of the IPR's. The seminar was held with aim to raise awareness for identification of the counterfeited trade marks<sup>3</sup>. Representatives from institutions dealing with protection of the IPR's (Customs Administration, State Market Inspectorate and Ministry of Interior) participated on the seminar

The result of two actions carried out by the Coordinative body for intellectual property against 17 entities (12 natural persons and 5 legal entities) in Skopje was seizure of 8357 pirated items. In this respect, the State Market Inspectorate submitted 4 requests on misdemeanour procedure and 10 criminal procedures were initiated by the Ministry of Interior.

The State Market Inspectorate in the course of its independent actions seized in total 4.354 pirated items (out of which 3.977 were from known perpetrators, while 377 were sized from unknown perpetrators) resulting in 16 requests on misdemeanour procedure.

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<sup>1</sup> SLAZENGER, BRITISH AIRWAYS, AIR FRANCE, JUVENTUS, MILAN, MANCHESTER, REAL MADRID, LIVERPOOL, ARSENAL, CHELSEA, BMW and PRADA

<sup>2</sup> SENSI, TRESOR, MIRACLE, FUEL FOR LIFE, VOLUME SHOCKING, TELESCOPIC (TELESCOPIQUE), NOA NOA, INTENSIPIQUE, DUBLE EXTENSION, DERMO EXPERTISE, ANAIS& ANAIS, ARMANI CODE, HYPNOSE, HUGO BOSS, RALPH LAUREN, FILA, NEW ERA FITS, MAYBELLINE, BMW, and HENGST.

<sup>3</sup> CHANNELL, LOUIS VUITTON, CHRISTIAN DIOR, TOMMY HILFFIGER, PUMA, ADIDAS, PROCTER& GAMBLE

## **Competition policy**

Regarding the enforcement in the field of antitrust, 3 decisions on concentration were adopted by the Commission for Protection of Competition (CPC).

Concerning the enforcement in state aid field, one opinion was delivered by the CPC concerning the financing of public broadcasting service (MRTV).

On the issue of the Law on technological industrial development zones, further efforts were undertaken in order to achieve alignment with the acquis. A working group consisted of representatives from the Ministry of Economy, Ministry of Finance, Commission for Protection of Competition, Agency for Foreign Investments, the Direction for Technological and Industrial Development Zones, Customs Authority, Public Revenue Office, Legislative Secretariat and the Secretariat for European Affairs drafted amended version of the law enabling full implementation of the EC comments.

## **Financial services**

The Council of National Bank of the Republic of Macedonia adopted the following by-laws:

- The amendments of the Decision on the terms and manner of operating of the saving banks. The amendments refer to the organisation and conducting internal audit. when the Internal Audit Department of the saving banks does not have certified auditor, this activity is to be performed by the audit company or external certified auditor, together with the employees in Internal Audit Department of the saving bank. The main purpose of this amendment is to enable the efficient internal audit function in the saving banks taking into consideration the lack of certified auditors on the market. This provision is in compliance with the Basel principles for effective internal audit. ("Official Gazette of the Republic of Macedonia" No. 78/2008).
- The amendments of the Decision on the bank's information system security, are aiming at closely defining conditions under which banks could outsource IT services. Moreover the amendments refer to conditions which must be fulfilled if banks are using services by an outsourcing company located outside the Republic of Macedonia in accordance to ISO/IEC 2000 for IT security. The time-period for alignment with the provisions is 01.01.2010("Official Gazette of the Republic of Macedonia" No. 78/2008).
- With the amendments of the Decision on manner and bases for opening and conducting bank accounts for non-residents ("Official Gazette of the Republic of Macedonia" No. 78/08) harmonisation is provided with the Decision amending the Decision for conditions and the amount of effective foreign currency and cheques that can be imported or exported from the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" No. 69/08) allowing non residents to open accounts in case they are not physically present in the bank and aligning with the decree for prevention of money laundering and financing of terrorism.

The National Bank of the Republic of Macedonia signed Memorandum for cooperation with the Central bank of Serbia.

The Security and Exchange Commission issued Rules of procedure and list of expenditures for the Commission for mediation. Also, the SEC issued permission for establishing Sava Invest AD Skopje - company for funds management. The Statute of the company and consent for the members of the board of directors was also granted.

Contract for Cooperation between Foundation Institute Open Society Macedonia (Soros) and MAPAS was signed on strengthening the capacity of human resources in MAPAS.

The Report of the consultants engaged within the project of "Business Environment" published in June, recommends to National Bank of the Republic of Macedonia, Security and Exchange Commission, Ministry of Finance, Central Depository for Securities and largest banks in the Republic of Macedonia establishing property guardian bank for commercial banks in the Republic of Macedonia. Along with the recommendations, it is requested from SEC and CDS to be actively involved in establishing the function of the property guardian according to worlds best practices.

## **Information society and media**

At the begging of June, a coordinative meeting was held with all the relevant operators and stakeholders on the envisaged amendments to the Law on Electronic Communications and the Law on Broadcasting Activity. TAIEX expert mission was held on 23-24 June in the Ministry of Transport and Communications. An expert from the British regulatory body Ofcom held the mission exchanging relevant information on the constitution, functioning and competences of Ofcom as converged regulator. The mission entailed visits and information exchange with both the Agency for electronic communications and the Broadcasting Council. The cooperation with ofcom shall continue in regard to the experience coming from a converged regulator whereas additional TAIEX assistance will be needed overcoming the haziness in implementation on the Laws on electronic communication and broadcasting

Coordinative meetings with the Universities, relevant ministries and the private sector were organised in the light of the creation of the Fund for Information society as well as the creation of the Broadband strategy.

Amendments to the Law on electronic communications have been drafted envisaging termination of the concession agreements as of the next day from the day of publishing the amendments in the official journal of RM. The amendments shall also improve the appeal procedure, as suggested by the private sector by depriving the possibility of having the same entity acting as appellate body in the second instance. The drafted version is in line with the appeal procedure as envisaged in the Framework directive. Suitable interventions have been made with regard to number portability as this service shall start being provided by the end of August 2008.

The equipping with networks and computers was fully accomplished in 22 schools within the project PC for every student. The activities for the rest of the schools are ongoing. Also the priorities for location of the software tools were determined to be used for the class teaching through the EduBuntu operational system. The maintenance of the free internet clubs where all citizens can have access to internet continues.

In regard to the institutional structure, the organisational chart of the Secretariat for Information society and the draft budget have been prepared.

One of the biggest projects of introducing business process management in the ministries has started with its installation in each ministry and trainings for the users.

The Broadcasting Council presented the initial results from the media coverage during the early parliamentary elections campaign on national level at its press conference held on the 6<sup>th</sup> of June. The final results of this analysis were presented at the public session of the Council on the 26 June 2008. Based on these findings, 45 sanctions for breach of the Broadcasting law provisions have been pronounced, as well as 132 notifications for disrespect of the Guidance on media representation. During the election silence, the rules have been disregarded in 24 cases, all reported to the Agency for Electronic Communications which should instigate a misdemeanour procedures.

The BC at its session dated 11 June granted 3 licenses for special format and 5 for a general format based on the tender for programme services over satellite. The decision was founded on the necessity of increasing the domestic and foreign investments, programme diversity, increasing the job positions, fostering competition and Diaspora's accessibility to these programmes.

In regard to the call for applications for granting licences for programme services on local level in areas where there is no media, on 25 June the BC granted a total of 10 licences for TV broadcasting in Delcevo, Kratovo, Struga, Kocani, Berovo, Kavadarci, Kriva palanka, Prilep, Gostivar, Dolnei and 6 for radio broadcasting in Berovo, Sveti Nikole, Negotino, Plasnica and Makedonski Brod.

The obligation on submitting documents of financing and ownership structure was completed by 73 out of 111 the broadcasting companies. For the ones who haven't completed it fully or partially, the BC communicated last warnings.

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

In June the following bylaws deriving from the Law on food safety, products and materials in contact with food, were adopted:

- Rulebook on the microbiological safety of foodstuffs (Official Gazette of the Republic of Macedonia no. 78/08). This rulebook regulate specific condition for microbiological safety of foodstuffs.
- Rulebook on specific condition for safety of genetically modified food (Official Gazette of the Republic of Macedonia no. 78/08). This rulebook regulate specific condition for safety, marking and traceability of food which contain genetically modified organisms or contain ingredients produce with genetically modified organisms.
- Rulebook on the manner and methods of taking samples (Official Gazette of the Republic of Macedonia no. 78/08).

### **Transport policy**

In the field of **Railway Transport**, the final versions of Track Access Charge Study and Public Service Obligation Study are submitted to the end users, upon which, it is expected that the Government of the Republic of Macedonia shall take up a decision on the model for determining the track access charge, as well as on the amount of the compensation with regards to the public service obligation in the railway transport.

In the field of **Air Transport**, the Government of the Republic of Macedonia has adopted the **Draft Law on the Obligations and Material Rights Relations in Air Transport** and submitted the Law to the Parliament. The Law shall regulate the private

law issues in the aviation domain related to the transport agreement, i.e. the fare for passenger transport, responsibilities of the air carriers arising from the transport agreement, damage compensation, insurance, etc. The draft Law is harmonised with the following EU measures: 31992R2409; 31997R2027, 32002R0889, 32004R0261, 32005R2111, 32004R0785, 31989R2299 and 31999R0323.

The **Law Amending the Law on Aviation** is currently in parliamentary procedure. The proposed amendments are aimed towards regulating the airport fees (e.g. passenger fee, safety and landing fee) and the possibility for the airport fees to be defined by the airport operator, upon a previous approval by the Government of the Republic of Macedonia.

Based on the Aviation Law ("Official Gazette of the Republic of Macedonia" Nos.14/2006, 24/2007), the following bylaw was adopted - Rulebook on the detailed conditions for construction and modification of aircraft, aircraft engine, propeller and equipment, technical control of the construction and preparation of technical-technological documentation, examination for conformity assessment and the manner and procedure for determining airworthiness, as well as the form, contents, records and manner of issuing, extension, renewal and modification of the certificates for construction, type, airworthiness, noise and gases emissions ("Official Gazette of the Republic of Macedonia" No. 69/2008) and it transposes the EU measure 32003R1702.

## **Energy**

The Representatives from the Ministry of Economy of the Republic of Macedonia participated at the *4<sup>th</sup> Meeting of the Energy Community Ministerial Council* on 27 June 2008 in Brussels. The Ministers and Representatives of the Energy Community Contracting Parties and Commissioner Andris Piebalgs, representing the European Community, confirmed their strong commitment to achieve the goals of the Energy Community Treaty. Ministers decided to put in place, at regional level, a common procedure for allocation of electrical capacity and for congestion management at borders. Besides, the Ministerial Council adopted the implementation rules for the dispute settlement mechanism foreseen in the Treaty.

The Ministerial Council reviewed the state of play of the implementation of the Treaty and was noted that substantial progress was achieved and the particular attention shall be given to secondary legislation and enforcement.

In June 2008, the Energy Regulatory Commission of the Republic of Macedonia adopted the following decisions:

- 4 Decisions for issuing license for performing energy activity trade with electricity;
- Decision for issuing license for performing energy activity combined generation of electricity and thermal energy to the company TE-TO AD Skopje;
- Two 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. - Balkanike" as a strategic investor.

The Energy Regulatory Commission drafted the *“Rulebook on the method and procedure for establishing and approving the use of feed-in tariffs for purchase of electricity produced from photovoltaic power systems”*.

In June 2008 meetings with the consultants by the World Bank were held in order to amend the *Rulebook on the method and conditions for regulating electricity prices in accordance with the new electricity market model*.

In June 2008, Energy Regulatory Commission participated on 4<sup>th</sup> ERRA Training for New Commissioners, held in Budapest and ERRA Presidium meeting, held in Budapest, Hungary.

#### Renewable Energy Resource

The Ministry of Economy adopted the *Amendments of the Rulebook on the Quality of Liquid Fuels* (Official Gazette of the Republic of Macedonia No. 78/2008). The amendments extend the validity of the transitional period for usage of the specific liquid fuels. After the transitional period 31 December 2008, only oil derivatives with quality in accordance with the EU standards and relevant EU Directives may be traded on the market.

During June 2008, under the Project *“Solar water heating”* financed by the Austrian Development Agency, the following activities were realised:

- Initiating of the Macedonian Solar Test Centre, in the Hydro meteorological Service in Skopje. In fact, the solar thermal test facility as a part of the Macedonian Solar Centre is designed for testing of solar thermal collectors and solar domestic hot water systems, according to the standard ISO 9459-2.
- 5<sup>th</sup> Workshop on Capacity Building for Policy and Assistance for Administration was held on 23 June 2008 in Hydro meteorological Service (UHMR).
- the Steering Committee Meeting of the Project *“Solar water heating”* held on 24 June 2008 and were reviewed following topics: Report on the work done since the last Steering Committee Meeting; Work to be done in order to conclude the work until end of August (September) 2008; Budget reallocation; Final technical report; Final financial report; Follow up activity.

Under the *Sustainable Energy Project – Market Framework Component* activities of the Energy Agency of the Republic of Macedonia (EARM) and the PDAF consultants for the purpose of providing a technical assistance to the interested applicants for development and implementation of Renewable Energy Projects were undertaken. Applications of two interested applicants were received in June 2008.

In order to promote investments in wind generation, the EARM with support from the World Bank, under the Sustainable Energy Project – Market Framework Component is starting a *Program for establishment of Wind Database in the Republic of Macedonia*. The Program should provide an institutional set-up for sustainable process of wind data measurements and collection, and organisation of appropriate database.

#### Energy Efficiency

Under the *Sustainable Energy Project – Market Framework Component* there were activities of the EARM staff and the PDAF consultants for the purpose of providing a technical support to the interested applicants for development and implementation of Energy Efficiency Projects.

The *Programme for improving energy efficiency in construction facilities*, financed by the Austrian Development Agency, is in the preparatory stage, whereas the implementation timeframe is from 2008 to 2011. The purpose of the proposed project is to reduce the energy demand of the Republic of Macedonia in general and more specifically to reduce the use of electricity in residential and public buildings by 20-30%. On June 18 a meeting was held with the representative of the Austrian Embassy in order to define the forthcoming activities under the project.

## **Taxation**

In the first six months of 2008, the collected total tax revenues were in amount of 33 455 726 496 debars, which is higher by:

- **10,5%** in relation to the planned denar 30 357 000 000 and
- **19,5%** in relation to the collected in the same period in 2007 denar 28 076 924 686

In June 2008, the collected total tax revenues were in amount of denar 5 458 068 354 , which is higher by:

- **10%** in relation to the estimated denar 4 970 000 000
- **15%** in relation to the collected amount in June 2007 denar 4 756 059 789

All employees in the PRO attended training on implementation of the Code of Conduct.

The PRO organised and hosted a bilateral meeting with the Hungarian Administration for Tax and Financial control. The PRO presented the achieved results as well as the ongoing activities and projects.

Operational instruction for preparation of plans, performance measurement, reports, analyses and keeping statistics in the PRO was adopted, regulating the functional way of planning and reporting the results.

A project plan for development of the following projects was prepared:

- Managerial reports,
- planning process,
- Keeping statistics for support of the functions

Initial activities for implementation of the Project for industrial partnership have started.

## **Statistics**

In the State Statistical Office (SSO) of the Republic of Macedonia, in June, 10 new persons were employed, Additionally, aiming at strengthening institutional capacity regarding statistics 2 persons were employed In the Institute for Health Protection

A pilot survey on the Census of Business Entities was carried out in order to assess the methodology and the questionnaire for the forth coming Census. The pilot survey results were analysed and taken into consideration in preparing the final version of all methodological bases and other instruments for the Census. The Census of Business Entities is planed to be conducted in September 2008.

The preparation of the new National Classification of Activities of the Republic of Macedonia - NKD Rev. 2, harmonised with the EU NACE Rev. 2 is in its final phase. Final consultation with the ministries and other competent authorities is in process upon which amendments to the draft version based on their comments will be made.

Within the frames of the preparation for the Census 2011, the SSO has prepared the general plan for conducting the Census.

The last two activities of the Twinning project were completed. One was concerning the development of the meta-information system. The second one was about the assessment of the IT capacity of the regional offices and preparation of training plan which includes the topics and their prioritisation.

SSO started with the internal training. In June, 4 (four) lectures were presented to SSO employees on different issues: input data for national accounts, screening, strengthening of the performance and quality monitoring practices and cost calculation system. In average, 26 persons participated per activity.

### **Social policy and employment**

The implementation of the TWINNING Project "*Review of the National Labour Legislation*" commenced in June 2008. Members of the steering committee were nominated from the MLSP, ME, MF, MJ, SEA and representatives of the social partners.

Delegation from the Republic of Macedonia, headed by the Minister for Labour and Social Policy, participated on the General Assembly of the International Association of Economic and Social Councils and Similar Institutions held in Rome and became its member. The membership in this association will provide further development of the ESC work and the social dialogue in general.

MLSP, in cooperation with the USAID Project on Business Environment and the ILO organised a seminar on Elimination of Child Labour. The aim of this seminar was introducing the international labour standards for child labour to the civil servants, social partners and civil society representatives, as well as the ILO Program on Child Labour Elimination and the activities against the trafficking in humans.

An intersectoral working group for drafting the Unique Protocol for Acting in Case of Domestic Violence, which will define procedures for acting in domestic violence cases of the various entities involved, was established. The working group is consisted from representatives of the MLSP, MH, MI and NGOs.

46 teachers from 46 primary schools in Strumica, Stip, Radovis, Berovo, Pehcevo, Vinica, Delcevo, Probistip, Zrnovce, Cesinovo, Oblesevo, Kocani and Makedonska Kamenica were trained on how to detect the stereotypes and prejudices in the syllabi and curricula concerning the gender equality.

Training on Gender Budgeting was held for the gender equality coordinators from the local self governments, NGO representatives and representatives of the budget sectors within the Ministries.

### **Enterprise and industrial policy**

On 27.06.2008 the fifth meeting of the inter-ministerial working group was held. The role of innovation in increasing competitiveness and development as well as defining the strategic objectives of the industrial policy of RM were discussed.

Preparatory activities for drafting the united harmonised legal act for foreign investments as a part of the implementation of the Program for stimulating investments 2007-2010 commenced.

On 27 and 28 June 2008 the sixth working session was held of the Coordinative Body for corporate responsibility promoting and defining next activities

Manual for the implementation of Voucher consulting system for small enterprises was prepared, including the Concept and procedures for implementation of an Innovation voucher scheme. 8 business support organisations that will implement the voucher were selected.

Launching conference on the Competitiveness and Innovation Program was organised on 25-26 June.

Seminar for training of teachers from primary and secondary school teaching entrepreneurship was organised in Ohrid.

### **Trans-European networks**

Upon the authorisation given by the Council of the European Union to the Commission to negotiate a Treaty establishing Transport Community with Western Balkans, an opening session for launching the negotiations for the Transport Community Treaty was held in Brussels on 24.06.2008 with all concerned countries from the Western Balkans, including the Republic of Macedonia. The future Treaty, which builds upon the existing Memorandum of Understanding of the Core Regional Transport Network, signed in 2004, is expected to contribute in strengthening the cooperation in view of establishment of a more efficient transport system in the Western Balkans.

On 24 of June in Skopje, the **4<sup>th</sup> Coordinative meeting on the Project for Completion of Corridor X** took place. All parties reviewed and welcomed the progress in the preparation of this important project with huge regional dimension within TEN-T extension, agreeing as well on the further dynamics for realisation of the necessary future activities. It was pointed out that the public consultation process on the revised EIA Study has been performed in line with the national legislation, respecting relevant EU Directives and recommendations given by EC – DG Regio. The IPA Major project Application process is well on track within agreed deadlines, while the Representatives of the Hellenic Ministry of Foreign Affairs announced that the HIPERB application would be considered by the HIPERB Committee on its session of 11 July. Furthermore, the financing partners have considered the Project Procurement plan, expressing firm commitment for its realisation.

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

Centers for regional development have been established and registered in two of the planning regions (in the East and Polog planning region). The Ministry of Local Self-Government is in continuous communication with the rest of the planning regions providing them support in the process of completion of the required documentation in order to be registered in the Central Register of the Republic of Macedonia.

After consultations with DG ELARG it was outlined that there is a need of including an assessment of the capacities of the Line Ministries as part of the Self-assessment Report as well. The NAO has instructed the Internal Auditors in the Ministry of Finance to make a general assessment of the capacities of the Line Ministries to perform the delegated tasks by the CFCD. The Internal Auditors have prepared the report and as an annex to the Self-assessment Report it was submitted to EC for their consideration

On 19 of June, a workshop regarding preparation of Workload Analyses for the Line Ministries was organised by CFCD and NF staff. The Line Ministries have started the preparation of the Workload Analyses and some of the Ministries have sent it to CFCD

for comments. The results from the Workload Analyses will show the optimal number of employees in each Line Ministry for implementation of IPA.

The Ministry of Transport and Communication and the Ministry of Environment and Physical Planning, have prepared the draft Work Plan of the Operational Programme for Regional Development component for the period 2007-2009, as well as the Annual Report on Implementation of the 2007, where a brief summary on the preparatory activities undertaken by DIS structures in the Republic of Macedonia, related to the implementation of the OP RD was given. The Work Plan and the Annual Implementation Report were submitted to CFCD for revisions and the necessary financial information was added.

On 25<sup>th</sup> June, Sectoral Monitoring Committee for Operational Programme for Regional Development Component of IPA was held in Skopje, where the following issues were discussed: Rules of Procedures and Composition of the SMC; Selection of Operations; Work Plan and Annual Implementation Report; Mobilisation of Technical Assistance; Expenditure forecast/ planning and n+3; Transport and Environment - Major Projects.

Regarding the Project for Completion of Corridor X, the 4<sup>th</sup> Coordinative meeting on this project was held on 24 of June 2008 in Skopje (for more information see Trans-European Networks). As regards the Waste Water Treatment Plant Project in Prilep, the Ministry of Environment and Physical Planning in close cooperation with the NAO/ NF, CFCD and the Secretariat for European Affairs has developed the necessary documentation (Service Procurement Notice, Contract forecast, and Project Budget Breakdown) in order the Procurement Notice and Contract Forecast for this Project to be launched.

Within the EC project "Capacity Building in Support to the Decentralisation of Management of Assistance in the Republic of Macedonia" (TA Project) the following trainings were held:

- Workshop on Financial Management Advanced- Eligibility of costs, reporting and assessing primary documentation of contractors/ grant beneficiaries, reporting system, monitoring of indicators;
- EU Enlargement Policy: Legal Framework - Introduction to IPA and IPA inter-institutional relations;
- Workshop on Procurement/ PRAG - twinning and Workshop on Procurement/ PRAG- supplies;
- Monitoring and Evaluation of IPA Projects - Guidelines and Manuals of Procedures for LM's,
- Programme and Project Cycle Management: Explanation of Log frame and Budget Planning.

The representatives of CFCD, NF and Ministry of Environment and Physical Planning have attended two weeks training regarding Environment, organised by MATRA in Rotterdam, Netherlands.

In the course of June, IPA Units prepared the first Annual Report on the Implementation of the Operational Program, in accordance with the IPA implementing regulation, as well as the Annual Working Plan for component 4, with an overview on the activities undertaken and planed for realisation.

The Manual on the Procedures for the IPA Units was drafted by the MLSP and the MES.

## **Judiciary and fundamental rights**

### *Fundamental rights*

The Ministry of justice in cooperation with the Association for criminal law, OSCE, OPDAT and the Foundation Open Society Institute Macedonia held a workshop on the new pre-investigative procedure, special investigative measures and the protection of personal data.

## **Justice, freedom and security**

The **opening of the new Reception Centre for asylum seekers** in Vizbegovo took place on 05.06.2008. The current number of persons accommodated in the new centre is 9.

The first meetings of the Joint Visa Facilitation Committee and the Joint Readmission Committee aimed at exchanging views on the implementation of both Visa Facilitation Agreement and the Readmission agreement took place on 17 June in Skopje. The process of IT connection of the Visa Centre within MFA with DMCPs of the Republic of Macedonia has continued. The Visa Centre was successfully IT connected with the DMCPs of the Republic of Macedonia in Belgrade, Vienna and Budapest and issuance of visas through the N-VIS system has already started. Additional 16 DMCPs were equipped with necessary HW and system definitions (Athens, Bern, Berlin, Bonn, Bucharest, Detroit, Moscow Kiev, Rome, Paris, Stockholm, Copenhagen, Ankara, Washington, Toronto and Ottawa). The DMCPs in Bonn, Bucharest and Rome started the testing of the N-VIS system. An Agreement on visa facilitation between the Republic of Macedonia and the Russian Federation was signed on 19.06. 2008. According to the Agreement it is foreseen that people working in the field of culture, businessmen, scientists and other categories of persons would travel without visa.

Within the framework of the Border Police Service project, training on identifying forged documents took place in Hungary

The ratification procedure for the Convention of 29 May 1993 on Protection of Children and Co-operation in respect of Inter-country Adoption and the Convention on the Service Abroad of Judicial and Extra-Judicial Documents in Civil or Commercial Matters of 15 November 1965 passed the governmental procedure.

The Ministry of Labour and Social Policy organised five debates on the topic *Deepening the cooperation and coordination in the fight against trafficking in human beings at the local level*. Representatives of the local self-government, educational institutions, centres for social work, local police officers, media and non-governmental organisations attended these debates.

US State Department Trafficking in Persons Report for 2008 placed Republic of Macedonia back in Tier 1. The report highlighted that the Government of Macedonia fully complied with the minimum standards for the elimination of trafficking and that made marked progress during the last year: it improved its capacity to identify and protect victims, resulting in a greatly increased number of victims identified and significantly more victims offered and provided assistance. It is also underlined that the government's aggressive prosecution efforts resulted in an increased number of traffickers convicted.

## **Science and research**

### **Seventh framework programme**

The Ministry of Education and Science continued with the presentation of possibilities and benefits of participation in the Seventh Framework Programme. On the 5 of June, an Info day for the specific sub - programme, PEOPLE was held at the Macedonian Academy for Sciences and Arts. On the same event, a presentation of the Euraxess Services portal was delivered, as well as the new the European research mobility network.

On the 30 of June, at the Technical Faculty in Bitola, a presentation of the FP7 in whole was delivered. A special aspect of the FP7 focusing on the IC technologies, was also presented by the National contact point from Macedonia, specialised in that area..

### **EUREKA net-work**

On the EUREKA 2008 Ministerial Conference in Ljubljana (Pan–European Network for Market Oriented Industrial Research and Development), on 6 June 2008, Republic of Macedonia's full membership was confirmed.

In the scope of the conference a Memorandum of understanding was signed , which will enable further participation at higher level. Namely, full EUREKA membership will offer concrete possibilities of the research and industrial organizations from our country to take part in international co-operative innovation actions. It will enhance the joint activities of the small and medium–sized enterprises, large companies, research centres, universities and public administration in developing market oriented projects indispensable for the economic growth of the country. In order to impel the participants to apply with sustainable market oriented projects, a special fund aimed at financing EUREKA projects is going to be formed.

The Ministry of Education and Science already established a EUREKA liaison office that is going to be in charge of providing support for participation in the network. With this initiative, The Ministry of Education and Science will strive for making the necessary bridge between the science and the business sector, considering the inconsiderable presence of the science in this area so far.

## **Education and culture**

### *Secondary education*

The pupils in the secondary schools nation wide were the first generation which took the State matriculation exam. Three pilot exams took place before the actual exam, aimed at successful organisation and implementation of the concept.

The implementation of the mandatory secondary education concept started from this school year. From the whole of 27.280 pupils that graduated from elementary school, 17.315 enrolled in secondary schools, during the first admission period. The second admission period is currently on-going. The Ministry of Education and Science will undertake measures for stimulating the further enrolment of pupils that haven't yet been included in the compulsory secondary educational system.

### *Higher education*

The Government of the Republic of Macedonia is realising its objective to expand the higher education institution network and raise the rate of higher educated population. In this regards, several laws establishing universities and faculties were adopted at the Parliament's session on the 30 of June, 2008.

In this regard, a University for information technologies was established in Skopje. Establishing of several faculties is envisaged within this university for the next year: Faculty for computer science and engineering, Faculty for network and communication technologies, Faculty for information society and technologies, Faculty of applied sciences and technologies. The Faculty of robotics, Faculty of information systems and services, Faculty of biomedical engineering and Faculty of media technologies were also established, but it is envisaged that they would start functioning from the school year 2010/2011.

Also, three more faculties were established in the frames of the "Ss. Kliment Ohridski University" of Bitola as dispersal studies: the Technological – technical in Veles, the Veterinary faculty in Bitola (that will be open from the school year 2009/2010) and the Faculty of Law in Kicevo.

On the same session the Parliament adopted the Law establishing the Faculty on Security within the University "St. Kliment Ohridski" in Bitola.

With the Law amending the Law establishing the State University "Goce Delcev" in Stip, a Faculty of medical sciences and a Faculty of philology were established in Stip. The following faculties established within this University, as dispersal studies are: Faculty of Tourism and Business Logistics in Gevgelija, Technical Technological Faculty in Probistip, Mechanical Faculty in Vinica and Electro Technical Faculty in Radovish.

The Parliament adopted the Law amending the Law establishing the State University of Tetovo and established: The Faculty of Medical Sciences, Faculty of Philosophy, Faculty of arts, the Faculty of business administration in Kumanovo as dispersal studies, Faculty of sport, Faculty of foodstuff technology and nutrition and Faculty of applied sciences.

### **Community programmes**

On the 9-10 of June, in Brussels, a meeting of the correspondents for the sub - programmes Comenius and Grundtvig was held. The Republic of Macedonia, along with Croatia, was introduced as new participants. A presentation of the realised activities so far and the obligations for the future participation was given. At the meeting the challenges that the countries face in managing the activities in the frames of these two sub - programmes were discussed.

On the 10 of June, in Brussels, a working meeting was held between representatives form the National agency for European educational programmes and mobility and the DG education and culture, where the Working programme of NA was discussed as long with other preparatory activities necessary for the two programmes becoming accessible to our country.

Between the 12-13 of June, in Ljubljana, Slovenia, the Annual conference titled "Quality in Mobility" took place, in the frames of which, two important official meetings took place: the meeting of the Life-long learning programme Committee, and the meeting of the Directors of the national agencies, and it is the first time that representatives from

Republic of Macedonia participate at this level. Two workshops on the topics “Mobility for all – removing the barriers” and “Mobility of staff- motivation for changes “were organised in the frames of the conference.

Between the 19 -20 of June, in Brussels, section meeting for the Erasmus programme was held in the premises of DG Education and Culture. Republic of Macedonia participated as an observer. All representatives from the National agencies that implement the Erasmus programme were present discussing the different aspects of implementing this sub - programme.

On the 24 of June, within the frames of the fifth anniversary of establishing the ERA-MORE, the European research mobility network, organised by DG Science and Research, presentations of the national ERA-MORE networks(from this moment further, rebranded as Euraxess Services) were delivered. The Macedonian network was represented by the Macedonian delegation, headed by ther national coordinator.

Representatives from the National agency for European educational programmes and mobility , participated in the Annual DAAD Conference, in Bonn, on the 27 of June, for the Erasmus programme. In the presence of high representatives from the field of education from EU members states and national authorities from Germany, the harmonisation in the Macedonian’s legislation with the Bologna process, the implementation of the ECTS system, the working programme of the NA for European educational programmes and mobility in the previous preparatory period and the expectations from a future accreditation of the agency were discussed.

## **Culture**

The Ministry of Culture, in collaboration with a NG organisation, organised several seminars for the purposes of training the staff in the cultural sector. The trainings are aimed at training the cultural operators on preparing project applications and project plans, and making the access to the European funds and foundations, easier and more successful. The seminars were delivered in five cities: Ohrid, Bitola, Strumica, and Skopje, in the period from 9 June until the 2 of July.

### *Community programme Culture (2007-2013)*

The activities of the CCP (Cultural Contact Point) Macedonia office regarding implementing the planned activities of the Working programme are continuously on going during the period of June. The web site of the CCT started to fully function the first week of June and can provide the cultural operators and others interested in participating in Culture programme, about specific details regarding the programme Culture, preparing the project applications, the calls for proposals, useful links, etc. The leaflets with the basic information for this programme were also designed and prepared as planned.

On the 16 of June, the Ministry of Culture of the Republic of Macedonia in collaboration with the Cultural Contact Point from Germany organised and delivered a seminar and a workshop on the Culture programme (2007-2013) - Call for proposals for 2009.

## **Environment**

In June 2008, the capacities of the Ministry of Environment and Physical Planning (MEPP) were strengthened with the following workshops, seminars and trainings:

- 2 workshops on “Risk Management” on 5 and 16 of June, 1 workshop on “Irregularities in IPA Procedure” on 17 of June, 1 workshop on “Workload Analysis” on 19 of June and 1 workshop on “Contracts Implementation Monitoring” on 23 of June, all held in Skopje and organised by MF within the EU funded project "Capacity Building in Support to the Decentralisation of Management of Assistance in Republic of Macedonia";
- MATRA Training for European Cooperation (MTEC) on IPA/Environment from 1-14 of June in Rotterdam, the Netherlands; ‘
- Result Based Project Planning and Monitoring Seminar on 9 and 10 June in Skopje organised by SIDA;
- Workshop on “Policy and Strategic Planning Strengthening” held on 21 of June in Skopje in organisation of the General Secretariat of the Government of the Republic of Macedonia,
- Training on E-Government Session, on 30 of June organised by the Government of the Republic of Macedonia.

Regarding **waste management**, a workshop on “Waste Electrical and Electronic Equipment Management in the EU and possibilities for implementation in Macedonia” was held on 12 of June in Skopje with following participants: representatives of MEPP, Chamber of Commerce, ZELS (Association of the Units of the Local Self-government), public utilities enterprises, companies from the recycling and waste management sector, Customs Administration and other state administrative bodies. This activity was carried out within the Recycling project of the Infrastructure Advisory Program in Southeast Europe of IFC, member of the World Bank Group.

Within the same project, IFC and MEPP on 18 of June in Skopje organised round table on “Draft Law on Packaging Waste in the Republic of Macedonia”, with the following participants: representatives of MEPP, ME, MH\_Food Directorate, ZELS, public utilities, chambers of commerce, Institute for Standardisation and MAP (Macedonian Association for Products Packaging and Environment Protection).

In the area of **water quality** a workshop on “Designing Experience in Waste Water Treatment Plants” was held on 17 of June in Skopje in organisation of JICA (Japan International Cooperation Agency) and representatives of the City of Skopje and MEPP participated.

As regards forestry, the capacities of the Ministry of Agriculture, Forestry and Water Economy were strengthened with training on “Private forestry in the South Eastern Europe Countries”, organised by FOPER (Forest Policy and Economics Education and Research) from 10-13 of June in Belgrade, Serbia.

## **Customs Union**

On 19 June the third donor coordination meeting in the area of customs operation was held. The current and the potential donors supporting the reforms in the Customs Administration and the European integration process attended the meeting. The Director of the CA presented the achieved results, the ongoing and planned projects, as well as the need of foreign assistance for implementation of the reforms for modernization of the customs operation through the further harmonization of the legislation, use of best practices, full computerization and paperless customs environment.

On 27.06.2008 on the border crossing point Deve Bair (Macedonian-Bulgarian border), on entry to the Republic of Macedonia in a passenger bus (going on relation Istanbul, Turkey – Gostivar, Macedonia), the customs officers in one of the passengers luggage found around 5 kg. heroin.

In June, the Customs Administration detected four cases of increased level of radio active radiation on freight vehicles loaded with waste iron.

On 12-13 June the fourth meeting of the Steering Committee of the Bilateral Twinning between the Netherlands Tax and Customs Administration and the Macedonian Customs Administration was held. Realised activities and achievements of the CA were presented, and future activities of the CA planned for the period July – December 2008 were discussed. In the past six months, special attention was given to the projects for strengthening the control and audit function of the customs in the companies, further implementation of the simplified customs procedures, improvement of the administrative capacity for implementation of the customs value and origin rules. The Netherlands Ministry of Finance in the past period financially supported the Customs Administration in implementation of the campaigns for fight against smuggling and corruption – 197 and for promotion of the intellectual property rights protection.

From 26 to 28 June, 2008 in Brussels, Macedonian delegation from the Customs Administration attended the 111/112 meeting of the Customs Cooperation Council (WCO).

In June, the CA prevented 14 attempts for violation of intellectual property rights and because of reasonable doubts that trade marks are counterfeits, temporarily hold 150.704 peaces of goods and 18.000 washing powder. In the period 01.06.2008 – 30.06.2008, 20 new requests for undertaking customs measures for protection of intellectual property rights in accordance with the Law for intellectual property rights protection were submitted.

The Customs Administration in June 2008 submitted 13 criminal charges against 7 legal and 20 natural persons.

Concerning the strengthening of the administrative capacity for implementation of the customs legislation, the CA organised 9 trainings, seminars and workshops attended by 173 customs officers.

### **External relations**

The first meeting of the Subcommittee on technical barriers to Trade and Non Tariff Barriers was held in Belgrade, 5-6 June, founded in accordance with CEFTA 2006 agreement,. Representatives of 2006 CEFTA agreement signatories participated on the meeting. Decisions for realising the provisions from the Agreement related toTBT and NTB, were taken.

## **4. COOPERATION FOR INTEGRATION**

On 30<sup>th</sup> of June 2008, in Brussels, the first Inauguration meeting of the Joint Consultation Committee to the Committee on Regions of the European Union and the Republic of Macedonia took place. During the meeting, co-chairs of this Consultation Committee were elected and goals to be achieved with future activities were discussed. By establishing the Joint Committee, a political platform for the local self-government units in the Republic of Macedonia was created, through which they can actively participate in the work of the EU institutions. Furthermore, a calendar of the next meetings was determined.

## 5. INSTITUTION BUILDING ACTIVITIES AND TRAINING

In the period 02 – 13.06.2008, in cooperation with MATRA/MTEC (Dutch assistance) in the course of June 2 important training was organized:

Training on IPA – Component 3/Environment took place. The main objective was to train the participants in IPA procedures and practical implementation in order to ensure implementation of environmental infrastructure projects, the requirements of the investment-heavy directives to enhance their knowledge that can be transferred to their local organisation and contribute to the fulfillment of the requirements in the country. The beneficiaries of this training are: 2 civil servants from MEPP, 1 civil servant from MF, 1 civil servant from the Central Financing and Contracting Unit and 1 architect from Caska Municipality.

In the period 16 – 27.06.2008 training on How to operate in Brussels took place. The main objective was preparing the participants for promoting the country interest in effective and efficient way while operating in or with Brussels before and after accession. The beneficiaries of this training are : 1 civil servant from MAFWE, 1 civil servant from MFA, 1 civil servant from MJ, 1 civil servant from MF and 1 civil servant from the Custom Administration( not sure about the last person).

Secretariat for European Affairs in cooperation with the Irish Department of Foreign Affairs organised four training courses. Three of the courses were held in Dublin within the Institute of Public Administration (IPA) on “Financial management of EU structural funds”, “EU Skills” and „Management and Monitoring of EU funded Operational Programmes”. In June 2008 only one Macedonian participant have attend the training of “Financial management of EU structural funds” in Dublin.

The Secretariat for European Affairs with the civil servants trained as trainers (under the TEMPUS Project – “European Integration Training Centre” - EITC) in June 2008 has organized:

- 1 training for “Introduction in EU” for 17 civil servants;
- 1 training for “Introduction in EU legislation” for 15 civil servants.

### *Summer schools*

Several employees from the Secretariat for European Affairs and from other institutions have been attending summer schools/seminars abroad (Albena-Bulgaria and Hvar-Croatia) in contemporary European affairs.

### *Scholarships*

This year, sixth in a row, Secretariat for European Affairs published open call for granting scholarships for candidates enrolled on EU related postgraduate studies, i.e. for European integration process in the fields of Law, Economy and/or EU policies. This activity is undertaken by the Secretariat for European Affairs in cooperation with the Embassy of the Kingdom of the Netherlands in Skopje and German Academic Exchange Service (DAAD).

The open call for granting scholarships for candidates enrolled on EU related postgraduate studies was open for one month and the Commission for selection of the candidates for scholarships for postgraduate studies for academic 2008/2009 received 34 applications.

Secretariat for European Affairs in cooperation with the Embassy of the Kingdom of the Netherlands in Skopje and the DAAD office in Skopje granted all together 11 scholarships for postgraduate studies which focus on EU affairs. 5 scholarships are granted thought the Secretariat of European Affairs program, 4 scholarships are granted in cooperation with Kingdom of the Netherlands and 2 scholarships are

granted through the cooperation between the Secretariat for European Affairs and the DAAD Office in Skopje.

Scholarships are awarded with an obligation for the recipients to return to the country and work for the state administration for a minimum of 3 years.

In this past 6 years 60 scholarships were awarded.

### ***GOFRE (SPFRE) project “Building administrative capacities for EU integration”***

#### *Strategic planning*

The process of revision of the Methodology of strategic planning and Annual Work Program (AWP) of the Government which will incorporate the obligations from the integration process, together with the National Program for the Adoption of the Acquis (NPAA) and budget in line with the requirements of the EU, was one of the main activities during the last quarter.

New revised Methodology on strategic planning, preparation of Working Programme of the Government and amendments of the Monitoring indicators for strategic planning and policy analysis will be discussed in the forthcoming period.

#### *Strengthening capacities for utilisation of IPA funds*

Cycles of IPA trainings, aiming at enhancing capacities of central government and local self-government administration as well as civil society in accessing and utilizing IPA funds, during reporting period took place in municipalities of Prilep, Kriva Palanka and Berovo and Delcevo and Negotino.

Main topics covered by the trainings were EU funds, IPA programming, preparation of project fiche and implementation of EU IPA funding.

Total coverage of trained people for the possibilities of the newly established Instruments of Pre accession Assistance (IPA) was 80.