

# **ANNUAL REPORT**

## **ON THE IMPLEMENTATION OF THE ASSISTANCE UNDER IPA**

### **Prepared by**

**The National IPA Coordinator office in coordination with NAO, Management structure, CFCD and contribution from IPA coordinators from the Ministry of Justice, Ministry of Interior, Ministry of Transport and Communication, Ministry of Environment and Physical Planning, Ministry of Local Self Government, Cabinet of the Deputy Prime Minister for Economic Affairs, Ministry of Agriculture, Forestry and Water Economy, Ministry of Education and Science, Ministry of Labour and Social Policy, Ministry of Information Society and Administration and Ministry of Finance**

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# **Annual Report on the implementation of IPA II assistance under direct and indirect management by Republic of North Macedonia submitted by the National IPA Coordinator**

## **I Executive Summary**

### *1. Reference to the objectives of the Indicative Strategy Paper and a brief overview of challenges in the sectors*

To meet the priorities, established for the EU financial assistance throughout the 2014-2020 period, the Indicative Strategy Paper (ISP) sets meaningful and realistic objectives, identifies key actions and actors, describes the expected results, indicates how progress will be measured and monitoring, and, finally, establishes the indicative financial allocations. This Annual Report is very relevant to assess the status of the implementation of the ISP. All the programming documents are either already under implementation or with already drafted Action Documents submitted for quality control<sup>1</sup>. This means that in this report it is possible to draw a first assessment of the input of the IPA support for the implementation of the ISP. Although the ISP establishes six sectors, the country, in accordance with the European Union Delegation (EUD), set up eleven sectors<sup>2</sup>.

The main challenges of the sectors will be carefully identified during the elaboration of the ISP, or equivalent documents, for IPA III. For the time being, they are as follows:

#### **A. Public Administration Reform (PAR)**

Following the adoption of the Public Administration Reform Strategy and the action plan for the period 2018-2022, at the beginning of 2018, the main challenges in this sector can be grouped into the following topics: to improve the professionalism, transparency, accountability and independence of the public administration at central and municipal level; to strengthen the effectiveness of the organization of the public administration; to improve the quality of the services to citizens and businesses and equal and free access to public information with a particular focus on development of e-services and e-procurement; and to increase the training to central and local government administrations and raise public awareness to ensure implementation of the Law on General Administrative Procedures. The challenges related to decentralisation include the strengthening of all transferred competences and yet to-be-decentralised to ensure the full implementation of all relevant laws and strategies across the country. Finally, the capacity of the Ministry of Information Society and Administration to drive and coordinate public administration reform needs to be improved.

#### **B. Public Financial Management (PFM)**

In the field of the PFM, the implementation of the PFM Reform Programme 2018-2021, adopted in December 2017, represents a challenge from the point of view of resources mobilisation and the necessary additional financial support needed, taking into consideration the areas covered by the Strategy (revenue collection, budget preparation and execution, public procurement, assets, cash and debt management, granting of concessions and state aid, public internal financial control and external audit). In addition, the preparation of the mid-term budgetary framework and improved budget classification needs to be enhanced. The key challenge is to increase the transparency of the PFM and ensure public information on the full budget cycle, as well as the modernisation of the IT tools and the optimisation of the business processes, along with achieving interconnectivity and interoperability of the customs and tax IT systems with the EU systems. Greater political commitment and operational improvements are needed to facilitate the inter-institutional cooperation, implement established procedures, and ensure timely implementation of the programmes.

Till present, the Annual Action Programme for Democracy and Governance 2017 and 2018 are addressing the following overall objectives: - to contribute to a more effective EU integration process

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<sup>1</sup> Only the performance reserve is to be allocated.

<sup>2</sup> During 2019, two new Sector Working Groups were officially established: SWG on Local and Regional Development and SWG on Roma Integration.

(2017); - to reform public administration in line with the Principles of Public Administration (2017); and - to improve governance and ensure fiscal sustainability and sound use and management of the public funds (2018).

### **C. Justice (JUST)**

This sector has to address the challenges identified in the Strategy for Judicial Reform 2017-2022 and related action plan, adopted in the frame of the “Urgent Reform Priorities”. The main priorities in the Strategy are related to independence and impartiality, quality, liability, efficiency, transparency, access to justice, functioning of the administrative justice and misdemeanours. However, there are some more urgent challenges in the sector, such as, for instance: restoring the independence of judges and that the Judicial Council and the Council of Public Prosecutors exercise their function of protecting judges and prosecutors; ensure appointments and promotion on merit-based and performance management system based on qualitative and qualitative standards; and regularly use and audit the Automated Court Case Management Information System (ACCMIS). This last challenge is particularly relevant considering that a tender that supports its achievement failed at the end of 2018.

With regard to human rights, the general challenge is to increase the promotion and protection of disadvantaged groups. Another important challenge in this field is the improvement of the conditions of prisons and other places of detention (this challenge is currently addressed through a loan of the Council of European Bank (CEB) to improve the quality of the detention places). As concern the freedom of expression, the main challenge is to strengthen the broadcasting reform and its independence, as well as the professional behavior of all media stakeholders.

On the fight against corruption, the capacities of the relevant institutions, in particular the Public Prosecutor’s Office against organised crime and corruption, the Ministry of Interior, the Public Prosecution Offices, the State Commission for the Prevention of Corruption, the Agency for the management of Confiscated Assets and the State Audit Office, need to be stepped up and improve inter-agency cooperation..

### **D. Home Affairs (HA)**

On Home Affairs, there is a need to improve the effective management of the country’s external borders and ensure the implementation of visa, migration and asylum policies, in line with the EU *acquis*. The Ministry of Interior needs to continue to reform the police, as well as enhance the effectiveness and transparency of special investigative measures, and more pro-active investigation of organised crime, including financial investigations. More specifically, the challenges under organised crime are related to improving the track record on investigation, prosecution and conviction of cases of organised crime and money laundering; the strengthening of cooperation between the various law enforcement agencies through the National Coordination Centre for the Fight against Organised Crime; and the fight against trafficking in human beings and the smuggling of migrants. From an operational point of view, it is relevant to note that in the sectors there are several important strategies, however, they are not implemented with adequate commitment.

During 2018, a 2020 Action Document for Justice and Home Affairs was elaborated which specific objective is to strengthen justice and home affairs systems and reinforce the respect for human rights.

### **E. Environment and climate change (ENV)**

Once the National Strategy on Environment and Climate Change was adopted in January 2018, the main challenges within this sector are the following: to improve the implementation and enforcement of water, nature protection and waste legislation in line with the *acquis*; to enhance coordination between the government, central level institutions and municipalities to actively work towards improving air quality; to intensify efforts to implement the adopted regional waste management plans and establish an integrated regional waste management system; and to initiate the implementation of the Paris Agreement also through the development of a comprehensive strategy on climate-related action consistent with the EU 2030 framework. It is also relevant to point out that even if the European Union is supporting the Ministry of Environmen and Physical Planning (MoEPP) to address these challenges, the MoEPP is not sufficiently organised to programme all the investments that should be

realized.

#### **F. Transport (TR)**

Within the framework of the Transport Strategy 2018-2030, adopted in December 2018, the challenges facing this sector are mainly related to the strengthening of administrative capacity and operational capacity for all modes of transports, inspection bodies and develop enforcement capacity to reduce fatalities along road and rail infrastructure. Other relevant challenges refer to the implementation of connectivity reform measures in rail reform and the opening of rail transport for domestic and regional undertakings, as well as on setting-up a national system for collecting data on road crashes; to adopt legislation on intelligent transport systems (ITS) and combined transport; and to produce a strategic framework for implementing ITS and the core networks.

#### **G. Competitiveness and Innovation (C&I)**

Improving socio-economic development through fostering economic growth and job creation is the priority objective of this sector. The focus is on the creation of a competitive and export-oriented economy based on knowledge and innovation at local, national and international level. In this context, the main challenges in the sector are the following: to enhance harmonisation with the EU *acquis* and strong implementation record in the area of internal market, particularly the free movement of goods (including quality infrastructure, market surveillance and consumer protection, and customs controls), free movement of services and competition and state aid; to improve the legal and institutional framework for business creation and operations; to improve access to finance, specially for women, and business services, as well as the business-related infrastructure, including at local level; and to enhance research and innovation capabilities through cooperation between universities, industry and Government, including the participation in the UE's Horizon 2020 programme and the development of a Smart Specialisation Strategy.

During 2018, a 2019 Action Document for Competitiveness and Innovation sector was elaborated whose specific objectives are to improve compliance of the local economy with the EU *acquis* and to support start-ups and SMEs in selected under-developed regions to grow, produce added value and create local living.

#### **H. Agriculture and Rural Development (ARD)**

To ensure sustainable development of the agri-food sectors and rural areas in line with the EU *acquis* and policies and ensuring food safety, is the main objective in the sector. In this sense, the main challenges of the sector are related to the strengthening of administrative capacity, including improvement of IT systems, at all levels of the administration and public bodies to implement agricultural reforms and policies and to ensure efficient absorption of IPA and IPARD funds; to improve competitiveness of the agriculture sector; to improve safety of human beings and animal health; to improve the alignment process of the Farm Accountancy Data Network; and to intensify the alignment of policies in the area of common market organization.

During 2018, a 2019 Action Document for Agriculture and Rural Development sector was elaborated, which specific objectives are to improve farm productivity and sustainable use of forest and to ensure food safety and improved animal and plant health.

#### **I. Education, employment and social policies (EESP)**

Once the Comprehensive Education Strategy 2018-2025 and action plan was adopted in February 2018, the main challenges concerning the education area has to done with different aspects: the implementation of the new education strategy; the support for teacher training, teacher professional development and an effective process of assessment; and the improvement of access to quality education for all, in particular pre-school enrolment, children with disabilities and children from Roma communities. Another relevant challenge to match demand and supply on the labour market is the strengthening of the Vocational Education and Training (VET) and the Adult Education System in close cooperation with the private sector and social partners.

As regards the area of employment and social policies, the challenges facing the country are related to

the young people, the long-term and unskilled unemployment in labour market inclusion; the alignment of the Anti-Discrimination Law with the EU *acquis* and its implementation mechanisms; the capacity of the Labour Inspectorate and the institutional and financial resources to address poverty and implement the social inclusion policies including the Roma action plans and the new Deinstitutionalisation Strategy and Action Plan 2018-2027.

During 2018, a 2019 Action Document and a Sector Reform Contract for this sector were elaborated, which specific objectives are, respectively, to improve social, education and education of people belonging to most vulnerable groups, and to improve quality, relevance and inclusiveness of the national vocational education and training system and to improve employment opportunities for young women and men.

#### **J. Local and Regional Development (LRD)**

The main challenges of this new sector, established in 2019, have to do with the objectives and goals within the Programme for Sustainable Local and Decentralization and Action Plan 2015-2020, which are in line with the problems recognised in the ISP and Country progress reports, namely: 1) good governance and development of an institutional framework for integrated local growth and development, 2) encouraging knowledge-based growth through strengthening local competitiveness and innovation, 3) fostering inclusive growth by providing equal access to local services for all citizens and 4) promoting sustainable growth through local development based on social welfare and responsible use of natural resources.

During 2019, a 2020 draft Action Document was elaborated, which overall objective is to increase effectiveness and efficiency of local governance, while the specific objective is to pilot smart solutions for addressing community challenges in partnership with local authorities from EU Member States.

#### **K. Roma Integration (RI)**

As concern the challenges of the Roma Integration sector, which was established in 2019, the main ones are related to creating conditions for increased integration in the labour market; providing comprehensive social protection systems that offer minimal funds that provide a decent life; developing programmes for continuing the education and overcoming the premature abandonment of the education system; improving the quality and access to public services, especially health, social services, housing and transportation; overcoming the high level of social exclusion and discrimination; and strengthening of the policies for supporting family, social networks and the protection of children's rights.

Although not within the Roma Integration sector, during 2018, a 2019 Action Document was elaborated for Inclusion<sup>3</sup>, which includes one specific result for Roma (Improved housing, education, and economic opportunities for Roma and people living in deep poverty).

#### **L. Status of the implementation of the Sector Approach and Roadmap**

A horizontal challenge for all sectors is represented by the implementation of their roadmaps and the achievement of a fully-fledged Sector Approach. All the sectors are progressing in achieving the targets established by their roadmaps, however, not all of them are progressing at the same pace. In particular, the Home Affairs and Environment sectors are lagging behind, while all the other have considerable achievements. However, for the criteria "Budget", it needs to be improved in all sectors since, at present, all the strategies are being implemented based on national annual budgets. The progress is expected with the adoption of the new organic budget.

During 2019, most of the meetings of the SWGs related to the accomplishment of the Sector Approach criteria were organised for the Performance Assessment Framework (PAF). The set of indicators have been agreed at the SWG level for the sectors active under IPA II. There were 169 meetings and 205 indicators are agreed. The next step includes that the Government of the Republic of North Macedonia finally agrees on the set of indicators and that the PAF is fully operational. The

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<sup>3</sup> See EESP point I.

Information note for the Government is being drafted by the Secretariat for European Affairs (SEA).

Unfortunately, in 2018-2019 no feedback on the Sector Approach Assessment and SWGs was carried out by the EUD. For 2017-2018, it was presented to the different Sector Working Groups.

## ***2. Involvement in programming***

At sectoral level, for the IPA AR 2019, four Programming periods are still relevant: 2017, 2018, 2019 and 2020. Under IPA 2017 Annual Action Programme, four Action Documents were elaborated and adopted. In 2018, the Financing agreement for the Annual Action programme was signed on 5<sup>th</sup> November 2018 in total amount of EUR 44.643.780:

- Employment and social policy - 23.700.000 EUR;
- Public administration reform – 11.200.000 EUR;
- Participation in the Union Programmes – 7.293.780 EUR;
- European Union Integration Facility - 2.450.000 EUR.

2018 Annual Action Programme consists of 3 (three) Action Documents in total amount of EUR 32.089.675 and it was signed on 19 June 2019:

- EU Support to Public Finance Management – 18.600.000 EUR;
- Participation in the Union Programmes – 7.689.675 EUR;
- European Union Integration Facility – 5.800.000 EUR.

Five Action Documents and one SRC (Sector reform contract) were finalised in 2019 for the Action programmes of 2019 and 2020, as follows:

- EU supports Rural Development and Competitive Sustainable Agriculture (AD IPA 2019);
- EU supports Competitive and Fair Markets (AD IPA 2019);
- EU for Inclusion (AD IPA 2019);
- EU for Youth Sector Reform Performance Contract (SRC IPA 2019);
- EU for Rule of Law (AD IPA 2020);
- EU Municipalities and Local Development (AD IPA 2020);
- Support to participation in Union Programmes;
- EU Integration Facility.

For the preparation of these programming documents more than 20 meetings of the SWGs, including International Organisations, donors, Embassies and CSOs were organised in 2019 on bilateral and technical level. Next to the sectoral programming, it is necessary to mention the programming of the European Union Integration Facility (EUIF), the preparation of the Operational Identification Sheets (OIS) under the sectors Transport and Environment and Climate Action, as well as the IPA applications for the major infrastructural projects (wastewater treatment plant in Bitola and Tetovo). The Union Programmes (UPs) was carried out with the same modalities of the previous years.

In December 2019, the IPA 2018 Annual Action Programme was signed in total amount of **32.089.675 EUR**:

- EU Support for Public Finance management - **18.600.000 EUR**
- Union Programmes - **7.689.675 EUR**
- European Union Integration Facility – **5.800.000 EUR**

In December 2019, the IPA 2019 Annual Action Programme was approved and signed by the EC in total amount of **58.600.000 EUR**:

- EU supports Rural Development and Competitive Sustainable Agriculture **20.500.000 EUR**
- EU supports Competitive and Fair Markets **14.250.000 EUR**
- EU for inclusion **7.350.000 EUR**
- EU for Youth Sector Reform Performance Contract **16.500.000 EUR**
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## ***3. Involvement in Multi-country actions and any related issues***

The NIPAC Office participates in the IPA Multi-country programmes forum that organises DG NEAR services on a regular basis. The representatives of NIPAC Office participated in the two events organised in Skopje on 28-29 June and in Brussels 8-9 October 2018, to discuss the programming aspects of these programmes. Currently, discussions are ongoing for 2019 programming. NIPAC Office is the authority responsible for communicating and consulting the proposed actions in each programming year. On the implementation side, the NIPAC Office appreciates the regular biannual reports for the implementation of the respective programmes, since these reports are the only sources for information on the implementation.

The European Commission adopted the Multi-country Action Programme for the year 2018 on 31 of July 2018. IPA Multi Country Programme (MCP) coordination meeting was held on 13-14 June in Tirana, Albania, for the IPA MCP 2020 project one pagers. The next IPA MCP coordination meeting was held on 24-25 October 2019 in Brussels, to go through the files to be funded under the IPA II MCP 2020. After the meeting in Brussels, a new deadline for submission of comments was given up to 31 October 2019 to finalise the beneficiary countries comments.

<b>Draft AAP 2020 for IPA multi-country (indicative, million EUR)</b>	<b>584.4</b>	
<b>Flagship 3 - Supporting socio-economic development</b>	<b>219.7</b>	
EU4 Business: through the Western Balkans Guarantee	100.0	Separate financing decision Guarantee 2019-2020 – (adoption end of 2019)
EU4 Business: AD - Western Balkans Enterprise Development and Innovation Facility Development Facility (EDIF), European Fund for Southeast Europe (EFSE) and EU4Business outreach & monitoring initiative	39.5	MCP 1
EU4 Business: Roma entrepreneurship and employment in the WB and Turkey	2.5	MCP 2
EU4 Business: AD - Fostering regional economic integration: support to the implementation of the trade pillar of the Regional Economic Area in the Western Balkans	7.2	MCP 2
EU4 Youth: including doubling our support to Erasmus + and supporting Youth in the Western Balkans EU4Youth: AD - Western Balkan dimension of the European Week of Sport beyond Borders (EUR 1 million) EU4Youth: AD - Enhancing skills and education for young people in the Western Balkans (EUR 5.5 million) EU4Youth: Western Balkan Youth Window under Erasmus+ (EUR 3 million)	70.5*	Separate financing decision DG EAC MCP 1 MCP 1 MCP 1
<b>Flagship 4 – Increasing connectivity and Flagship 5 - A Digital Agenda for the Western Balkans</b>	<b>164.1</b>	
EU4 Connectivity: through the Western Balkans Investment Framework (WBIF) connectivity package	100.9	Separate financing decision
EU4Connectivity: Support to Technical Assistance under the Western Balkans Investment Framework (IPF-Infrastructure Project Facility, including digital and IFICO-International Financial Institutions Coordination Office) and JASPERS support to IPA II beneficiaries	46.0	MCP 1
EU4 Connectivity: through the EU contribution to the 2020 annual budget of the Energy Community Treaty Secretariat	4.7	Separate financing decision DG ENER
EU4 Connectivity: AD - EU contribution to the budget of the Transport Community (support to the Transport Community Permanent Secretariat)	3.0	MCP 1
EU4 Green Transition: AD - Covenant of Mayors in the Western Balkans and Turkey	4.5	MCP 2
EU4 Green Transition: AD - EU support to environmental regional cooperation in the Western Balkans and Turkey and Western Balkans' Green Agenda	5.0	MCP 2
<b>Flagship 6 - Supporting reconciliation and good neighbourly relations</b>	<b>125.4</b>	
Civil Society Facility and Media programme – Multi-country component (plus additional bilateral components)	34.0	Separate financing decision
EU support to reconciliation: missing persons and support to accountability for past crimes - AD EU support to fostering reconciliation and good neighbourly relations in the Western Balkans, through enhancing criminal accountability and victims' rights	6.0	MCP 2
EU support to culture and tourism in the Western Balkans	13.0	MCP 2

\*This figure includes the support to the Erasmus + programme, including the doubling, plus other initiatives for youth.

AD - Regional Programme on culture and creativity in the Western Balkans (EUR 8m) AD - EU support to regional tourism in the Western Balkans – Promotion, Policy, Platform, and Pilots (EUR 5m)		
Territorial cooperation programmes: CBC between IPA II beneficiaries, including technical assistance (EUR 12.1m); with Member States (EUR 48.3m); Transnational/Inter-regional Cooperation (EUR 10m); and Participation of Turkey in Black Sea Basin programme (EUR 2m.)	72.4	Separate financing decisions IPA-IPA 2018-2019-2020 – adopted end of 2018 IPA-MS decisions by REGIO
<b>Flagship 1 - Strengthening support to the rule of law</b>	<b>19.0</b>	
EU4 Rule of Law: Citizens Engagement for Public Integrity (CEPI) in the Western Balkans and Turkey	2.5	MCP 1
EU4 Democracy: Support to electoral reform in the Western Balkans	1.5	MCP 1
EU4 Good Governance: support to Public Administration Reform: Support for Improvement in Governance and Management (SIGMA) in the Western Balkans and Turkey –	15.0	MCP 1
<b>Flagship 2 – Reinforcing engagement on security and on migration</b>	<b>10.0</b>	
EU4 Security: through support to Tackling Small Arms, Light Weapons and their ammunition and strengthening Police Cooperation in the Western Balkans	10.0	MCP 2
<b>Cross-cutting</b>	<b>39.8</b>	
Technical Assistance and information exchange (TAIEX) Action programme	12.0	Separate financing decision
Horizontal measures (Audit, Information and Communication, Evaluation/monitoring, and EU Integration Facility) Support measure – Audit – (EUR 1.7m) Support Measure for Communication about the European Union and the EU Accession Process (EUR 15m) Evaluation and monitoring (EUR 5.5m) AD - EU Integration Facility for the Western Balkans and Turkey (EUR 5.6m)	27.8	Separate financing decisions  MCP 1
<b>Budget to re-allocate</b>	<b>6.4</b>	
To be confirmed	6.4	

On 18 December 2019, the national authorities were informed about the launching of the quality review 1 and comments of the beneficiary countries of the following files under IPA Multi country Programme 2020-part 2 until 15 January 2020:

### **Multi- country Programme 2020 – Part 2**

<b>MCP 2020 – part 2 (indicative, million EUR)</b>	<b>47.00</b>
<b>Flagship 4 – Increasing connectivity</b>	<b>20.0</b>
EU4 Green Transition: AD - Covenant of Mayors in the Western Balkans and Turkey	10.0
EU4 Green Transition: EU support to the Western Balkans’ Green Agenda	10.0
<b>Flagship 6 - Supporting reconciliation and good neighbourly relations</b>	<b>16.0</b>
EU support to reconciliation: Enhancing War Crimes Accountability in the Western Balkans	3.0
EU support to Regional Programme on culture and creativity in the Western Balkans	8.0
EU support to Competitive and Sustainable Regional Tourism in the Western Balkans	5.0
<b>Flagship 3 - Supporting socio-economic development</b>	<b>6.0</b>
EU4 Business: AD - Fostering regional economic integration through support to the implementation of the trade pillar of the Regional Economic Area	6.0
<b>Flagship 2 – Reinforcing engagement on security and on migration</b>	<b>5.0</b>
EU4 Security: Support for enhancing the fight against the illegal possession, misuse and trafficking of small arms and light weapons (SALW) in the Western Balkans	5.0
<b>Flagship 1 - Strengthening support to the rule of law</b>	<b>0.0</b>
<b>Flagship 5 - A Digital Agenda for the Western Balkans</b>	<b>0.0</b>
<b>Cross-cutting</b>	<b>0.0</b>

On the same date, the national authorities were informed by the Commission services that the following decisions have been adopted with regards the Multi Country envelope:

- On 19 November 2019, the European commission adopted the MCP Western Balkans Guarantee 2019-2020 in the amount of EUR 150 million (Commission Implementing Decision C (2019)8410);
- On 27 November 2019, the European Commission adopted the MCP Connectivity 2019-2020 in the amount of EUR 184,6 million (Commission Implementing Decision C (2019)8412);

With the same communication there were several adoptions of amendments such as:

- The MCP 2012 (AD11- "Strengthening European Integration (SEI)") adopted by the Commission Implementing Decision C(2012) 3665 of 31 May 2012 has been amended on 6 November 2019 to increase the total value of the decision by EUR 22.754,78 in order to pay for the costs incurred for Croatia prosecutors under project no.11 mentioned above;
- Amendments of the MCP 2019 (AD19 "Supporting a More Effective Administration of Justice in Corruption and Organised Crime Cases in the Western Balkans through Trial Monitoring") on 19 December 2019 (Commission Implementing Decision C(2019) amending the Commission Implementing Decision C(2019) 5515 as of 19 July 2019 as to increase the budget of the Annual Action Programme for EUR 6 million;
- Amendments in the AD5 "EU support to SMEs through EBRD Advice for Small Businesses and EU-REPARIS under the Western Balkan Enterprise Development and Innovation Facility (WB EDIF)" done on 11 December 2019 (Commission Implementing Decision C(2019) 8411) amending the Commission Implementing Decision C(2019) 5515 as of 19 July 2019 as to change the management mode from indirect to direct for component 1 of Action no.5;
- Amendments of the MCP 2018 (AD4 - "European Integration Facility, including EU support for the participation of beneficiaries in EU Agencies") done on 3 December 2019 amending the Commission Implementing Decision C(2018) 5074 as of 31 July 2018 to change the management mode from indirect to direct and to reallocate funds within the action; and
- Amendments of the CSF 2018-2019 (AD1, AD2, AD5, AD6 and AD7) done on 11 December 2019 amending the Commission Implementing Decision C(2018)8516 as of 5 December 2018 to reallocate funding within and among the multi-country and some of the bilateral actions.

However, to improve the follow-up of the Actions financed through regional support of MC IPA, NIPAC Office suggests improving the coordination of line ministries through NIPAC, having into account that all IPA-related Programmes are administered through NIPAC. The direct communication of the EC with the beneficiary institutions causes difficulties for NIPAC to collect information and report on the progress and achievement made in different projects.

As concerns the status of implementation of the activities under the WBIF during 2019, the main data are presented in the tables below.

<b>NIC Contact point</b>	<ul style="list-style-type: none"> <li>• <b>Evgenija Serafimovska Kirkovski</b>- Head of NIPAC office</li> <li>• <b>Suzana Peneva</b>, State Councillor – Ministry of Finance</li> </ul>				
<b>NIC Meetings</b> (previous meeting held/upcoming meeting)	<ul style="list-style-type: none"> <li>• WBIF progress meeting held on 19.11.2019 (23 participants)</li> <li>• Preparatory meeting for NIC second level on 15.07.2019 (40 participants)</li> <li>• WBIF progress meeting held on 14 May 2019 (26 participants)</li> </ul>				
<b>Single Project Pipeline</b>	Total number of Projects:			Total estimated value:	
	<b>134</b>			<b>7.372.516.672 EUR</b>	
<b>SSPPs</b>	BRI	ENE	ENV	TRA	SOC
<b>Total number of projects / total estimated value</b>	1 Project(Digital Connectivity) 7.000.000 EUR	30 Projects 3.692.426.532 EUR	28 Projects 631.280.140 EUR	53 Projects (27 mature + 26 on-going projects) 2.727.810.000 EUR	22 Projects 314.000.000 EUR
<b>SPP Revision</b>	SPP Revised and Adopted by the Government on <b>27.11.2018</b> ; <b>56 new projects were added</b>				
<b>NIC framework Key issues</b>	<ul style="list-style-type: none"> <li>▪ Possible Revision of SPP by the end of the year – demand driven</li> <li>▪ Presentations of IPA 3 and role of WBIF are necessary on the ground</li> </ul>				
<b>TA and Grant applications approved on the 21<sup>st</sup> WBIF SC meeting in London, Great Britain</b>	<ul style="list-style-type: none"> <li>• WB22-REG-DII-02: Balkans Digital Highway: Feasibility Study and Cost Benefit Analysis, Preliminary Design – 962.000 EUR;</li> <li>• WB-IG04-MKD-ENE-01: Project of Mutual Interest: North Macedonia – Greece Gas Interconnector – 12.724.000 EUR;</li> </ul>				

<b>on 16-17 December 2019</b>	<ul style="list-style-type: none"> <li>• WB-IG04-MKD-TRA-01: Orient/East-Med Corridor: North Macedonia – Serbia Rail Interconnection, Tabanovce Joint Border Station – 2.765.227,38 EUR;</li> <li>• WB-IG04-MKD-TRA-02: Orient/East-Med Corridor: North Macedonia – Kosovo* Road Interconnection, Blace – Skopje (Stenkovec Interchange) Motorway Section – 27.225.128,46 EUR.</li> </ul>
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<b>5<sup>th</sup> INV GRANT Applications under screening</b>				
	<b>Title</b>	<b>Amount</b>	<b>Remarks</b>	<b>Donor</b>
1.	WB-IG05-MKD-ENV-01 Construction of the Wastewater Treatment Plant (WWTP) for City of Skopje	<b>15.793.976,88 EUR</b>	The Project consists in the designing and building of a Central Wastewater Treatment Plant, sized to cater for the needs of 625,000 p.e. (population-equivalent) by 2035 (Phase 1), and 650,000 p.e. (population-equivalent) or 518,000 inhabitants to be served by the ultimate year 2045. The Project site is located in the south-eastern part of Gazi Baba Municipality along the Vardar River. The Project horizon is the ultimate year 2045. The Project purpose is to make a significant and measurable contribution to improve the urban environment of the city of Skopje and to improve the quality of wastewater treatment services. Location of the Project in Skopje	EIB
2.	Construction of physical education facilities in primary schools, acquisition of equipment and the rehabilitation of primary and secondary schools	<b>3.069.000 EUR</b>	The proposed Project is an extension of the existing CEB funded loan Construction of physical education facilities in primary schools, acquisition of equipment and the rehabilitation of primary and secondary schools. Reconstruction of 30 physical education facilities in primary and secondary schools and acquisition of equipment in 50 physical educational facilities (PEF) in primary schools. Rehabilitation of 30 PEFs, as well as equipping of 50 existing PEFs are still not financially covered, that is why these are the object of the present Application. Site visits to these facilities have concluded that deterioration of infrastructure (roof leaking, no proper sanitary, floors damaged, and windows) prevents the local pupils to follow their education in normal conditions. The implementation period of the project is 2 years after signing the grant agreement.	CEB

At the end of 2019 and after the meeting of the WBIF Steering Committee in London, a restricted TA 23<sup>rd</sup> call was launched for projects in the sectors environment, social and digital connectivity. Unfortunately, there was no interest from Macedonian beneficiaries.

#### **4. Donor coordination**

In 2019, major progress in donor coordination can be reported. Twelve meetings of the SWGs were held with the participation of the donor community. In the tables below it is presented the list of the main meetings held, as well as the list of donors included in these meetings.

##### **Main meetings of the SWGs**

<b>SWGs</b>	<b>Date</b>	<b>Topic</b>	<b>Number of Participants</b>
Municipal and Local Development	20.03.2019	Establishment of the SWG and discussion about the AD 2020 supporting municipal	
Justice	20.06.2019	PAF/Indicators	37
Municipal and Local Development	19.09.2019	PAF/Indicators	51
EESP	20.09.2019	PAF/Indicators	66
HA	23.09.2019	PAF/Indicators	40
ARD	24.09.2019	PAF/Indicators	53
TR	26.09.2019	PAF/Indicators	35
C&I	15.10.2019	PAF/Indicators	43
PFM/ MoF	05.11.2019	PAF/Indicators	
PAR	18.11.2019	PAF/Indicators	51
Roma	06.12.2019	PAF/Indicators	65
ENV	19.12.2019	PAF/Indicators	42
EESP	19.12.2019	PAF/Indicators	53

### **Main donors, IFIs, Embassies and CSOs involved in the meeting of the SWGs**

<b>Donors and International Organisations</b>	EUD, UNDP, UNICEF, UNHCR, UNFPA, UNWOMAN, OSCE, Council of EU, International Centre for Migration, International Labour organisation, Intern organisation for Migration (IOM), International Org. for Electoral Systems, GIZ, British Council Swiss Agency for Development, USAID,
<b>IFIs</b>	World Bank, EBRD, KFW and CEB
<b>Embassies</b>	Italian, Hungarian, Swedish, German, Czech, Greek, Bulgarian, Dutch, British, Spanish, French, US, Swiss, Chinese (PRC)
<b>CSOs</b>	International Republican Institute IRI, Macedonian Yung Lawyers, Association MYLA, ZENIT, Macedonian Judges association, Foundation Open Society Macedonia, Human Rights Institute, European Policy Institute, Macedonian Ecological Society, We Effect, Civil Associations "Rural Development, Macedonian Association of Agricultural Cooperatives, Co-operative res Group, National Federation of Farmers, EDRM European movement of RM, NAPM, Association of Agriculture Economists, Food and Agriculture organisation, Rural Development Network, European Movement -RM, NFF National Federation of Farmers, CNVP, ISA, Foundation step by step, Adult education centre, National Civil Education Centre, HERA, HUMANOST, REACTOR, National Network and violence against woman, Friedrich-Ebert-Stiftung, Euro think, Macedonian Civic Education Centre, Recourse centre of Parents with children with special needs, VET Centre, Nansen dialogue Centre, Association of Communal Serviced Providers, Macedonian Chamber of Information and communication Technologies, Economic Chamber of Macedonia, Crimson Development Foundation, American Chamber of Commerce in Macedonia, EPI -Skopje, MCMS, LAG Agro Lider-Prilep, Institute for Sociological Research and Sustainable Development Struga, ECCO awareness

#### *Under indirect management by RoNM:*

#### **5. Overall implementation of IPA assistance under indirect management**

Within IPA II (2014-2020), the management of IPA funds is divided between direct and indirect management structures in the Republic of North Macedonia. Having in mind the perspectives of the Republic of North Macedonia for the future management of the Structural Instruments, the national authorities in the period 2014-2020 focused their activities on fulfilling the conditions for granting the right of the Republic of North Macedonia to implement the EU budget in several sectors i.e. Justice and Interior, Environment and Climate Change, Transport and Education, Employment and Social Policy. In all these programmes, which are implemented under the indirect management, CFCD has a role of the Contracting Authority; responsible for tendering, contracting and payment, and at the same time is heading the whole Operating Structure. As part of the IPA Operating Structure, the following institutions are involved in the system of indirect management of the IPA funds, responsible for the technical implementation of the contracts:

- Ministry of Justice and Ministry of Interior - for Action Programme of the Republic of North Macedonia for 2014 - IPA / 2014 / 037-701;
- Ministry of Environment and Physical Planning and Ministry of Transport and Communication (including the Public Enterprise for State Roads) - for Multi-annual Sectoral Operational Programme of the Republic of North Macedonia for the Environment and Climate Change and Transport for the period 2014-2020;
- Ministry of Labour and Social Policy and Ministry of Education and Science - for Action programme of the Republic of North Macedonia for 2017 (Action 4: EU support for Education, Employment and Social Policy (Results 2 and 3)).

Having in mind the fact that the programme's governance system is established and accredited to include a body in addition to the Ministry of Finance (CFCD) and other institutions that are beneficiaries of IPA assistance, efficient functioning of the system and timely implementation of the programme in large part depends on the capacities in terms of the number of employees and the necessary knowledge for project management of the IPA structures, as well as in the other parts of these institutions involved in the implementation of projects and their promptness to implement the projects from the appropriate programme.

The reason for the late start with the implementation of the programme is, above all, the untimely preparation of the required tender documentation due to the late definition of the projects and the prioritization of the same by the line ministries and beneficiary institutions. This situation,

subsequently, causes delays in the preparation of the tendering documents and in implementation of all planned tender procedures, which afterwards cause late contracting for the envisaged contracts. Beside the delays in the preparation of the Operation Identification Sheets (OIS), it is important to emphasize the importance of timely and quality preparation of tender documents. Also, the already submitted tender documents prepared by the line ministries are often with not sufficient quality, which further prolongs the procedure, considering the fact that their finalization is needed to be done by the CFCD instead only to be checked and further aligned with the PRAG provisions.

As part of the quality assurance process, the Central Financing and Contracting Department continuously monitors the “Rejection Rate”. This includes measuring of two parameters, i.e. “Internal Rejection Rate”, which is calculated based on the exchange of tender documents between the Central Financing and Contracting Department and the Beneficiary Institutions, and the “External Rejection Rate”, which is calculated based on the exchange of tender documents between the Central Financing and Contracting Department and the EU Delegation within the process of “ex-ante” controls.

The Lessons Learned Analysis (LLA), as a tool that is used to improve the quality of the work of the indirect management structures, for the first time was presented to the colleagues from the Contracting Authorities and the NAO/ NF at the regional event held in Turkey in March 2017 organized by the European Commission services. In addition, it was presented within the meetings of the regional network of the Contracting Authorities, as a good example of mechanism that can be used by other countries in order to improve the work of their management structures. Additionally, there was a bilateral workshop held on 25th - 26th February 2019, where representatives from Macedonian CFCD presented the outcome of 2017 Lessons Learned Analysis to the Albanian Contracting Authority, NAO and NF, as part of the regional initiative for cooperation among contracting authorities. In May 2019, CFCD prepared Lessons Learned Analysis for 2018 and shared it with all stakeholders responsible for indirect implementation of the IPA II programs.

2019 Lessons Learned Analysis (LLA) that should present the developments of the external and internal rejection rates is currently under preparation. The respective data for 2019 compared to 2018 data show a slight increase in the rejection and suspension rate of the tender documents. The average external rejection rate for 2019 is 29% compared to 2018 External Rejection Rate, which was 28%. It includes an external suspension rate of 17% and an external rate of rejected documents of 13%. To compare, it is important to be noted that this percentage should be considered as high, having in mind that the number of documents exchanged with the EUD in 2019 was lowered compared to 2018 and 2017 (160 documents in total were exchanged during 2019 comparing to 196 documents in 2018 and 272 documents in 2017). In addition, the 2019 LLAs shows that the Internal Rejection Rate, based on the exchange of documentation between CFCD and line ministries, shows also slight increase comparing with 2018 i.e. 39% versus 37% for 2018.

Currently, the very important risk is the capacities of the structures responsible for the implementation of IPA II. During 2019, there was an evident outflow of trained and professional staff in all IPA beneficiary institutions. It was an outflow of employees who were in the structure from the very beginning of its formation and in whose knowledge and capacities it has been invested for many years. The rate of outflow of qualified and qualified staff is alarming in the following institutions: MS 6%, CFCD 24%, NIPAC Office 7%, Ministry of the Interior 17%, Ministry of Environment and Physical Planning 18%, Ministry of Transport and Communications 17%, Ministry of Labour and Social Policy 20%, Ministry of Education and Science 50% and Ministry of Justice 20%. The situation in all institutions is worrying. Due to the large staff outbreak, staff capacities are insufficient to meet the basic principles and criteria for the proper functioning of the system.

During 2019, the SEA training center conducted 64 events for institutional building that had 1407 participants coming from the central Government. 13 events (training, seminars, workshops, presentations/study visits) were dedicated to 421 members of the IPA structures. 2019 was a year in which many training events were organised within the frame of the explanatory meetings. Under this framework, 700 civil servants (including NGOs and IPA staff) participated in the 20 meetings in Brussels and 1 in Luxembourg. Live streaming of these events was organised and broadcasted in the

SEA premises, were 232 persons followed these events. The SEA training centre traditionally cooperates with French and Dutch Embassies (including MATRA programme).

In the table below you will find the data on the IB events organised cumulatively in the period 2018-2020 that are relevant for the IPA structure.

SEA TRAINING CENTRE. IMPLEMENTED ACTIVITIES 18-20. IPA CAPACITY BUILDING						
TRAININGS						
No.	Title of the Training	Trainer/ Expert	Organizer	Venue	Date	Participants
1	Re-enforcement of the IPA II Sector Approach (3 consolidation training events)	Fabio Drago and Miguel Lucena (Sector Approach Project)	SEA/ NIPAC Office and IPA II Sector Approach Project (“Support for the management of EU funds”)	SEA, Skopje	27-28.02.2018	60
2	Sector Budget Support	Terhi Karvinen (DG Near)	EUD and SEA TC	SEA	02.03.2018	57
3	Detection and administrative investigation of fraud and irregularities in the use of EU resources	TA Project expert and AFKOS Trainer	SEA TC and NIPAC Office	Hotel “Gardenia” Veles	12-13.11.2019	30
4	Awareness training for IPA Structure on Information Security	IT experts	Ministry of Finance, NIPAC Secretariat & SEA TC	Ministry of finance	16-17.09.2019 (Two-hour training sessions)	16
5	Cost Benefit Analyses – Preparatory Session	TA Expert Fabio Drago	TA project: Management of EU Funds & SEA TC	Meeting Room, SEA	19.12.2019	20
6	Cost Benefit Analyses Training	Silvia vignette & Chiara Pancotti, Center for Industrial Studies	TA project: Management of EU Funds & SEA TC	Stone Bridge Hotel Skopje	28-30.01.2020	23

WORKSHOPS						
No.	Title of Presentation	Presenter/ Trainer	Organizer	Venue	Date	Participants
1	Workshop: Preparation of IPA II Annual Implementation Report	NIPAC office and Operational Structure and Fabio Drabo and Miguel Lucena	SEA/ NIPAC Office and IPA II Sector Approach Project (“Support for the management of EU funds”)	Skopje	04.01.2018	30
2	Team building: Annual Lessons learnt session and preparation of the IPA II Master Plan	Bas Academy – Gorazd Smilevski	GIZ and NIPAC Office	GIZ and SEATC	1-3.03.2018	60
3	Lessons Learnt Workshop	Evgenija Serafimovska Kirkovski (EA)	NIPAC Office / SEA TC	SEA	17-18.04.2018	70
4	NIPAC office Manual of procedure revision workshop	TA Experts and NIPAC Head	TA project for management of EU funds	Hotel Kamnik, Skopje	8.05.2019	20

TRAINING EVENTS ABROAD (seminars, summer/winter schools, total immersion courses abroad)					
No.	Title/Subject	Organizer	Location	Date	Participants
1	Study tour for EU management funds	MFA Bulgaria and SEA TC	Sofia, Bulgaria	24-26.10.2018	14
2	Study tour “IPA Regional	MFA Bulgaria and SEA	Bansko, Bulgaria	7-9.11.2018	6

	cooperation and EU negotiation				
3	Improving Programming, Monitoring and Evaluation (EU Funds Management)	Study Tour to Spain, visiting Spanish institutions,	NIPAC Secretariat / SEA TC & TA: Management of EU Funds &	24-30.11.2019	15

GENERIC OVERVIEW OF IMPLEMENTED ACTIVITIES FOR 2018-2020			
No.	Type of Events	Number of Events	Number of Participants
1	Training	6	206
3	Workshop	4	180
4	Study visits	3	35
SUMMARY		13	421

In the table below, the main statistical data about the implementation of IPA II are presented (direct and indirect management).

CRIS Number	IPA II Decision title	Management mod.	Allocated EU funds	Contracted	Contracting rate	Paid	Payment rate
IPA/2014/037-701	IPA II 2014 Annual Programme for the Republic of North Macedonia - Objective 1	IMBC	26,717,811.25	19,108,177.55	71.52%	12,866,706.51	67.34%
IPA/2014/037-702	Multi-annual country action programme on environment and transport, the Republic of North Macedonia (IMBC)	IMBC	225,872,202.25	35,441,457.41	15.69%	11,332,380.95	31.97%
IPA/2015/037-906	Country Action Programme for the Republic of North Macedonia for the year 2015 - Objective 1 (IMBC)	IMBC	6,825,719.10	6,825,719.10	100.00%	6,724,110.84	98.51%
IPA/2016/039-618	Country Action Programme for the Republic of North Macedonia for Year 2016 - Objective 1 (IMBC)	IMBC	7,109,905.80	7,109,905.80	100.00%	7,066,797.42	99.39%
IPA/2017/040-200	Annual Action Programme for the Republic of North Macedonia for the Year 2017 - Objective 1 (IMBC)	IMBC	5,834,173.00	5,834,173.00	100.00%	5,659,173.00	97.00%
IPA/2017/040-202	Annual Action Programme for the Republic of North Macedonia for the Year 2017 - Objective 2 (IMBC)	IMBC	12,650,000.00	5,006,190.00	39.57%	1,211,450.81	24.20%
IPA/2018/040-860	Annual Action Programme for the Republic of North Macedonia for the year 2018	IMBC	7,689,675.00	7,689,675.00	100.00%	111,934.09	1.46%
IPA/2020/041-831	Annual Action Programme for the Republic of North Macedonia for the Year 2020 - Objective 01	IMBC	7,700,000.00		0.00%		#DIV/0!
IPARD II	IPARD II	IMBC	60,000,000.00	23,361,933.00	38.94%	10,021,618.00	42.90%

CRIS Number	IPA II Decision title	Management mode	Allocated EU funds	Contracted	Contracting rate	Paid	Payment rate
CBC 2014-2019 IPA/2016/038-163, IPA/2017/038-164, IPA/2014/037-624, IPA/2015/038-162, IPA/2018/041-370, IPA/2019/041-371 IPA/2020/041-372	Cross-border cooperation Programme the Republic of North Macedonia - Republic of Albania	Direct	10,684,582.25	5,516,721.25	51.63%	3,747,044.61	67.92%

## II Information per Sector

### Rule of Law and Fundamental Rights – Sub sector Justice and Home Affairs

#### Rule of the Law, Sub sector Justice

##### 1. Involvement in programming

So far, an IPA Action Document was prepared and financed under IPA 2014 AP and one Annual Action Programme for year 2020. In the second half of 2019, the latest version of Annual Action Programme IPA 2020 was sent to Brussels for inter-service consultation. The action will strengthen the Rule of Law in the Republic of North Macedonia through the strengthening the justice and home affairs systems and respect for human rights. It is expected to result in improved independence, accountability and quality and effectiveness of the justice system, increased efficiency of investigation process, improved enforcement record in curbing corruption, more effective prevention of radicalisation. In parallel, the capacities of key institutions for the protection of human rights will be strengthened, and human rights will be mainstreamed through judicial and home affairs systems. Investments in the public service broadcasting and media self-organisation are expected to enhance the freedom of expression in the country.

The main features of the IPA AD 2020 are as follows:

**Overall Objective:** To strengthen rule of law

**Specific Objective:** To strengthen justice and home affairs systems and reinforce the respect to human rights.

**Results:**

- (1) Improved independence, accountability, quality and effectiveness of the justice system.
- (2) Stronger capacity to effectively implement modern investigation techniques in fighting organised crime and terrorism
- (3) Improved enforcement record in fighting corruption.
- (4) Enhanced protection of Human Rights and stronger uptake of alternative means to detention.
- (5) Strengthened freedom of expression.

Total cost: 19,300,000 EUR

EU Contribution: 18,900,000EUR

National Contribution: Not requested

Direct management: EU Delegation to the Republic of North Macedonia

Indirect management: The Council of Europe Bank (CEB) for the implementation of Activity 4.2.(a)

Improving of the detention conditions

##### 2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)

Detailed information on the implementation of the Roadmap is presented in Annex 4 of the Report. The table below summarises the objectives achieved and the concrete actions that will be implemented to fully accomplish the Roadmap.

<b>Criteria: Strategic Planning</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached.
<b>Criteria: Administrative Capacity</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached.
<b>Criteria: Coordination</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached.
<b>Criteria: Performance</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached.
<b>Criteria: Budget</b>	<b>Self-assessment:</b> half of the targets for 2017, 2018 and 2019 have been reached
<b>Remarks:</b> Most of the targets have been reached or substantially reached. The ones that are yet to be reached will be reached in 2020 with the support of the TA Project “Support to the Management of EU Funds”. There is a delay in the achievement of the targets under the criterion Budget due to the fact that the Ministry of Finance has not yet elaborated the procedures for the preparation of the medium-term budget.	

##### 3. Coordination with other instruments and/or donors/ IFI's within the sector

The coordination with other instruments is articulated as follows:

- Coordination meetings within the SWG that has the role to coordinate all the stakeholders active in the sector;
- Bilateral relationships with donors;
- Relationships with IFIs.

The following meetings of the SWGs were organised in 2019:

Plenary Session		
Date	Number of participants	Discussed topics
20.06.2019	60	General aspects of the performance assessment framework were presented. Indicators to be followed to measure the progress of the country in the implementation of the sector reforms were described.
Thematic Sessions		
Date	Number of participants	Discussed topics
23.03.2019	15	Defining the Indicators for Justice Sector

The following donors, Embassies and CSOs were present at these meetings.

Donors	Embassies	CSOs
EU Delegation	Dutch	Foundation Open Society - Macedonia
Council of Europe	UK	Eurothink/IPA Mechanisam
GIZ	USA	MYLA
UNICEF		Institute for Huamn Rights (IHR)
OSCE	Italian	Association for Development Initiatives Zenit
	French	European Policy Institute (EPI)
	Bulgarian	Coalition for Fair Trial
		Asociation for Democratic Initiatives (ADI)

At present, in the sub-sector “Judiciary”, the following programmes financed by the donors are under implementation:

Donor	Budget	Project Title/ objective of the project	Implementation period
British Embassy	£329,727	Bringing change - Good governance and effectiveness of the public administration	August 2018 - March 2020
	£95,700	Action for more transparent, accountable and effective JC	June 2018 - March 2020
		Design of a performance indicator matrix for the Public Prosecutor’s Office in Republic of North Macedonia	June 2018 - March 2019
	£257,823	Enhancing transparency, legal certainty and efficiency of the judicial system in North Macedonia	June 2019 - March 2020
	£ 525,445	The RNM through the improved performance of justice sector institutions	June 2019 – March 2020
	Up to £ 20M	Regional Rule of Law initiative	In tender process 3Yr-to start beginning of 2020.
Embassy of Netherland	128,283 €	Strengthening the Professionalism, Competence and Integrity of Young Lawyers in North Macedonia through an internship programme in justice institutions	January 2020 – January 2022
	77.854 €	Quality System for Evaluation of Judges’	November 2019– November 2020
	79.144 €	Model for Implementation of the Law on Probation’	November 2019 – November 2021
	650.000 €	Together for Accountability’ –Project for Support of the Special Public Prosecution in North Macedonia	March 2018 - March 2020
	1.938.703 €	Improving Prison Environment for Children and Juveniles’	January 2018 – December 2020
	98.400 €	Towards Accountable Public Enterprises’	October 2019 – October 2021
	87.506 €	Vulnerability to corruption in public service employments’	July 2019 – June 2020
	63.384 €	Anti-corruption education for high school students	January 2019 – December 2020
UNICEF	5,000 €	Improving primary and secondary legislation related to prevention from and responding to violence against children	January – December 2020
	5,000 €	Increase the capacity of the institutions to monitor the situation of violence against children	January – December 2020
	15,000 €	Increase access to rehabilitation, re-socialisation, education and health services of children in the correctional facilities, through	April - December 2020

		advocacy and capacity development	
GIZ	14,5 M €	To raise the effectiveness cooperation among regional and national capacities in tackling occurring forms of Serious Organized Crime (SOC), including the recovery of illegal financial gains obtained through diverse types of cross-border crime and the fight against illegal migrant smuggling.	January 2018 - December 2019
UNODC	2,500,000 €	To build the capacities of South Eastern Europe to conduct financial investigations to effectively detect, deter and prosecute money laundering and the financing of terrorism as well as enhance regional and inter-agency cooperation	2017-2020 (March)
	4,450,000 €	To promote rule of law and good governance through targeted border control measures at ports and airports	2020-2023
USAID	USD 9.4 million	Civic Engagement Project (CEP) - supports constructive engagement by civil society organizations (CSOs) on anti-corruption, transparency, and rule of law policies and issues; and increases and sustains youth engagement in public life in North Macedonia.	August 2016 –August 2021
	USD 400,000	USAID/OTI – supports capacity building of the Judicial Council and the State Commission for Prevention of Corruption	March 2019 - June 2020
OSCE	345,731.00 €	Support North Macedonia in advancing Rule of Law and Human Rights	January-December 2020
Council of Europe	1,050,000.00 €	Enhancing the capacities of the penitentiary system and the external oversight mechanism in North Macedonia	24 May 2019 – May 2022
	775.000 €	Action against Economic Crime in the Republic of North Macedonia	24 May 2019 – May 2022
	715.000 €	Preventing and combating trafficking in human beings in North Macedonia	24 May 2019 - May 2022
	800 000 €	Supporting enhanced access to higher quality Free Legal Aid services in North Macedonia	24 May 2019 - May 2022
	510.000 €	Freedom of Expression and Freedom of the Media in North Macedonia (JUFREX 2)	24 May 2019 - May 2022
	250.000 €	Promotion of diversity and equality in North Macedonia	24 May 2019 - May 2022
USA	USD 20,000	INL is planning to equip three courtrooms at the Skopje Appellate Court with audio recording equipment.	February-June 2020
	USD 160,000	INL funded new website and an e-learning platform for the Academy for Judges and Prosecutors in calendar year 2019. In 2020, INL will strengthen the Academy’s use of distance learning options. Additionally, INL will partner with the Academy to conduct programming focused on strengthening leadership and management skills among chief judges and prosecutors, RICO (Racketeer Influenced and Corrupt Organizations)-related capacity building, and follow-on training on special investigative measures, in partnership with DCAF.	Throughout 2020
	USD 31,000	INL’s grant to the Macedonian Judges’ Association to support the work of the Judiciary-Media Council remains ongoing.	Calendar 2019-2020
	USD 188,982	INL continues to fund the OSCE’s SPO Trial Monitoring Project.	December 2016- June 2020
	USD 100,000	INL will provide technical assistance (equipment donations and trainings) to the Financial Police to augment their capacities to probe financial crimes, seize assets, and fight corruption.	Throughout 2020
	USD 30,000	INL’s investment in graduate-level legal clinics in criminal law continues at UKIM and SEEU. INL plans to expand the program to a third university in 2020.	February-June 2020
	USD 20,000	INL will again sponsor the week-long Ohrid School of Natural Law, organized and implemented by MANU Strategic Research Center.	July 2020
	USD 10,000	INL supports a moot court competition among law students.	September-Dec.2020
	USD 100,000	INL is working with Embassy partners to provide a targeted equipment donation to the Ministry of Interior’s Anti-TIP and Human Smuggling Task Force, located within the Public Security Bureau’s Organized and Serious Crimes Division.	Summer 2020
	USD 780,000	Trial advocacy and skill development – DOJ/OPDAT delivers continuing legal education in partnership with the Academy for Judges and Prosecutors focused on trial advocacy skills, digital evidence, anti-corruption, counterterrorism, and acquisition of foreign-stored evidence, ECHR caselaw, and other salient topics.	01 October 2019 – 30 September 30 2020

		<p>Judicial mentorship – OPDAT partners with U.S. judges to promote the exchange of ideas and best practices through one-on-one mentorship.</p> <p>Support for legislative amendments - OPDAT supports legislative amendments impacting judicial and prosecutorial institutions by attending working groups and providing advice/input on draft amendments.</p> <p>Assistance for investigative centres - OPDAT partners with other international donors to assist in the development of functional investigative centres.</p> <p>Community outreach - OPDAT works with the Public Prosecution Office and the Prosecutorial Association to encourage open dialogue with the community through increased interaction and communication.</p>	
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#### *4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting*

The IPA II has an impact on the sector, either through the implementation of Action Programmes or through the implementation of TA projects or through the cooperation between the National Authorities and the Institutions of the European Union. Considering that it is not always possible to separate impacts according to the years, the following table shows the main improvements on the functioning of the sector.

<p><b>Strategic Planning:</b> On November 28, 2017, the Government adopted the Justice Sector Reform Strategy (JSRS) with the 2017-2022 Action Plan. The Ministry of Justice (MoJ) has established operational Working group (WG) as mechanism for monitoring of the progress of the implementation of activities thus involving representatives of all judicial institutions. The Council for monitoring of the implementation of the JSRS on 06.02.2019 adopted the First Annual Report on the Implementation of the JSRS (2017-2022). The Second Annual report is expected to be prepared in first quarter of 2020. So far, achieved results of the JSRS:</p> <p><b>Independence and impartiality.</b> Amendment the Law on courts – Establishment of legal criteria for (non)election of graduates from the AJPP by the Judicial Council- New Law on judicial Council – The members of the Judicial council are elected from among the most experienced judges and also the condition of "distinguished jurist" is defined in the Law. - For proper functioning of the system for the allocation of court cases, the ACCMIS was established Commission for audit on the functioning of the system by the Minister of justice. So far the audit was conducted in 10 courts and the reports are prepared on the semi-annual period.</p> <p><b>Quality.</b> The revised criteria for the evaluation of judges with amendments to the Law on Courts and the Law on Judicial Council are completely harmonized with the recommendation of the Venice Commission; and the redefinition of the criteria for promotion of judges with amendments to the Law on Courts taking into consideration their length of juridical/prosecutorial service, their evaluation and the complexity of the cases on which they decides. New legal criteria for the composition of the governing and managing bodies of the AJPP are established with amendments on the AJPP Law.</p> <p><b>Liability.</b> New Legal criteria and procedure for determining liability of the members of the Judicial Council were established; functional and transparent mechanisms for liability of judges were established according to European standards; established new organizational unit within the Public Prosecutor's Office and the Ombudsman's Office for monitoring and disclosing cases of overstepping and abuse of the official powers of the police; legal basis for adopting a Code of Judicial Ethics was introduced with amendments on the Law on courts; established of the advisory body in accordance with the new Code of Judicial Ethics.</p> <p><b>Efficiency.</b> Continuously monitoring judicial efficiency using the indicators of EU Justice Scoreboard (result list), CEPEJ and other international standards; Continuously following the implementation of the Action Plan for adjudicating the old cases and regular monitoring of the situation; Full functional court database (<a href="http://www.sud.mk">www.sud.mk</a>).</p> <p><b>Transparency.</b> Adopting the New Guideline for public relations and adoption on the new Communication strategy by the Council of the Public Prosecutors enhanced transparency in the Judicial Council.</p> <p><b>Free legal Aid.</b> New Law on Free Legal Aid was adopted started with implementation in October 2019.</p> <p><b>Attorneyship.</b> Improvement of the cooperation between the MoJ and the BRM in connection with the content and practical application of the legal fees.</p> <p><b>Enforcement.</b> Amendments on Law on enforcement and new enforcement tariffs with cost reduction adopted.</p> <p><b>Notaryship.</b> Amendments on Law on Notaryship and new notaryship tariffs with cost reduction adopted.</p> <p><b>Mediation.</b> New Law on mediation prepared.</p> <p><b>Criminal.</b> Prepared Amendments on the Law on criminal procedure fully harmonized with the EU acquis in the area. Prepared new Law on special state fund for compensation of victims of crimes.</p> <p><b>Administrative.</b> Adopted new Law on administrative disputes.</p> <p>The Strategy for ICT of Justice Sector plans to have a new ICT organization in the judiciary. With the new Law on Courts it was introduced the establishment of a Council for Information and Communication Technology in the judiciary, primarily as a coordinating function of ICT policies in the judiciary.</p>
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<p><b>Administrative Capacity:</b> The institutional set-up is largely in place.</p> <p>In 2019, within the project "Increased Effectiveness in Delivering Justice through Improving the Performance of Judicial Institutions" implemented by the Center for Legal Research and Analysis (CPIA) and PwC Macedonia, funded by the Good Governance Fund, United Kingdom Government prepared 3 functional analyses:</p> <ul style="list-style-type: none"> <li>- Functional Analysis of the Public Prosecutor's System in the Republic of Northern Macedonia,</li> <li>- Functional Analysis for the Supreme Court of the Republic of Northern Macedonia,</li> <li>- Functional Analysis of the Courts of Appeal in the Republic of Northern Macedonia.</li> </ul> <p>In 2019, the capacities of the judicial service were reinforcing with the employment of 152 persons.</p> <p>Further support for the implementation of the Strategy is provided by the IPA 2015 EUIF project "Support the Justice Sector Reform Process". With the expert support at the end of 2019, the human resources strategy for the judicial network and the human resources strategy for the prosecutorial network were developed.</p> <p>The established probation offices in 9 cities (Skopje, Kumanovo, Tetovo, Bitola, Shtip, Veles, Strumica, Ohrid, and Prilep) are operational and work on probation cases. Financial resources were provided for the employment of a total of 27 probation officers in all local probation offices on a full-time basis. Memorandum of Understanding signed between the Public Prosecutor's Office and the Ministry of Interior regulating the procedure for selection and other issues for investigators in investigative centers.</p> <p>For the purpose of deploying the members of the Judicial Police in the Public Prosecutor's Office Investigation Centers, the Ministry of Interior, the Financial Police Office and the Customs Administration submitted a letter announcing an internal call for candidates employees of the Ministry of Interior and other institutions for performing part-time work at the BPO Skopje, BPPO Tetovo, BPO Kumanovo and the Basic Public Prosecutor's Office for Prosecution crime and corruption in Skopje for which the Public Prosecutor decided to establish investigative centers and determined the number and profile of investigators.</p> <p>MoI published internal announcement on 23.12.2019 and submitted a list of registered candidates. 12 candidates applied for BPPO Skopje, 3 candidates in BPPO Tetovo, 2 candidates in BPPO Kumanovo and 9 candidates in BPPO OCPC Skopje.</p> <p>The Financial Police Office has issued an internal announcement on 13.12.2019 where 4 candidates have applied. The Public Prosecutor of the Republic of North Macedonia will make the selection of the candidates after the interviews with the candidates, for which the procedure is ongoing.</p>
<p><b>Performance:</b></p> <p>With support of the IPA 2014 – EU Integration facility "Support for the management of EU funds projects" four (4) documents were prepared:</p> <ul style="list-style-type: none"> <li>• List of Indicators to monitor the performance of the Justice Sector</li> <li>• Action Plan with revised list of indicators</li> <li>• Draft structure of the monitoring report (MATRIX)</li> <li>• Summary table of the indicators per priority areas (Justice Indicators Table).</li> <li>• Table of the indicators and their relevance in the different areas (Short table indicators).</li> </ul>
<p><b>Budget:</b></p> <p>There is a budget of 6,000,000 EUR for the implementation of the Strategy for the reform of the judicial system and the Action Plan for 2017-2022. There is no sectoral budget since numerous institutions that are under different branches of power administer the justice sector.</p>

### *Under indirect management by RoM:*

#### *5. OS(s) in place and related changes, if relevant:*

Operational Agreement for the Country Action programme for 2014 was signed between NIPAC, HOS and IPA Coordinator, no. 10-2689/2 on 06.07.2017. According to the Act of Systematization and Organization of the Ministry of Justice (Ref.No.01-2162/2 as of 19.06.2015), the EU Department within the Ministry of Justice is divided into two Units - EU Negotiation and Integration Unit and the Unit for IPA Projects (IPA Unit). OS within the Ministry of Justice includes six (6) employees - designated IPA Coordinator that is Head of Department for European Union; four (4) employed in IPA Unit (Head of IPA Unit, Advisor as Programming Officer, Advisor for technical implementation and Junior Associate as Monitoring Officer). In 2019 there were changes in the OS. One (1) person who was employed as junior associate for Technical Implementation leave the job position. The results of the WLA for 2020 indicated that the optimal number of staff needed is 7, including the SPO/IPA coordinator who is the Head of the EU Department. According the WLA for 2020, an employment of two 2 additional employees in IPA unit are needed. (one High monitoring officer and one junior associate for TI).

#### *6. Information on the implementation of Action programmes under indirect management in the sector*

Under IPA II Action Programme 2014 for Justice sector, by 23.12.2018 total of 18 projects/contracts, were contracted in amount of 7.937.370,76 EUR (IPA contribution 6.855.747 EUR and national co-financing 1.081.624 EUR).

- (1) Service Framework contract: "Preparation of works tender dossier for construction/reconstruction of Public Prosecutor's Offices countrywide "contracted in amount of 190.570,00 euros;
- (2) Service Framework contract: "Preparation of works tender dossier for reconstruction of prison Bitola and courtroom facility in Prison Shuto Orizari" contracted in amount of 153.450,00 euros;
- (3) Service Framework contract: "Preparation of Technical Specification for supply of ICT for the Justice Sector Institutions" contracted in amount of 158.100,00 euros;
- (4) Service Framework contract: "Technical assistance for the Evaluation Committee for the Grant Scheme (assessors)" contracted in amount of 44.045,00 euros;
- (5) Twining: "MK 14 IPA JH 02 18 - Strengthening of the penitentiary system and the probation service" contracted in amount of 950.000,00 euros;
- (6) Twining Light: "Strengthening the capacities of the authorized bodies for fight against crime" contracted in amount of 250.000,00 euros;
- (7) Service (supervision) (Competitive negotiated procedure): "Supervision of works for construction of the court room in prison Idrizovo - Skopje and reconstruction of prison in Bitola" contracted in amount of 212.000,00 euros;
- (8) Service (supervision) (Competitive negotiated procedure): " Service contract for supervision of works for construction/reconstruction of PPOs" contracted in amount 154.670,00 euros;
- (9) Grant: "Strengthening the Impact of the Civil Society in Effective Justice Sector Reforms" contracted in amount of 1.017,319,02 euros;
- (10) "Supply of specialized vehicle (van) for transportation of convicted/detained persons" contracted in amount of 98.610,00 euros;
- (11) "Supply of equipment (office furniture) for Public Prosecutor's Offices countrywide and PPO for organised crime and Ministry of Justice" contracted in amount of 214.495,00 euros;
- (12) Supply contract (International open procedure): " -Supply of ICT of relevant justice sector institutions ICT in the penitentiary and probation system" - LOT 2, contracted in amount 778.870,00 euros;
- (13) Supply contract (International open procedure): " Supply of relevant justice sector institutions " – LOT 3, contracted in amount of 98.810,00 euros;
- (14) Supply contract (International open procedure): " -Supply for relevant justice sector institutions, " - LOT 4, contracted in amount of 297.078,00 euros;
- (15) Works contract (Local open tender): " Works for construction/reconstruction of PPOs" - LOT 1, contracted in amount of 585.751,19 euros;
- (16) Works contract (Local open tender): " Works for construction/reconstruction of PPOs" - LOT 2, contracted in amount of 498.490,84 euros;
- (17) Works contract (Local open procedure): " Works for reconstruction of Prison Bitola and Court Room facility in Prison Idrizovo-Skopje" - LOT 1, contracted in amount of 1.257.517,09 euros;
- (18) Works contract (Local open procedure): " -Works for reconstruction of Prison Bitola and Court Room facility in Prison Idrizovo-Skopje" - LOT 2, contracted in amount of 977.588,62 euros.

Two (2) Tender procedures/Contracts under IPA II (2014-2020) in total amount of 5.176.150,00 euros were cancelled:

- (1) Service contract (International Restricted procedure): "Support to Justice Sector and Reform Process" and
- (2) Supply contract (International open procedure): "Supply for Upgrade of ICT infrastructure, interconnection of relevant justice sector institutions, E-services and databases/develop of the ICT in the penitentiary and probation system" - LOT 1.

### ***7. Main achievements in the sector***

The main achievements in the sector that are connected to the implementation of projects under indirect management are presented in the table below.

Contract title	Status	Expected result	Achieved results
1.Service Framework contract: "Preparation of works tender dossier for construction/reconstruction of Public Prosecutor's Offices countrywide" IPA/AP2014/2.3JUS/LOT2/24	Completed	Needs Assessment Report (NAR) of the 21 Basic Public Prosecutor's Offices, presenting the key findings of the current situation. Preparation and compilation of Detailed Design and tender dossier according to PRAG.	All expected results fully achieved
2.Service Framework contract: "Preparation of works tender dossier for reconstruction of prison Bitola and courtroom facility in Prison Shuto Orizari" IPA/AP2014/2.3JUS/LOT2/23	Completed	Detailed assessment of current situation and preparation of scope of work in the prison Bitola and courtroom facility in Prison Skopje prepared.. Preparation and compilation of the works tender dossier (volume 3, 4 and 5) according to PRAG procedures.	All expected results fully achieved
3.Service Framework contract: "Preparation of Technical Specification for supply of ICT for the Justice Sector Institutions" IPA/AP2014/2.3JUS/Lot7/17	Completed	Prepared Report presenting initial review and verification of current status. Prepared Action Plan for the implementation of the Strategy. Prepared Technical Specification/s, market studies and indicative cost estimation in accordance with PRAG regulations for the supply of equipment for the Justice Sector Institutions.	All expected results fully achieved
4.Service Framework contract: "Technical assistance for the Evaluation Committee for the Grant Scheme (assessors)" IPA/AP2014/2.3JUS/Lot7/18	Completed	Assistance to the Contracting Authority in: selecting the best-quality Concept Notes and Full Application proposals for the Restricted Call for Proposals for IPA II 2014 Grant Scheme	All expected results fully achieved
5."Supply of Integrated Penitentiary Management System for DES"-LOT 2	Ongoing	-Renewal of the ICT hardware and infrastructure and development of new information system – IPMS for DES	
6." Supply of Integrated Information Management System for the Council of Public Prosecutors" LOT 3	Completed	Delivered and installed the equipment for Integrated Information Management System in the Council of Public Prosecutors starting with the process of their digitalization, then registering the documents in specific books and processing them among employees. Delivery of training materials.	All expected results fully achieved
7." Supply of ICT for justice Sector institutions" LOT 4	Completed	Delivered and installed ICT equipment (PC, Servers, storage, etc.) on 4 (four) locations: Supreme Court, Public Prosecutor Office, Ministry of Justice, Academy for judges and public prosecutors	All expected results fully achieved
8.Twinning "Strengthening of the penitentiary system and the probation service"	Ongoing	"Performance Evaluation system (PES)" introduced; training of trainers' workshop and exemplary study in a pilot prison conducted. The standards developed for measuring employees' performance under agreed criteria (KPIs, job descriptions) with the BC. A network of collaborators and a Contact List of all institutions involved in the execution of probation works have been established. Individual memoranda of understanding between DIS and the City of Skopje, the Municipality of Bitola, the Municipality of Stip and public enterprises that operate in these municipalities were signed Established cooperation with the Academy for Training of Judges and Prosecutors, main focus is on delivering trainings for probation officers, judges, public prosecutors, employees of the MoI and the Centers for Social Work. Trainings of probation officers on the application of the risk assessment instrument, preparation of probation reports and execution of probation works are continuously held. Specialized staff in implementing video surveillance supervision trained. Total number of workshops is 60 (31 for prison	

		officers and 29 for probation officers). Total number of trained judges, prosecutors, professional associates is 101.	
9." Supervision of works for adaptation/refurbishing of basic public prosecution offices"	Ongoing	Supervision service of quality control, control of quantities, supervision of the work progress, analyses of expenses as well as working on administrative questions during the construction and the defect liability period.	
10." Works for adaptation/refurbishing of BPPO's" - LOT 1	Ongoing	Basic public prosecution offices in Veles, Kumanovo, Shtip, Kochani and Strumica are refurbished; the working conditions are improved in line with EU and international standards.	
11." Works for adaptation/refurbishing of BPPOs" LOT 2	Ongoing	BPPO's in Tetovo, Kavadarci, Ohrid, Kumanovo, Kocani, Veles Shtip are refurbished ; the working conditions are improved in line with EU and international standards.	
12.Works for construction of the court room in prison Idrizovo - Skopje and reconstruction of prison in Bitola LOT 1	Ongoing	Construction of Court Room facility in Prison Idrizovo-Skopje is expected to be finished by March 2020 and will enable the trials of the detained persons for serious crimes to take place within the area of the Prison Idrizovo.	
13.Works for construction of the court room in prison Idrizovo - Skopje and reconstruction of prison in Bitola LOT 2	Ongoing	Reconstruction of the Prison in Bitola on an area of 2300m <sup>2</sup> ), in order to improve the prison system and the conditions for detained and convicted persons in accordance with European standards.	
14."Supervision of works for construction of the court room in prison Idrizovo - Skopje and reconstruction of prison in Bitola	Ongoing	The contractor ensures that services for supervision of the construction works are in accordance with all the requirements for quality control, control of quantities, supervision of the work progress, analyses of expenses as well as working on administrative questions during the construction and the defect liability period.	
15.Twining Light: "Strengthening the capacities of the authorized bodies for fight against crime"	Completed.	Assessment of the legal framework for special investigative measures and assistance in their harmonization with the legal framework of the European Union at the level of international standards. Strengthening capacities of the Public Prosecutor's Office, Ministry of Interior, Financial Police and Customs Administration for more efficient and effective implementation of special investigative measures	All expected results fully achieved
16."Supply of specialized vehicle (van) for transportation of convicted/detained persons"	Completed	Supply of 3 (three) specialized vehicle for transportation of convicted/detained persons for Directorate for execution of sanctions.	All expected results fully achieved
17."Supply of equipment (office furniture) for Public Prosecutor's Offices countrywide and PPO for organised crime and MoJ"	On-going	Supply, delivery, unloading, installation and putting into operation of office furniture to the 11 Public Prosecutor's Offices countrywide, PPO for organised crime and Ministry of Justice.	
18. Grant Contract: Strengthening the Impact of the Civil Society in Effective Justice Sector Reforms"	On-going	Six grant contracts were signed within this programme. Each grant contract addresses one issue related to the involvement of the Civil Society in the Justice Sector. The grant contracts are under implementation.	

#### 8. Recommendations for further actions

The main recommendations according to the last Monitoring Committee (MC), held on the 20.03.2019, are as follows:

- (1) The national authorities shall increase the administrative capacity by 1) adopting staff retention policy; 2) providing sufficient number of staff; 3) strengthening the IPA training function (participation in trainings and workshops organised under IPA projects must be promoted by high management to staff); 4) spreading best practice established in the management of the EU assistance into the whole of the public administration, until next IPA MC meeting.

- (2) Sustainability of EU projects remains a persistent problem. The country's commitment to make use of the outputs and results of IPA projects, to maintain the delivered infrastructure facilities and to put in use the developed IT systems, needs to be strengthened. National authorities must regularly monitor how sustainability issues are being addressed. In case projects' outputs are not used, financial corrections should be applied by NAO to the end beneficiaries.
- (3) The outstanding conclusions from the previous IPA MC must be addressed as a matter of priority.
- (4) The national authorities are encouraged to inform the IPA MC on the decision of the new ACCMIS system in the sector judiciary by end of 2019.

## Rule of Law and Fundamental Rights – Sub sector Home Affairs

### 1. *Involvement in programming*

So far, three IPA Action Documents have been prepared. Two of them were prepared and financed under IPA 2014 and one of them was prepared and financed under IPA 2016. In 2018, the IPA Action Document 2020 was drafted. A single Action Document was drafted for both Justice and Home Affairs; however, most of preparatory activities were carried out separately. During 2019, the IPA AD 2020 went through the approval procedure and by now it is almost ready to be implemented. The main features of the proposed Action Document are as follows:

**Overall Objective:** To enforce rule of law.

**Specific Objective:** To strengthen justice and home affairs systems and reinforce the respect to human rights.

**Results:**

- (1) Improved the independence, accountability and effectiveness of the justice system.
- (2) Improved track record in fighting organised crime, terrorism and corruption.
- (3) Improved enforcement record in curbing corruption.
- (4) Enhanced protection of Human Rights.
- (5) Strengthened freedom of expression.

Requested EU Financial Support: 18.900,00 EUR

National Contribution: Not requested

Elaboration procedure: Two meetings of the SWG in plenary session were organised. Donors, Embassies and CSOs were always part of these meetings. The Minister in charge of the sector chaired these meetings. Next to the meetings of the SWGs in plenary sessions, three (3) thematic meetings including the concerned parties were organised.

### 2. *Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)*

<b>Strategic Planning</b>	<b>Self-assessment:</b> Half of the targets for 2017, 2018 and 2019 have been reached
<b>Administrative Capacity</b>	<b>Self-assessment:</b> Less than half of the targets for 2017, 2018 and 2019 have been reached
<b>Coordination</b>	<b>Self-assessment:</b> Half of the targets for 2017, 2018 and 2019 have been reached
<b>Performance</b>	<b>Self-assessment:</b> Less than half of the targets for 2017, 2018 and 2019 have been reached
<b>Budget</b>	<b>Self-assessment:</b> Less than half of the targets for 2017, 2018 and 2019 have been reached
<b>Remarks:</b> Progress has been made in two of the criteria related to strategic planning and coordination. There is still place for improvement in the area. For the targets of technical nature, they will be reached with the support of the TA “Support for the management of the EU funds”. For the criterion “Budget”, the Ministry is in the same situation of all the other ministries; it is necessary to wait for an input from the Ministry of Finance.	

### 3. *Coordination with other instruments and/or donors/ IFI's within the sector*

Considering the presence of many donors in the sector, the Government has made efforts through the Programme Based Approach (PBA) “Home Affairs” Sub-Sector Working Group to ensure efficient donor coordination in order to avoid possible overlapping and alignment with the national priorities, which can be further enhanced and supported. The Ministry of Interior is the leading institution for the

HA Working group consisted of representatives from Ministry of Finance, Financial Police Office, PPO, Ministry of Justice, Financial Intelligence Office, Customs Administration, Secretariat for European Affairs, and other institutions if necessary, and the representatives from the donor community: EU, UNDP, UK, USAID, IOM, UNHCR and others.

The following meetings of the SWGs were organised in 2019:

PLENARY SESSION		
Date	Number of participants	Discussed topics
23.09.2019	40 participants	Presentation of analysis of the existing strategies in the area of Home Affairs and proposal of indicators.
THEMATIC SESSION		
Date	Number of participants	Discussed topics
12.04.2019	15 participants	Presentation of analysis of the existing strategies in the area of Home Affairs and proposal of indicators.

The following donors, IFIs, Embassies and CSOs were present at these meetings:

Donors	IFIs	Embassies	CSOs
IOM		EU	
UNHCR		Italian	
Council of Europe			
UNICEF			

At present, in the sector Home Affairs the following programmes financed by the donors are under implementation:

Donor	Value of the support	Addressed issues	Implementation period
Kingdom of Norway	Circa 1 million EUR	IBAS-system	2009-still on going
UNHCR	Circa 50,000 EUR	IBAS-system	2009-still on-going

#### *4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting*

<p><b>Strategic Planning:</b> Two strategies have been elaborated and approved during 2018: The National Strategy and Action Plan for Countering Terrorism (2018-2022) and the National Strategy and Action Plan for Fighting Trafficking of Human Beings and Illegal Migration (2017-2020). There is progress made in relation to the monitoring process for two of the strategies part of the sector Home Affairs. The responsible organisational units in the Ministry of Interior for implementation of the Strategy for police development are preparing annual reports for the status of the strategy. Additionally the National Committee for combatting of trafficking in human beings and illegal migration prepares annual reports in regards of reaching the targets part of the National Strategy for Combatting Trafficking in Human Beings and Illegal Migration.</p>
<p><b>Administrative Capacity:</b> Many institutions are involved in the Home affairs sector: Ministry of Finance – Customs, Financial Police, FIU; Public prosecution; Ministry of Health; Ministry of Labour and Social Policy, among other bodies. There is an insufficient number of staff in most of the institutions. The status of steps and targets for the roadmap shows clearly that none of them has been implemented or reached, creating a critical situation that must be analysed and addressed urgently. There is a progress in in putting relevant monitoring mechanisms into place for strategies part of the HA sector in particular with the Police Reform Strategy and the National Strategy for Combatting Trafficking in Human Beings and Illegal Migration. Additionally there is progress made in regard to the reporting for some of the HA strategies.</p>
<p><b>Performance:</b> The engaged expert from the TA project, “Support to the Management of EU Funds” with the support of the Ministry of Interior prepared an analysis of the existing strategies in this sector and proposed indicators. The indicators were presented on the plenary session of the SWG organised in September 2019</p>
<p><b>Budget:</b> There is no unified methodology for costing of the implementation of the strategies. There is not multi-annual sector budget. There is no link between strategies, action plans and sector budgeting. There is a fragmented approach to budget elaboration and no appropriations of the various public sector institutions. The accomplishment of steps and targets of the roadmap for 2017 and 2018 is quite limited. Costing of Action Plans is done on a case-by-case basis without the involvement of the MoI’s Budget Department. There is no public consultation during the budget elaboration. The Budget of the MoI is prepared on the basis of 15 defined Programmes but there is no direct link between the strategies/action plans and the adopted budget.</p>

#### *Under indirect management by RoM: IPA 2014*

#### *5. OS(s) in place and related changes, if relevant:*

The Operational Agreement for IPA II programme was signed in July 2016. This Agreement regulates the relations between the SEA as National IPA Coordinator, CFCD as contracting authority and the Ministry of Interior as beneficiary institution. This agreement applies only on actions part of the

Country Action Programme for the year 2014. The organisation of the IPA Structure within the Ministry of Interior is in accordance with provisions given in the Operational Agreement and the Manual of Procedures for IPA II. At present, the structure of the IPA in the Ministry of the Interior is composed of 5 employees. (IPAC, two chief advisers for technical implementation and two advisers for monitoring).

#### *6. Information on the implementation of Action programmes under indirect management in the sector*

During 2019, two projects under the IPA 2014 Action Programme, which is implemented under indirect management, were implemented in the Ministry of Interior. The project “Further development of the capacities for crime scene investigation” (€1,050,000-twinning) was under implementation for most of 2019 and finished on 08<sup>th</sup> of November 2019. The supply contract “Supply of equipment for implementation of Business Continuity and Disaster Recovery System and modernization of the IT infrastructure in the MoI HQ” *Lot 1: Supply of IT hardware, fibre optic cables and licenses for all systems with design development and training in two sites*” (€ 5.391.211,78) started its implementation on the 28<sup>th</sup> of January 2019. The project is in its initial phase.

#### *7. Main achievements in the sector*

As part of the twinning project, a number of documents were developed including 12 new Standard Operating Procedures for CSI teams and a Strategy to further strengthen the capacity of CSI teams to conduct on-site investigations at regional and local level. 15 training sessions were organized to easily implement the newly developed Standard Operating Procedures. During these trainings, 175 inspectors and forensic technicians were trained to conduct on-the-spot investigations by all Sectors for Internal Affairs.

#### *8. Recommendations for further actions*

The main recommendations according to the last Monitoring Committee held on the 30 of October 2019 are as follows:

- (1) The deadlines of the Disaster recovery data centre project are the following:
  - construction of works finalised by March 2020
  - supply contract finalised by July 2020
- (2) The National Authorities, NIPAC Office, CFCD and EUD will resume as of November the monthly progress review meetings on justice and home affairs ongoing projects in order to monitor the implementation of IPA 2014 and 2016 contracts.
- (3) The building permit under the IPA 2016 project Construction of the Reception Centre for Foreigners –will be issued by end November 2019.
- (4) The Memorandum of Understanding between the Ministry of Interior, the police and Public Prosecutors Office for the recruitment of investigators will be signed by end November 2019.
- (5) Twinning Project Aligning the national systems with the EU and the Schengen requirements for border management – the recommendations of the fact finding mission will be implemented as soon as possible and regular information will be provided by the national authorities to the monthly progress review meetings.

**II a. Performance indicators in the sector Rule of law and Fundamental Rights covering both direct and indirect management****Indicators per programme**

Financing Agreement/Programme reference <sup>4</sup>	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
CSP indicator	Composite indicator (Access to Justice (WJP) and Judicial Independence (WEF))	Elaboration of the EU Commission WJP WEF	46.8 (2012)	55.00	58.86		0.54 and NA	NA and NA	0,53 (WJP) 2,3 (WEF)	0,54 (WJP) 2,4 (WEF)
CSP indicator	Composite indicators Global Corruption (TI) and Control of Corruption (WB)	Elaboration of the EU Commission Transparency International and WB	48.83 (2010)	56.00	58.00		37 and NA	5 (CPI)	37 (CPI)	35 (CPI)
CSP indicator	Composite indicator Freedom of Press (FH) and Press Freedom (RWB)	Elaboration of the EU Commission FH and RSF	33.20 (2010)	37.25	31.05		(49.04) 62 and 36.09	64 and 35.74	59 and 32,43	31,66 (RSF)
<b>SUB SECTOR JUSTICE</b>										
IPA2014 /037-701.3	3. Degree of implementation of the national strategy on justice in %	Ministry of Justice / EC Progress Report;	0 (2014)	10	60	100 (2022)	0	0	10 <sup>5</sup>	Around 50%.
IPA2014 /037-701.3	1. Justice sector reform adopted	Ministry of Justice	0 (2015)	1	1	1 (2022)	0	1	1	1
IPA2014 /037-701.3	5.Established strategic planning, research, analysis and monitoring units at the MOJ, JC, Supreme Court, appellate courts, CPP, PPO and a designated EU Law implementation body	Project monitoring report	Poor planning (2014)	Advancing	Advancing	Strong planning (2022)	Poor planning	Poor planning	Advancing	Advancing
IPA2014 /037-701.3	2. Average level of public trust in the judiciary based on the standard CEPEJ		0 (2016)	3	4	5 (2025)	0	0	No data	No data

<sup>4</sup> It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

<sup>5</sup> 227 activities, 23 implemented 61 ongoing, 3 late, 22 continuously, 89 a later deadline, 29 activities depend on adoption of laws.

## 2018 IPA II Annual Report on Implementation

Financing Agreement/Programme reference <sup>4</sup>	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
	satisfaction service of the court users									
IPA2014 /037-701.3	6. Number of violations before the European Court of Human Rights under Art. 6 ECHR per year (separate figures for length of court proceedings/fair trial)	Annual Report of European Court of Human rights	Length of proceeding 1 (2014) fair trial 3 (2014)		Length of proceeding 1 (2014) fair trial 1 (2014)	Length of proceeding 0 (2022) fair trial 0 (2022)	Length of proceeding 1 fair trial 5	Length of proceeding 2 Fair trial3	Length of proceeding 0 Fair trial3	Length of proceeding 1 Fair trial 3
IPA2014 /037-701.3	7. Degree of interoperability between justice sector institutions and other relevant authorities	Ministry of Justice	no interoperability (2014)	Advancing	Advancing	Interoperability established (2022)	No interoperability	on-going	On-going	Advancing
IPA2014 /037-701.3	8. Legal and institutional framework to manage and coordinate ICT reforms in the justice sector created	Ministry of Justice	No Framework (2014)	Advancing	Advancing	Framework established (2022)	No framework	ICT Strategy adopted on 20.02.2018	Changes in the Law on Courts for set up Council for ICT Coordination in Justice	Advancing. Adopted a Rulebook on the composition and manner of operation of the Council
IPA2014 /037-701.3	9. Level of operationalization of Investigative Centre(s) within the Public Prosecution Office	Ministry of justice	Investigative centre established, but not operational (2013)	Improved	Investigative centre(s) fully operational	Investigative centre(s) fully operational (2022)		on-going	on-going	on-going
IPA2014 /037-701.3	10. Fully operational probation service	Ministry of Justice	No probation service (2013)	Advancement	Advancement	Fully operational (2022)		on-going	Fully operational	Fully operational
IPA2014 /037-701.3	11. Bitola prison reconstruction	Ministry of Justice	0 (2013)	0	1	1 (2022)	0	1	1	To be finished March 2020
IPA2014 /037-701.3	4. Level of satisfaction with the state of administration of justice by way of user satisfaction surveys at the end of Action	Ministry of Justice	0 (2014) 0	<b>30%</b>	50%	70% (2022)	0	0	No data	Average grade of the perception for the judiciary is 2.5/5

## 2018 IPA II Annual Report on Implementation

Financing Agreement/Programme reference <sup>4</sup>	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
	implementation									
<b>SUB SECTOR HOME AFFAIRS<sup>6</sup></b>										
Financing Agreement/ Programme reference <sup>7</sup>	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
IPA/2014/037-701.5	1. (Adoption of the) Strategy for Forensic Department Development and Action plan for its implementation	Progress Report Monitoring Report Project Report	There is no Strategy for Forensic Department Development and Action plan in place (2010)	Strategy and Action Plan adopted	Strategy and Action Plan adopted	Strategy and Action Plan adopted (2020)	0			N/A
IPA/2014/037-701.5	2. % of the staff engaged in Crime scene investigation	Project report	0	50	100	100 (2020)	0	NA	NA	N/A
IPA/2014/037-701.5	3. 100% of the evidence detected and recovered from the crime scene is properly secured, packed and distributed to the laboratories in the Forensic department	Monitoring report	0	80	100	100 (2020)	0	NA	NA	N/A
IPA/2014/037-701.5	4. Increased number of investigations initiated.	Ministry of Interior	110	105	110	110 (2020)		NA	NA	N/A
IPA/2014/037-701.5	5. Revised structure of the Forensic Department at central regional and local level adopted;	Project data	Reorganisation of the Forensic Department at central, regional and local level in place.	Reorganisation initiated	Reorganisation completed	Fully operational (2022)		NA	NA	N/A

<sup>6</sup> This part is not applicable because the action foreseen in **the Country Action Programme for the Republic of Macedonia for the year 2014** has not started its implementation yet. It is planned that the activities planned in the action for „Further development of the capacities for crime scene investigation” to start in the course of 2018. The actions planned in the IPA 2016 programme are still in its initial phase.

<sup>7</sup> It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

2018 IPA II Annual Report on Implementation

Financing Agreement/Programme reference <sup>4</sup>	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
IPA/2014/037-701.5	6. Average duration of criminal investigations	Ministry of Interior	100	95	90	90 (2020)		NA	NA	N/A
IPA/2014/037-701.5	7. Number of investigations concluded	Ministry of Interior	100	110	115	115 (2020)		NA	NA	N/A
IPA/2014/037-701.4	1. % of employee trained	Ministry of Interior	40	40	40	40 (2020)		NA	NA	N/A
IPA/2014/037-701.4	2. Information systems developed and installed for border control, fully compatible with Schengen Information System	Project Report	1	0	1	1 (2022)		0	0	N/A
IPA 2016/039-618/02.02/MK/	16. Number of joint investigations (raising trend)	National Authorities	10 (2016)		50	50 (2020)		NA	NA	N/A
IPA 2016/039-618/02.02/MK/	15. Degree/level of implementation of the national anti-terrorism strategy (% of implemented measures)	National Authorities	15 (2016)		100	100		NA	NA	N/A
IPA 2016/039-618/02.02/MK/	14. Emergency call 112 in operation - No of calls and % of emergency calls	National Authorities	0 (2016)		100000	100000	0	0	0	N/A
IPA 2016/039-618/02.02/MK/	13. No of direct beneficiaries	National Authorities	0 (2016)		500000	500000	0	0	0	N/A
IPA 2016/039-618/02.02/MK/	12. No of persons serviced by the reception centre	National Authorities	0 (2016)		150	150	0	0	0	N/A
IPA 2016/039-618/02.02/MK/	11. Country fully covered by Tetra IV	National Authorities	80 (2016)		100	100				N/A
IPA 2016/039-618/02.02/MK/	10. Number of people trained	National Authorities	0 (2016)		1200	1200	0	0	0	N/A
IPA 2016/039-618/02.02/MK/	9. No of legal texts developed and adopted in line with the "better regulation" approach,	National Authorities	0 (2016)		3	3	0	0	0	N/A

2018 IPA II Annual Report on Implementation

Financing Agreement/Programme reference <sup>4</sup>	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
IPA 2016/039-618/02.02/MK/	8. 112 emergency call operations smoothly	National Authorities	0 (2016)		100	100		0	0	N/A
IPA 2016/039-618/02.02/MK/	7. Increase in the requests for services and of the completed request for services (Forensic laboratory)		10205 (2016)		12000	12000				N/A
IPA 2016/039-618/02.02/MK/	6. Number of resolved cases based on efficient exchange of information and joint investigation - of them No of cases benefiting women or vulnerable groups	National Authorities	100 (2016)		125	125				N/A
IPA 2016/039-618/02.02/MK/	5. Number of migrants / asylum seekers / victims of human trafficking who are not treated in line with the international standards	IOM	5 (2016)		3	0 (2022)			NA	N/A
IPA 2016/039-618/02.02/MK/	4. Improved track record in the fight against illegal migration, trafficking in human beings, organised crime, terrorism and radicalization (number of investigated and completed cases)	National Authorities	150 (2016)		170	170			NA	N/A
IPA 2016/039-618/02.02/MK/	3. Level/degree of implementation of the recommendations of the Greta report	Greta report	10 (2016)		100	100		NA	NA	N/A
IPA 2016/039-618/02.02/MK/	2. Security of the citizens improved	UNDP Human Security Index	81 (2014)		70	66	82	NA	NA	N/A
IPA 2016/039-618/02.02/MK/	1. Improved rule of law standard	Worldwide Governance	55.77 (2014)		60	60	41.83	47	NA	N/A

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Financing Agreement/Programme reference <sup>4</sup>	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
		Index (0 = lowest and 100 = highest)								

## Democracy and Governance, Sub sectors PAR, PFM, and Union Programmes and EUIF

### Democracy and Governance, Sub sector PAR

#### 1. Involvement in programming

In 2016, the IPA Action Document 2017 was elaborated. The main features of the Action Programme are as follows:

**Overall Objective:** To reform public administration in line with the Principles of Public Administration.

**Specific Objectives:**

- (1) To optimise overall institutional framework, enhance public service delivery and strengthen ethics, integrity, transparency and accountability of public administration.
- (2) To improve the quality and availability of statistical data and enhance their use in development and coordination of public policies.

**Results:**

Result 1.1– Streamlined and optimised institutional framework

Result 1.2 - Strengthened systems ensuring transparency, integrity and ethics in the public institutions

Result 1.3 – Improved delivery, quality, number and scope of public services to citizens and to business (e-Government)

Result 2.1 – Improved alignment with the acquis in the field of macro-economic, business and social statistics

Result 2.2 –Capacity in production and dissemination of EU compliant statistics is strengthened

EU Financial Support: 11.200.000 EUR

National Contribution: 257.000 EUR

Elaboration procedure: Programming of the IPA II 2017 took place in 2017 and the AD was adopted in January 2018. Following the adoption, the working groups started to prepare the tender dossiers as per the procurement plan. Regular monthly meetings are recommended in order to closely follow the procurement process and later on the implementation of the projects.

The SWG held consultation meeting with donors, NGOs and other partners and institutions relevant for implementation of the Strategy, such as the Ministry of Finance.

#### 2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)

In the Annex 4 of the report, detailed information about the implementation of the roadmap is presented. In the table below, the achieved targets and the concrete actions that are going to be implemented in order to fully implement the roadmap are summarised.

<b>Criteria: Strategic Planning</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached
<b>Criteria: Administrative Capacity</b>	<b>Self-assessment:</b> Half of the targets for 2017, 2018 and 2019 have been reached
<b>Criteria: Coordination</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached
<b>Criteria: Performance</b>	<b>Self-assessment:</b> All of the targets for 2017, 2018 and 2019 have been achieved.
<b>Criteria: Budget</b>	<b>Self-assessment:</b> Half of the targets for 2017, 2018 and 2019 have been reached.
<p><b>Strategic planning:</b> the Government on 21 February 2018 adopted PAR Strategy. Reporting mechanisms are defined in the strategy and in place. First semi-annual and Annual reports were submitted to the PAR Secretariat and adopted by the Government (annual report only), as well as published on the MISA website together with all outputs deriving from the Strategy and other relevant documents defining mechanisms.</p> <p><b>Administrative capacity:</b> Resources of the institutions were adjusted to allow smooth coordination, implementation and monitoring of the PAR and the PAR Team sufficiently staffed. In the first year of implementation of the PAR Strategy this issue has been tackled through:</p> <ol style="list-style-type: none"> <li>(1) Preparation of a manual for the role of the General Secretariat in the process of development and monitoring of policies.</li> <li>(2) Analysis on the regulatory framework and practice related to planning documents, analysis on the strategies adopted and comparative analysis on the practices in the process of preparation of strategic documents</li> <li>(3) Recommendations for improvement of internal processes, functions and human resources for strategic planning in the ministries and other state administrative bodies</li> </ol> <p>Ministry of information society and administration has 4 new employees in the Sector for strategic planning, EU integration and international cooperation. On the other hand, taking into consideration the Program of Government 2017 – 2020 and the other strategic documents, MISA prepared Strategic plan 2019 – 2021 that is published on MISA website. In addition, horizontal functional reorganization project has already commenced and first outputs are expected in the following months.</p>	

<p><b>Coordination:</b> MISA has established good practices to ensure efficient sector and donor coordination. Continuous commitment is necessary to keep the achieved results and to ensure sustainability.</p> <p><b>Performance:</b> In cooperation with the SEA project and EU Delegation, as well as following a discussion on a plenary session, an advanced version of the Performance Assessment Framework has been drafted and should be adopted by the Government. ,</p> <p><b>Budget:</b> MISA took into consideration all activities and measures in the preparation of the budget. The same was approved by MF and adopted by the parliament. However, the EC Progress Report emphasizes the need for financial sustainability of the reforms and notices that the same still rely on donor funding. There is a still need to identify the source of funding for part of the activities.</p>
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### 3. Coordination with other instruments and/or donors/ IFI's within the sector

The following meeting of the SWG was organised in 2019:

Date	Number of participants	Discussed topics
18 November	55	Presentation of the draft Performance Assessment Framework

The following donors, IFIs, Embassies and CSOs were present at these meetings:

Donors and International Organisations	IFIs	Embassies	CSOs
USAID	WB	EU Delegation	Open Society Foundation
UNDP		British	Center for Change Management
UNOPS		German	European Policy Institute
UN WOMAN		Swiss	Institute for Democracy "Societas Civilis" Skopje
IRI		Bulgarian	
UNICEF		Italian	

At present, in the sector PAR the following programmes financed by the donors are under implementation or should start:

Donor	Value of the support	Addressed issues	Implementation period
British Embassy	10m for all WB countries	"Schools of 21 <sup>st</sup> century" is a project that aims to improve critical thinking skills, problem solving and coding skills of the Macedonian students.	2018 - 2020
OBSE mission	N/A	Support in the implementation of activities related to quality management	03.2019 – 12.2019
EU/British embassy	150.000 euros	Citizen-oriented approach in the delivery of public services	19.12.2017 – 06.2019

### 4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting

The IPA II has an impact in the sector either through the implementation of Action Programmes or through the implementation of TA projects or through the cooperation between the National Authorities and the Institutions of the European Union. Considering that it is not always possible to separate impacts according to the years, in the table below, the main improvements on the functioning of the sector are presented.

<p><b>Strategic Planning:</b> With the collaboration of all key stakeholders and external technical support throughout the process, the Government approved the PAR Strategy 2018-2022 in February 2018. First annual report was published in May 2019 and according to it 56 activities were implemented, 23 activities are under implementation and there is a delay in the implementation of 41 activities. In general, sufficient resources support PAR Strategy and its AP, and the Government, through the PAR Council chaired by the Prime Minister, guarantees the institutional commitment to the reform. Second Annual Report of PAR should be drafted and published in February/March 2020, following which a revision of the AP should be done. The SEA project "Support to the management of EU funds" contributed with preparation of three relevant documents that should improve strategic planning through involvement of different stakeholders in the process.</p>
<p><b>Administrative Capacity:</b> The MISA has adopted and implemented a Service Quality Management Manual, as well as 78 working procedures, which clearly define the roles and responsibilities of the employees. In addition, there is clear division of responsibilities among the key institutions for implementation of PAR. Institutions have started vertical functional analysis, while the horizontal analyses funded within IPA 2017 National Programme is in the second month of implementation. The close collaboration of MISA staff, as well as the staff of SCPC, SSO, CPRFAP, with the experts of the project "Support of the Management of the EU Funds" improved the capacity for legislative analysis, which will improve the capacity to transpose and implement the EU <i>acquis</i>.</p>
<p><b>Performance:</b> The project "Support from Management of EU funds" strengthened the institutional capacities for monitoring and definition of accurate indicators. This support resulted in advanced draft of the Performance Assessment Framework, agreed with the EUD and discussed with the stakeholders and donors and ready to be adopted by the government.</p>
<p><b>Budget:</b> Taking into consideration that the activities for 2018 were mostly implemented with the human and technical resources available to the country, the allocated budget was sufficient for the implementation of the planned activities. However, from the second year of implementation, the support of external donors will be necessary.</p>

*Under indirect management by RoM:*

There are no actions under indirect management under the responsibility of RoM.

**Democracy and Governance, Sub sector PFM***1. Involvement in programming*

The IPA 2018 Action Document “EU Support to Public Finance Management” was elaborated. The Action supports the implementation of the Public Finance Management (PFM) Reform Programme 2018 – 2021. It will significantly improve the strategic framework and address key challenges identified in the PFM system, such as strengthening the fiscal consolidation and discipline, improving revenue collection, enhancing budget control and accountability.

The main features of the Action Programme are as follows:

**Overall Objective:** To improve governance and ensure fiscal sustainability and sound use and management of the public funds

**Specific Objective:**

To raise stability, efficiency, effectiveness and transparency of the public finance management

**Results:**

Result 1. Improved budget system based on implementation of a new organic budget law

Result 2. Improved stability, efficiency and quality of revenue collection system (tax system and policy and customs system)

Result 3. Improved legal compliance, efficiency and transparency of the public procurement system

Result 4. Strengthened internal control in line with the new PIFC Policy Paper

Result 5. Improved external audit efficiency and impact

EU Financial Support: 18.600.000 EUR

National Contribution: 3.670.588 EUR

Elaboration procedure: Programming of the IPA II 2018 for PFM took place in 2017 and 2018 and the AD was adopted in June 2018. Following the adoption, the working groups started to prepare the tender dossiers as per the procurement plan. Regular monthly meetings are recommended in order to closely follow the procurement process and later on the implementation of the projects.

The SWG held regular consultation meeting with donors, CSOs and other stakeholders for implementation of the PFM Reform Programme, such as the Ministry of Information Society and Administration.

*2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)*

In the Annex 4 of the report, detailed information about the implementation of the roadmap is presented. In the table below, the achieved targets and the concrete actions that are going to be implemented in order to fully implement the roadmap, are summarised.

<b>Criteria: Strategic Planning</b>	<b>Self-assessment:</b> Most of the targets for 2019 have been reached
<b>Criteria: Administrative Capacity</b>	<b>Self-assessment:</b> Most of the targets for 2019 have been reached
<b>Criteria: Coordination</b>	<b>Self-assessment:</b> All of the targets for 2019 have been reached
<b>Criteria: Performance</b>	<b>Self-assessment:</b> Most of the targets for 2019 have been achieved.
<b>Criteria: Budget</b>	<b>Self-assessment:</b> Most of the targets for 2019 have been reached.
<p><b>Strategic planning:</b> PFM Reform Programme 2018-2021 was adopted in December 2017. 2018 and 2019 Action Plans adopted by the Government in February 2018 and March 2019 respectively. The first Annual Monitoring Report on Implementation of the 2018 Action Plan for Public Financial Management Reform Programme for the period December 2017 - December 2018 was adopted by the Government on the 12th March 2019 and published on the MoF website. The Semi-annual Monitoring Report on Implementation of the 2019 Action Plan for PFM Reform Programme for the period January 2019 - June 2019 was adopted by the Government and published on the MoF website. The next annual Report for 2019 Action Plan will be prepared in Q1, 2020 and it will present the implementation rate of the activities and indicator targets.</p> <p>Risk assessment of the PFM RP and annual action plans is conducted regularly, as part of the reporting process. The PFM monitoring reports include a separate annex for risk assessment, in which implementation challenges that were encountered during the 2018 and in the first half of 2019 were analysed and assessed, corrective/mitigating measures were proposed with assigned responsibilities and deadlines for implementation. The follow up of identified risks will be made during the preparation of the next annual report for 2019.</p>	

**Administrative capacity:** The 2019 self-assessment for PFM sub-sector has been conducted and report is prepared and submitted to SEA in March 2019. In general, the issue for strengthening administrative capacities in relation to the implementation of the PFM Reform Programme is addressed at 3 levels:

1. PAR Strategy and Action Plan
2. The PFM Reform Programme and annual action plans envisages a considerable investment in the Human Resources as a part of the reform process.
3. Strategic plans on institutional level are developed on 3 years basis and they provide overview of the human and financial resources needed.

All gaps identified are tackled by the relevant existing training bodies established in the sector, as well as within the framework of the various donor projects currently implemented and planned.

**Coordination:** The progress and challenges in PFM area are regularly communicated to the stakeholders and partners and their support is obtained. On policy level, the PFM policy dialogues with all relevant stakeholders (national authorities, EC, donor community, CSO, academia) are conducted regularly. On technical level, SWG meetings are held on concrete PFM sub-areas measures and issues. In 2019, one PFM Policy Dialogue and three SWG meetings with the stakeholders were held.

**Performance:** Continuous efforts and commitment are needed to ensure that monitoring system provides valuable information on implementation of the PFM reforms. PFM SWG meetings are conducted regularly to discuss the progress of the planned reforms and other related issues. The SWG for PFM is currently working on the proposal of indicators to be included in the PAF system. The PFM Progress Report for 2018 and first half of 2019 present the status of achievement of indicator targets.

**Budget:** Annual action plans for implementation of the PFM RP present an estimation of the planned inputs (budget and sources of financing) for each activity. The 2019 Action Plan is being implemented with the funds allocated in the 2019 state budget and donor funds. The 2020 Action Plan will be implemented with funds allocated in the 2020 state budget. The first Annual report on the implementation of the Action Plan for 2018 has been published on the MoF website. This will be also applicable for 2019 progress report. IPA 2018 Financing Agreement was signed in July 2019. The IPA 2018 projects/actions are implemented under direct management by the EUD.

### 3. Coordination with other instruments and/or donors/ IFI's within the sector

The following meeting of the SWG was organised in 2019:

Date	Number of participants	Discussed topics
6 June	22	PFM indicators to be proposed for the Performance Assessment Framework
16 September - 4 <sup>th</sup> PFM Policy Dialogue and SWG meeting	54	Draft semi annual monitoring report for 2019
5 November	43	Proposal of PFM indicators for the Performance Assessment Framework

The following donors, IFIs, Embassies and CSOs were present at these meetings;

Donors and International Organisations	IFIs	Embassies	CSOs
SIGMA/OECD	IMF		Analytics
Embassy of Germany in Skopje	World Bank		Eurotink
Embassy of the United States of America in Skopje			Center for Civil Communications
Embassy of Sweden in Skopje			Finance Think
Embassy of the Netherlands in Skopje			Center for Economic Analysis
British Embassy in Skopje			
EU Delegation			
EC DG NEAR A3			

At present, in the PFM sub-sector the following programmes financed by the donors are under implementation:

Donor	Support	Addressed issues	Implementation period
EU	2,050,000	Public Finance Management (Increased data availability for better forecasting of GDP, Developed capacities for compilation of EDP notification tables, General Government Accounts established)	2019-2022
EU	68,000	National accounts methodology; Transmission programme, annual national accounts (ANA), quarterly national accounts (QNA) and quality reporting; Regional accounts; Sector accounts; SUT; SDG; South East Europe 2020 (SEE2020) indicators	July 2017 - end of 2019
IMF (EU) or WB		PIMA assessment	2020
IMF (EU) or IMF	TA	TA Government Finance Statistics - Improving GFS for decision making	
UK/WB	650,000	Improving Fiscal Sustainability, Efficiency and Transparency in PFM in Macedonia - Support to the finalisation of the new Organic Budget Law and secondary legislation and technical specifications for IFMIS	2018-2020

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Ministry of Finance of Netherlands	Technical cooperation	Internal control - Bilateral cooperational Program 2018-2019 - Assessment-criteria of key control activities in one pilot institution	2019-2020
UNDP and Slovakia		TA- Bilateral assistance on local taxes	
SIGMA (EU)	Consultancy 50,000	SIGMA - PPB bilateral cooperation	Annual - recurring
EBRD	Consultancy & Financial assistance	Support of accession to WTO Agreement on Government Procurement (GPA)	/
EU	10,000	Source data required for the calculation of the MIP indicators	July 2017 - end of 2019
WB (EU) or WB IPA 2017 Multi-beneficiary programme	Grant/IPA MBP 2017	MIP indicators (statistics)	

#### *4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting*

The IPA II has an impact in the sector either through the implementation of Action Programmes or through the implementation of TA projects or through the cooperation between the National Authorities and the Institutions of the European Union. Considering that it is not always possible to separate impacts according to the years, in the table below, the main improvements on the functioning of the sector are presented.

<p><b>Strategic Planning:</b> In 2018, the SWG for PFM in consultation with the EUD has elaborated the Action document for IPA 2018, which will support the implementation of the country's PFM Reform Programme 2018-2021, as well as other related sub-system strategies, such as PIFC Policy Paper.</p>
<p><b>Administrative Capacity:</b> Measures and activities under each priority of the PFM Reform Programme are defined taking into consideration current HR capacities of the PFM institutions. Significant number of results in the IPA 2018 AD for PFM is related to capacity building of the PFM institutions through new employment, knowledge enhancement and skills development and upgrading. Hence, the IPA 2018AD for PFM will contribute to further strengthen administrative capacities of the PFM institutions. Indicators for institutional development are part of the PFM RP performance indicators framework and are followed regularly in the established monitoring process.</p>
<p><b>Performance:</b> There is consistency in the definition and measurement of the indicators defined in the PFM Reform Programme 2018 - 2021 and in the IPA 2018 AD for PFM. The activities planned under the AD will form an integral part of the Annual Action Plans. Thus, the monitoring of the AD will be performed through the same mechanism envisaged under the PFM Reform Programme. The Government in March 2019, following its endorsement by the PFM Council, adopted the Annual Monitoring Report on Implementation of the 2018 Action Plan for the period December 2017 - December 2018. The Action Document will support the implementation of the country's PFM Reform Programme 2018-2021 and will contribute to improved governance, fiscal sustainability and sound use and management of the public funds. The objective is to raise the stability, efficiency, effectiveness and transparency of the public finance management through achieving the following direct results:</p> <ul style="list-style-type: none"> <li>• Improved budget system based on a new organic budget law.</li> <li>• Improved stability, efficiency and quality of revenue collection system</li> <li>• Improved legal compliance, efficiency and transparency of the public procurement system</li> <li>• Strengthened internal control in line with the new PIFC Policy Paper and improved external audit efficiency</li> </ul> <p>The SWG for PFM is currently working on the proposal of indicators to be included in the PAF system.</p>
<p><b>Budget:</b> The FA for IPA 2018 for PFM was concluded in July 2019 in the amount of EUR 18,6 million. In addition to IPA funds, the national authorities have committed to provide co-financing in amount of EUR 3.670.588.</p>

## II a. Performance indicators in the PAR sector covering both direct and indirect management

### Indicators<sup>8</sup> per programme

Financing Agreement/Programme reference <sup>9</sup>	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value 2019
<b>SUB SECTOR PAR</b>								
IPA 2017/040200.03/EU	Progress made towards meeting accession criteria	Commission annual enlargement country report Composite	Moderately prepared	Advanced Level of preparation	Advanced level of preparation	Moderately Prepared	Moderately Prepared	Moderately Prepared
IPA 2017/040200.03/EU	Composite indicator (average of: Government Effectiveness, Burden of Government Regulation and Regulatory Quality) /1 (Worst) - 100 (Best)	World Bank / World Economic Forum	Composite 60.73 (2014) GE 60,58 (2014) BGR 3.8/7 (54.28) RQ 67.31	Above 65	Above 70	Composite 56.91 GE 58.17 BGR 2.9/7 (41,42) RQ 71.15	Composite 61.56 GE 55.77 BGR 3.0 (57.3) (2019) RQ 71.63	Composite 61.56 GE 55.77 BGR 3.0 (57.3) (2019) RQ 71.63
IPA 2017/040200.03/EU	Improvement in 60% of the indicators included in the SIGMA baseline measurement report on PAR (the 5 principles – a tot	SIGMA Assessment	Total No of indicators: 98	Improvement in 30% of the indicators	Improvement in 50% of the indicators			
IPA 2017/040200.03/EU	Percentage of user satisfaction with the administrative services and servants (1 - worst, 5 - best)	Assess the administration– MISA Annual Report of MISA SIGMA	1 = 3.48(2015) 2 = 12.02 3 = 84.48	5 = 75 4 = 15 3 = 7 2 = 2 1 = 1	5 = 75 4 = 15 3 = 7 2 = 2 1 = 1	No longer calculated		
IPA 2017/040200.03/EU	Corruption perception index (score and positive trend) and Global Corruption Barometer	Transparency International	45 (2014) / 37 (2016) GCB - 3 red, 2 orange (2015-2016)	45 Improvements in at least 2 indicators	50 Improvements in at least 3 indicators	35 No data available for 2017 on GCB	37 No data available	35/100 No data available
IPA 2017/040200.03/EU	Percentage of statistics aligned with EU acquis (Social, Business and National Accounts) / Compliance level calculated with the method of Eurostat's strategy for statistical cooperation under IPA II increased to 85% based on the currently existing EU acquis in statistics;	Eurostat Strategy for Statistical Cooperation with the Enlargement Countries 2014/20 SMIS+ reports EDAMIS reports	55% (2015)	85%	95%	66.2%	67.1%	The value for 2019 is yet to be calculated. SSO is waiting for the assessment from Eurostat

<sup>8</sup> These should be mostly outcome, as well as selected relevant output indicators

<sup>9</sup> It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

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Financing Agreement/Programme reference <sup>9</sup>	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value 2019
IPA 2017/040200.03/EU	Extent to which the overall structure of ministries and other bodies subordinated to central government is rational and coherent.	SIGMA Baseline measurement reports	2 (2014)	4 (2020)	4	No data available. The project is in the second month of implementation		
IPA 2017/040200.03/EU	No of institutions having and applying an integrity policy	SCPC reports	1 (2016))	50 (2020)	75	1	1	1
IPA 2017/040200.03/EU	Percentage of institutions applying pro-active transparency standards	Commission for rights for free access to public info	0	50%	100%	/	The Transparency Standards by the information holders/state institutions ranges from 30%-35%, approximate <b>32.5%</b> <sup>10</sup>	Of the chosen 197 state institutions for monitoring in 2019, 89 have no web site. Hence, the transparency standards is 30%.
IPA 2017/040200.03/EU	No of whistleblowing cases launched and protection measures taken	SCPC reports	0 (2015)	15	30	0	2 cases 0 protection measures taken	19 cases 2 protection measures taken
IPA 2017/040200.03/EU	Requests for information refused/unanswered in breach of law (as a % of the total number of requests)	Commission for rights for free access to public info	(Figure still to be provided) / 650	Less than 10%	Less than 10%	44%	83% <sup>11</sup>	Reporting beginning of March since we are still processing the Annual Reports from the information holders
IPA 2017/040200.03/EU	Number of services accessible and available by Single point of contact (OSS or e-services)	MISA annual report	N/A	100	100			127 public available on the portal. Establishment of

<sup>10</sup> In 2018, the Commission for Protection of the Right to Free Access to Public Information monitored 929 information holders' websites, out of 1255 information holders. During the monitoring, the Commission rated each information holder's web content with 10% for all published data, 5% for partially published information data and 0% if no content is published, against a total of 10 items in accordance with the law (Articles 9 and 10). The expert has proposed a Random sampling list that contained 13 columns, out of which for 2018, the expert point out column 1 and column 7 to be taken into account by the Commission in the report for 2018.

The results for column 1 of the 72 monitored institutions is 30%, while for column 7 the 71 monitored institutions is 35%. Hence, in 2018, out of 929 websites, the total number of monitored institutions was 143 (columns 1 and 7), and the overall average of website monitoring for 2018 was 32.5%.

In 2019, the Commission reported that 312 educational information holders' websites (mostly primary schools and kindergartens) were not included in the monitoring because they do not have websites, while approximately more than 300 websites out of the 929 monitored pages in 2018, were referred, in the submitted Commissions' report to the expert, as institutions that have non-existent or non-functioning websites. Therefore, it was suggested, by the Commission to the expert, not to include them in the 2019 monitoring process. Consequently the Commission asked the projected final target of 100% for 2020 to be decreased accordingly.

Despite the indication, the expert in the submitted 2019 Random sampling monitoring list included many of the above mentioned institutions, whose inclusion will certainly affect the result of the transparent standard for 2019, consequently the results for 2019 might be even less than 2018.

We also note that the Commission has no legal obligation to oblige information holders to create a web site, nor does the Commission undertake any additional proposed activities at the suggestion of an expert, since as of April 2018 the Commission is not operational and does not meet the statutory requirements for operation and decision-making, since the statutory number of members of the Commission is missing, necessary for the adoption of valid decisions.

We also emphasize that the new Law on Free Access to Public Information will transform the Commission into an Agency.

<sup>11</sup> There is no Commission to act upon complaints/ appeals to reach decisions since April 2018

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Financing Agreement/Programme reference <sup>9</sup>	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value 2019
	N/A 100 100 MISA - Annual reports 24							physical premises ongoing.
IPA 2017/040200.03/EU	Percentage of user's vs target users' ratio of eservices	MISA	n/a	15%	15%		No data available	No data available
	Pilot statistics on the performance by body and public officers involved in service delivery (coverage by institution and by No of servants)	MISA	n/a	15 institutions 50 public servants	20 institutions 100 servants		Project hasn't started	No data available
IPA 2017/040200.03/EU	Coverage of OSS umbrella system (% of relevant institutions covered)	OSS e-circuit reports/ MoU	5 (2016)	80%	100%		Implementation of the project hasn't started yet	Implementation of the project hasn't started yet
IPA 2017/040200.03/EU	Percentage of indicators produced for GDP on quarterly level by expenditure approach at current and constant prices	EDAMIS reports SMIS+ reports EC Progress report for the chapter 18 SSO web sit	75% available indicators, 10 days' time lag, missing data series 1995 - 1999	90% available indicators, no time lag, data series 1995-1999 available	95% Available indicators		75%	75%
IPA 2017/040200.03/EU	Percentage of indicators compiled for EDP notification tables in accordance with ESA 2010	Regular OSS system performance monitoring reports Changes of laws and/or by-laws (Official Gazette)	5 %	80%	95 %		46.5%	46.5%
IPA 2017/040200.03/EU	Percentage of SBPM sub-processes covered by standard metadata driven tools	Implementation of standardized IT tools	SSO website/ SSO Reports	0	At least 25%	At Least 30%	22%	22%
<b>SUB SECTOR PFM</b>								
IPA/2018/040-860, Objective 1	Budget deficit below 3%	Medium term fiscal strategy and annual Budget	2,7% of GDP (Draft budget 2018)	below 3%	below 3%		1.8% of GDP (Executed budget 2018)	1.95% central government (GDP projected MoF)
IPA/2018/040-860, Objective 1	Progress made towards meeting accession criteria (economic and political criteria and steady progress in related Chapters 5,8,17,18,32 and 33)	EC Progress Reports	PR 2016 assessment	Progress noted in respective areas of PFM	Progress noted in respective areas of PFM		See EC Progress Reports 2018	See EC Progress Reports 2019
IPA/2018/040-860, Objective 1	No of indicators of the PFM Reform programme fully met	PFM Reform Programme reports	0 (2017)	100%	100%	(50 indicators in total for 2018)		

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Financing Agreement/Programme reference <sup>9</sup>	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value 2019
						26 indicators targets are achieved, 12 partial achieved, 12 not achieved		
IPA/2018/040-860, Objective 1	Improvement in PEFA and SIGMA PFM indicators/assessment	PEFA/SIGMA Reports	PEFA 2015 (31 indicators, 94 dimensions) SIGMA (125 criteria)	50% of PEFA/SIGMA indicators show improvements	80% of PEFA/SIGMA indicators show improvements	N/A	N/A * the next PEFA could be planned in 2021	
IPA/2018/040-860, Objective 1	Percentage deviation between annual budget of year N+1 and N+2 with MTBF projections year N	MTBF, annual budget	N+1 - 5% N+2 - cannot be calculated at the moment	up to 7% up to 10%	up to 7% up to 10%	0%	3,7%	
IPA/2018/040-860, Objective 1	Level of harmonization of the national legislation with the European <i>acquis</i> in the field of taxes and customs - number of EU tax and customs <i>acquis</i> (existing EU legal provisions in 2018) transposed in the national legislation	Tables of concordance Laws/Official Journal	partly harmonised legislation – level of harmonisation to be established with concordance tables	50% of the <i>acquis</i> (2018 basis) transposed	70% of the <i>acquis</i> (2018 basis) transposed	partly harmonised legislation – level of harmonisation to be established with concordance tables	partly harmonised legislation – level of harmonisation to be established with concordance tables	
IPA/2018/040-860, Objective 1/ Action 3	Tax efficiency coefficient <sup>12</sup>	Tables for the national Budget execution (Ministry of finance) and data for Gross domestic product (SSO)	PIT tax efficiency not less than 0,23 CIT tax efficiency not less than 0,14 VAT C-	PIT tax efficiency not less than 0,29 CIT tax efficiency not less than 0,23 VAT C-	PIT tax efficiency not less than 0,29 CIT tax efficiency not less than 0,23 VAT C-	PIT tax efficiency: 0.27 CIT tax efficiency: 0.22 VAT C-efficiency: 0.52		

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PIT-Tax efficiency indicator  
 $Y_{pit} = (T_{pit}/GDP)/r_j$   
 $Y_{pit}$  - tax efficiency indicator  
 $T_{pit}$  - PIT revenue  
 $r_j$  - Tax rate first bracket

CIT-Tax efficiency indicator  
 $Y_{cit} = (T_{cit}/GDP)/r_j$   
 $Y_{cit}$  - tax efficiency indicator  
 $T_{cit}$  - CIT revenue  
 $r_j$  - Standard tax rate

VAT- C- efficiency indicator  
 $Y_{vat} = (T_{vat}/FC)/r_j$   
 $FC$  - Final consumption  
 $Y_{vat}$  - C-efficiency indicator  
 $T_{vat}$  - VAT revenue  
 $r_j$  - Standard tax rate

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Financing Agreement/Programme reference <sup>9</sup>	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value 2019
			efficiency not less than 0,52	efficiency not less than 0,60	efficiency not less than 0,60			
IPA/2018/040-860, Objective 1/ Action 3	Percentage of tax services digitalised	e-Tax platform	60% (2017)	80%	100%	70%		
IPA/2018/040-860, Objective 1/ Action 3	Number of AEOS certificates issued	Customs reports	2 (2018)	(2022) 10% increased	(2024) 20% increased	2	10	
IPA/2018/040-860, Objective 1/ Action 3	Business continuity and stability of the PRO and Customs electronic systems in case of crisis for the data and the business processes	PFM Disaster Recovery Centre documents	Partial (2017) - data back-up ensured	Partial (2017) - data back-up ensured	100% business continuity	Partial) - data back-up ensured	Partial - data back-up ensured	
IPA/2018/040-860, Objective 1/ Action 3	Competition rate: - number of one bid tenders in electronic procedures) - average No of tenderers per tender	e-Procurement reports/ Annual Report on Public Procurement System	25% (2016) 2.97 (2016)	Less than 25% Above 3	-Less than 20% 3.5	24,92 %; 3,41	24,90%; 3,31	
IPA/2018/040-860, Objective 1/ Action 3	Publication rate of procurement plans	e-Procurement reports/ Annual Report on Public Procurement System	Plans: 0	100%		/	76,72 %	
IPA/2018/040-860, Objective 1/ Action 3	No of budget users applying decentralised system for managing public funds	Annual report for functioning of PIFC system	46%	60%	70%	46%	25% <sup>13</sup>	
IPA/2018/040-860, Objective 1/ Action 3	Percentage of implemented internal audit recommendations	Annual report for functioning of PIFC system	43%	53%	63%	43%	69% <sup>14</sup>	
IPA/2018/040-860, Objective 1/ Action 3	Percentage of external audit coverage of the total public expenditure	SAO Annual Report	45	60	65	≥42%		
IPA/2018/040-860, Objective 1/ Action 3	% of external audit recommendations leading to corrective measures	SAO Annual Report	55%	72%	75%	≥59%		
IPA/2018/040-860, Objective 1/ Action 3	No of audit reports discussed by the Parliament	Report of the parliamentary body responsible for conducting the discussion of audit	0	8	10	0	0	

<sup>13</sup> Calculation of percentage is on the base new passport indicator

<sup>14</sup> Calculation of percentage is on the base new passport indicator

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Financing Agreement/Programme reference <sup>9</sup>	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value 2019
		reports process						

## Democracy and Governance, Union Programmes

<p><b>1. Focal Points</b></p>
<p><b>Erasmus:</b> The National Agency for European educational programs and mobility is in charge of the Erasmus + Programme. 45 people are working in the Agency and 35 are fully dedicated to the Erasmus + Programme.  <b>Contact point:</b> Milena Petrusevska, <a href="mailto:milena.petrusevska@na.org.mk">milena.petrusevska@na.org.mk</a>, +389 76 446 824</p>
<p><b>Europe for Citizens:</b> Unit for negotiation and integration - EU Department of the Ministry of Education and Science is in charge of the Programme. 3 people are working in this Unit and still just 1 person, is in charge of the the Europe for Citizens Programme, although the same person has other responsibilities and tasks in the unit.  <b>Contact point:</b> Katerina Gulev, <a href="mailto:katerina.gulev@mon.gov.mk">katerina.gulev@mon.gov.mk</a></p>
<p><b>EaSI:</b> The Unit for Coordination and Implementation of EU Financial Instruments in cooperation with the Unit for monitoring and evaluation of IPA within the MLSP are in charge of this Programme. Five people are working in these Units and two are dedicated to the EaSi Programme.  <b>Contact point:</b> Aleksandra Slavkoska, +389 75 359 856, <a href="mailto:aslavkoska@mtsp.gov.mk">aslavkoska@mtsp.gov.mk</a>, alternate: Ankica Ivanovski, +389 75 341 020 <a href="mailto:aivanovska@mtsp.gov.mk">aivanovska@mtsp.gov.mk</a></p>
<p><b>Civil Protection Mechanism</b> the Protection and Rescue Directorate is in charge of the Civil Protection Mechanism. Currently 395 people are working in this directorate (42 temporaries employed) and 1 is fully dedicated to the Mechanism (Head of international cooperation department) and 1 dedicated for the EUCPM training program.  <b>Contact point:</b> Valentina Atanasovska, <a href="mailto:valentina.atanasovska@dzs.gov.mk">valentina.atanasovska@dzs.gov.mk</a>, +389(02) 2433 318, +389 75 457 591</p>
<p><b>FRA</b> The Human Rights Department within the Ministry of Justice, in cooperation with the Ministry of Foreign Affairs, is in charge of the activities related to the European Agency for Human Rights. One people are working in the HR Dpt and one is fully dedicated to the activities on the European Agency for Human Rights.  <b>Contact point:</b> Tanja Kikerekova, <a href="mailto:TKikerekova@mjustice.gov.mk">TKikerekova@mjustice.gov.mk</a>, +389 2 3106 516, +389 76 40 44 62,</p>
<p><b>COSME:</b> The Department for European Integration, Unit for programming, technical implementation and monitoring and evaluation of IPA projects within the Ministry of Economy is in charge of the COSME Programme. 7 people are working in this Dpt and 2 are part time dedicated to the COSME Programme.  <b>Contact point:</b> Ardiana Abazi- Ramadani, <a href="mailto:ardiana@economy.gov.mk">ardiana@economy.gov.mk</a>, +389 2 3093453</p>
<p><b>Horizon 2020:</b> The Ministry of Education and Science, Department for International Cooperation, is in charge of the implementation of the Horizon 2020 Programme. 2 people are working in this Dpt and 2 are fully dedicated to the Horizon2020 Programme.  <b>Contact point:</b> Marina Nikolovska, +389 3 140 186, +389 76 485 077 <a href="mailto:marina.nikolovska@mon.gov.mk">marina.nikolovska@mon.gov.mk</a></p>
<p><b>Customs 2020:</b> The Director's General Cabinet and Department for International Cooperation in the Customs Administration are in charge of the Customs 2020 Programme. 2 people from the Cabinet and 2 people from the Department of International Cooperation are fully dedicated to the Customs 2020 Programme.  <b>Contact point:</b> Sladjana Damjanoska, <a href="mailto:Sladjana.damjanoska@customs.gov.mk">Sladjana.damjanoska@customs.gov.mk</a>, +389 2 3293942; +389 70 358 574</p>
<p><b>Fiscalis:</b> The Fiscalis 2020 programme within the Public Revenue Office (PRO) is coordinated by the Sector for International Cooperation. 7 people are working in the Sector and 3 are fully dedicated to the Fiscalis Programme.  <b>Contact point:</b> Marjan Mihajlovski, <a href="mailto:Marjan.Mihajlovski@ujp.gov.mk">Marjan.Mihajlovski@ujp.gov.mk</a>, , Office: 3299 543, Mobile: 076/445 471</p>
<p><b>Creative Europe:</b> The Coordinating body responsible for implementation of the Creative Europe programme (Culture and MEDIA) is the Ministry of Culture. North Macedonia Film Agency is nominated as co-beneficiary, responsible for implementation of the MEDIA sub-programme from 1st of January 2016 on the basis of the mutual Agreement between the Ministry of Culture and the Film Agency.  Creative Europe Desk of the Republic of North Macedonia Team:  Creative Europe Culture (Ministry of Culture) : Project manager and project assistant (civil servants - full time job) .  <b>Contact point:</b> Biljana Prentoska e-mail: <a href="mailto:biljana.prentoska@ced.mk">biljana.prentoska@ced.mk</a> , 'biljana.prentoska@kultura.gov.mk'тел: +389 2 3207 446/443;  Creative Europe MEDIA (Macedonian Film Agency): Project manager and project assistant (full time job)  <b>Contact point:</b> Bistra Georgieva e:mail <a href="mailto:bistra.georgieva@ced.mk">bistra.georgieva@ced.mk</a> + 38902 3224 100</p>
<p><b>Life +:</b> Administration of environment within the Ministry of environment and physical planning is responsible body for coordination and implementation of LIFE + programme. So far, no single Life project was implemented from the governmental institutions due to difficulties with co-financing and complicated application procedure.  <b>Contact point:</b> Vlatko Trpeski, Head of department of nature protection, mail: <a href="mailto:v.trpeski@moepp.gov.mk">v.trpeski@moepp.gov.mk</a></p>

During 2018, upon invitation by DG EAC the country started the preparatory activities for participation in the new Programme European Solidarity Corps.

2. Information on the implementation of the Programmes in 2019			
Programmes	Number of financed projects	Number of events	Value of the financed projects/events
Erasmus +:	232	46	9.569.732 EUR
Europe for Citizens:	3 projects	-	120.705 EUR (financed projects in 2019)
EaSI:	9 projects in total (1 project financed under 2018 Call for proposal, 6 projects financed under 2017 Calls, 2 projects under 2016 Calls) Note: Awarded grants of 2019 Calls have not been published yet.	4 information meetings	1.928.849,94 EUR (total value of all 9 projects)
Civil Protection Mechanism:	EUCPM training program, according the dedicated quote	9	-
FRA:	None	None	None
COSME:	4 (active projects in 2019)	3	261.604,00 EUR( the value of active projects in 2019)
Horizon 2020:	13	2 info days; 10 institutional visits/events	EUR 1.93 M. e-corda cut of date- January 2020
Customs 2020:	-	27	66.975,00 Eur
Fiscalis:	-	26	59,402 EUR
Creative Europe:	MEDIA: 5	MEDIA: 13 MEDIA+Culture: 3 Culture: 3 Number of individual consultancy meetings: over 50	MEDIA: 353.867 EUR Culture: 395,008 EUR
Life +:	-	-	-1 Regional project

3. Main achievements of the Programmes in 2019		
Programme	Objectives	Achievements
Erasmus +:	To support education, training, youth and sport in Europe	Concerning the programme implementation, in Key action 1, approximately 250 organizations were involved and approximately 1200 mobilities were contracted. In Key action 2, approximately 400 organizations were involved, and approximately 3500 participants were contracted. In Key action 3, 3 organizations were contracted with approximately 400 participants involved.
Europe for Citizens:	To contribute to citizens' understanding of the EU, its history and diversity To foster European citizenship and to improve conditions for civic and democratic participation at EU level To raise awareness of remembrance, common history and values To encourage democratic participation of citizens at EU level, by developing	In 2019, there were supported 3 projects: - 1 project within the Strand 2: Measure 2.1. Town Twinning – Selection year 2019 Round 1 – with an amount of 10.080 EUR (the Applicant organization: The Association for education MLADIINFO INTERNATIONAL and the Project title: Solidarity youth in times of crises 2.0); - 1 project within European Remembrance Projects Selection 2019 – with an amount of 98.530 EUR (the Name of Applicant: Center for Education and Development, and the Title of the Proposal: Transition and Europe: The year of EU Enlargements in Central and Eastern Europe); - 1 project within Sub-action Town Twinning Selection year 2019 – Round 2 – with an amount of 12.095 EUR (Project title: Building Europe at home, and the Applicant: YOUTH ALLIANCE – Krushevo) Taking into consideration that the amount that has been paid as national contribution for 2019 was 6.000 EUR, and the amount of the projects

	citizens' understanding of the EU policy making process and, by promoting opportunities for societal and intercultural engagement and volunteering at EU level	that have been supported is 120.705 EUR, we can say that the financial participation ration is positive. Even though there is no data available about the projects where the Republic of Macedonia is a Partner country, so the amount of the supported projects could be higher.
<b>EaSI:</b>	To promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions	<p>Under the “Progress axis”, the grant projects mainly contributed to enhancing transnational administrative cooperation among social partners from EU and candidate countries and securing better information prospects for all posted workers and especially in care sector. These projects also promoted greater involvement/consultation of employees, capacity building of national stakeholders and addressing the institutional weaknesses for implementation of the EU acquis in this area.</p> <p>Under the “Microfinancing and Social Entrepreneurship axis”, the "<a href="#">Step by Step</a>" programme<sup>15</sup> promotes micro-financing and thus development of start-up businesses. "Step by Step" aims to provide economic and social support to young entrepreneurs and micro-enterprises which are in the initial phase of establishing their own business, with up to EUR 25,000 and educational, financial and mentoring support. According to the information available in <a href="#">media</a>, the bank approved loans for 13 business plans in May 2019 under the first call. More than 50 business start-ups, which applied to the call, participated in the training workshops organised by Business Impact Lab и Start-up Academy. About 23 business plans were developed, but only 13 were positively assessed.</p>
<b>Civil Protection Mechanism</b> :	To foster cooperation among national civil protection authorities across Europe.	<p>The Protection and Rescue Directorate (PRD), in line with the annual quota allocated to the country, regularly participates in the Civil Protection Mechanism Training Program, which aims to improve the coordination of intervention assistance in the field of civil protection by providing compatibility and complementarity between the intervention teams of the participating countries. The training program also improves the skills of experts involved in civil protection assistance operations through the exchange of best practices. Also, the PRD regularly participate at the civil protection Director General meetings.</p> <p>Taking into account the obligations arising from the "Memorandum of Understanding between the Republic of Macedonia and the European Union on the participation of the country in the financial instrument of civil protection and the mechanism of civil protection of the community", it is necessary to adapt the protection and rescue system to modern systems of Civil Protection in the Mechanism, which is a platform that provides member states and beyond with coordinated disaster response and complementarity in risk reduction efforts.</p> <p>What has so far been the biggest obstacle to day-to-day communication with the CP Mechanism, which has been noted for many years and is a commitment in the Subcommittee on Transport, Environment, Energy and Regional Development, is the inclusion of the Protection and Rescue Directorate into the system CECIS (Common Emergency Communication Information System), which is a component of the platform TESTA-NG – 4<sup>th</sup> generation (the Trans European Services for Telematics between Administrations (TESTA) system is the private IP-based network of the European Union. TESTA is a telecommunications interconnection platform for secure information exchange between the European and member states administrations. It is currently handled within the ISA<sup>2</sup> European programme). It enables our secure electronic communication with the Mechanism, which provides essential coordination for requesting, receiving and dispatching disaster relief. The Protection and Rescue Directorate is in a process of establishing connection with CECIS, through the MIOA and MOI. In June 2019, the Ministry of Information Society and Administration signed with the European Commission the Memorandum of Understanding for the TESTA-ng network and is also the coordinator for it. TESTA-NG is a consistent and secure pan-European communication platform, enabling European and national administrations to exchange information and data in a variety of different ways, including classifieds.</p> <p>Regarding the connection with TESTA-NG, the following activities were carried out: Responsible company for installation and maintenance of equipment from this network, selected by the European Commission is "T-Systems" and signed with them by the Ministry of Information Society and Administration (MISA) an Agreement for Cooperation. Activities for the transfer of equipment from the private company to the Ministry of Interior have started, which will provide space conditions for the equipment to be housed in their system room. Due to the procedures that must be followed, the transfer is planned to be completed by the end of January - beginning of February 2020. Thereafter, the Protection and Rescue Directorate may initiate a procedure for connection with the CECIS, for which it will have to submit a formal request to MISA. Contact with colleagues from DG-ECHO, responsible for CECIS, should follow the guidelines given there and designate people to work on the system and to obtain usernames.</p>
<b>FRA:</b>	To contribute towards ensuring full respect for fundamental rights across the	The National Liason Officer from North Macedonia participated on two regular meetings of national liason officers in 2018.

<sup>15</sup> The Programme “Step-by-Step” was launched in October 2018 by Sparkasse Bank Makedonija

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	EU and Accession Countries	
<b>COSME:</b>	To facilitate access to finance. To support internationalisation and access to markets. To Create an environment favourable to competitiveness. To encourage an entrepreneurial culture.	The most important novelty in the reporting period is that under COSME Access to Finance objective on 26.03.2019 Macedonian Bank for Promotion and Development as beneficiary has signed a Counter Guarantee Agreement with European Investment Fund- as a counter guarantor. In the reporting period there is one project being implemented that is helping businesses to access markets in the EU and beyond. The Enterprise Europe Network in Macedonia project has delivered the following COSME activities: advice, support and information activities; cross-border partnering activities for business cooperation, technology transfer and innovation; SME feedback activities; promotion of Network services and communication activities and network building and reinforcing the Network One project is being implemented under this objective Green Ict development (GIVE) with general objective to build up strategic cluster partnership in the field of smart green technologies among the three vital industries - automotive, renewable energy and ICT. COSME programme in the country supports entrepreneurs by strengthening the entrepreneurship education, mentoring, guidance and other support services under Erasmus for young entrepreneurs' topic with two projects: EYE Sustainability, Experience, Exchange, Partnership Reloaded 2017 and SME Growing in Europe
<b>Horizon 2020:</b>	The goal is to ensure Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation.	According to the official EC database E-CORDA, during 2019, there were signed 13 grant agreements with 22 participants from Republic of N. Macedonia. Total EU contribution for these projects is EUR 1.93 M. It's worth of mentioning that 5 of them are under financial instrument "research and innovation action" that is step forward to previous years when most of the projects were applied under financial instrument called Coordination and support actions. According to H2020 Specific programmes, the EC supported projects were applied equally in all 3 main subprogrammes-Excellent Science, Industrial Leadership and Societal challenges while in previous years the most exhausted/ represented subprogramme was Societal Challenges.
<b>Customs 2020:</b>	Culture: To enhance the cultural area shared by Europeans Media: To supports the EU film and audio-visual industries financially in the development, distribution and promotion of their work.	Culture: Transnational cooperation projects involving cultural and creative organizations from different countries taking part in the program with aims to improve access to European culture and creative works and to promote innovation and creativity. The programme supports translation and promotion of literary works across EU markets, with the aim of increasing access to and readership of high-quality European literature. Media: The supported project from sub program MEDIA their influence on the distribution of the European film through festival, screening of films and online platform. The organized event helped the AV sector to build its capacity
<b>Fiscalis:</b>	To enable national tax administrations to create and exchange information and expertise. To enhance the administrative capacity of participating countries, to support the fight against tax fraud, tax evasion and aggressive tax planning; to support administrative cooperation activities; to reinforce the skills and competency of tax officials; to enhance the understanding and implementation of Union law in the field of taxation.	<ol style="list-style-type: none"> <li>1. <u>PRO has established new modern Contact / Call Centre and new services for the taxpayers in the period 2017 / 2018.</u></li> <li>2. <u>PRO got knowledge about the best way to keep the tax records and the best manner for its improvement. The internal process of tax accounting and keeping of tax records, and the exchanged best practices and experiences is going to be used during the project of re-engineering of the working processes in the Macedonian tax administration.</u></li> <li>3. <u>PRO has established an Issuance of a pre-filled Annual Tax Return to taxpayers - citizens in 2018. The citizen's obligation is only to confirm or correct the completed annual tax return by the requested deadline.</u></li> </ol>
<b>Creative Europe:</b>	Culture: To enhance the cultural area shared by Europeans. Provides support for the cultural and creative organisations pursuing cross-border activities in Europe. It ensures the financial support for cooperation projects, literary translations, European platforms, and network activities. MEDIA: To supports the EU film and	Culture: Transnational cooperation projects involving cultural and creative organizations from different countries taking part in the program with aims to improve access to European culture and creative works and to promote innovation and creativity. The programme supports translation and promotion of literary works across EU markets, with the aim of increasing access to and readership of high-quality European literature. 8 projects which involve operators from our country have been supported in 2019. Under the LTP action-2019 have been supported project by 4 publishing houses: Goten Group, Publisher, Begemot and Art Conect. 4 Macedonian organizations have been involved in 4 Cooperation projects as follows: 2 organizations are partners in two supported Smaller scale cooperation projects and 2 Macedonian organizations are partners in Larger scale cooperation projects. MEDIA: In 2019 the highest grant amount was awarded to the Macedonian projects since North Macedonia is in the MEDIA subprogramme.

	audio-visual industries financially in the development, distribution and promotion of their work.	The supported projects from sub program MEDIA were in the Festival call, Distribution and Online distribution and there is a significant improvement in the distribution of European films throughout these supported projects. Events organized by the CED MEDIA MK were focused on training, workshops and panels that helped the Audio-visual Sector and build the capacity of the professionals. Around 300 professionals and potential applicant have circulated in the events in 2019. Apart from that the Macedonian film “God exists her name is Petrynia” -supported by MEDIA, was selected in the official programme of Berlinale 2019, selected for the European Film Award and won the European Parliament Lux Film prize.
<b>Life +:</b>	The LIFE programme is the EU’s funding instrument for the environment and climate action. LIFE contributes to the implementation, updating and development of EU environmental and climate policy and laws by co-financing projects with European added value.	The Civic association „Macedonian Ecological Society” as a partner organization implement a LIFE+ project "Urgent Actions to Strengthen the Balkan Population of the Egyptian Vulture and Secure Its Flyway” (LIFE16 NAT/BG/000874)” in partnership with 14 organisations and institutions from Balkan Peninsula, Middle East and Africa. The period of implementation of the project is 5,5 years (1 July 2017 – 31 December 2022). Budget: overall 5,848,458 € (maximum EU contribution 4,386,343 €) In 2019 the frame of Twinning Project MK 13 IPA EN 02 17 “Strengthening the capacities for effective implementation of the acquis in the field of nature protection” two representative form Nature sector was in Finland where one of the topic was visiting an LIFE + project implementation

#### 4. Any significant problem encountered in implementing the programme in 2019

##### Erasmus +:

- Administrative barriers and issues for opening of donor accounts by the public institutions that are our beneficiaries. This reflects on signing the agreements, due to problem of the public institutions with opening of donor’s bank accounts, whereby they have to implement a procedure in several stages in order to obtain such account;
- Current procedure and rules of obtaining a visa for a long stay of volunteers and students in North Macedonia, in cases when foreigners reside in our country longer than 3 months presents a difficulty and influence on implementation of the programme;
- Recognition of obtained skills and knowledge in formal and nonformal context within the mobilities of our beneficiaries;
- Violation of grant agreements – specifically main project activities are subcontracted;
- Violation of data protection rules by permitting an unauthorized access to economic operators;
- Public procurement problems due to national law.

**Europe for Citizens:** There is a lack of staff within the unit who is working on the Programme – only one person (the contact point - although this person has also other responsibilities and tasks in the Unit for negotiation and integration); there is no budget for organizing info days.

On EACEA website, there is no info about the countries which are partner countries in a particular project. On the other hand, the institutions/organizations, which apply for project, do that in e-form directly to Brussels and they are not obligated to inform the national contact point. The EACEA has stopped providing information directly to the NCP for overall participation in the project to the NCP.

**EaSI:** Most of the challenges reported for 2018 remained relevant as they are inherent to the nature of the programme. The First EaSI conference organised in September 2019, showed that all Member States face the same challenges. However, there have been efforts for improvement, both on the side of the Ministry of Labour and Social Policy and on the side of the Commission.

First, in many Calls, the lead applicant or co-applicant should be national authority or other public institution. In the past, the employees in the Ministry were not empowered to initiate preparation of project proposals, but also few public servants were interested to engage in project design and implementation without a reward for the additional workload. In 2019, the Ministry engaged in the establishment of consortium with local and foreign partners, which resulted in submission of application to the Call.

Second, transnational partnership is required. Not all organizations from MS are ready for establishment of partnership. Some progress was made since 2017 with a couple of MS. Very useful cooperation was established with European Center for Social Welfare from Austria, which has an extensive experience with managing EU level projects.

Third, the min. amount of the grants may range from 200.000 EUR to 1.000.000 EUR, this is a limitation since the grant beneficiary must co-finance 20% of the total eligible expenditures. The amount of the grants is automatically reflected in the requirements for the applicants (financial capacity, technical capacity, etc.).

Fourth, there is lack of resources to organize info days, although this is not so critical for this programme. Given the type of calls and possible candidates, it is more useful to organize targeted info sessions with institutions or organizations eligible to apply.

Fifth, on the side of the information about the programme implementation, the Ministry has no access to database of applicants and beneficiaries. The main source of information is publicly available information on internet. Information on awarded grants are published by the Commission with a delay of at least 6 months after the award. Publications and similar type of information is also published on internet. One positive development is that DG EMPL started to provide information on the applicants/beneficiaries coming from North Macedonia, but it still comes with delay, i.e. only upon their publication. The European Investment Fund with one-year delay will publish the information about the Microfinancing axis.

<p><b>Civil Protection Mechanism:</b> The Protection and Rescue Directorate is in a process of employment of qualified personnel, in order to be able to have an active participation in all the important activities and projects. Dissemination of the FY EUCPM training quote to the relevant institutions in order to have better selection of the appropriate candidates, to get common approach, knowledge and understanding of the Mechanism and better coordination in case of emergencies, is required. Participation of other institutions in the EUCPM training programs, besides the PRD, is recommended. Lack of transparency and sharing information and expertise among relevant stakeholders has been notified.</p>
<p><b>FRA:</b> The structure is still at the beginning of its activities and therefore there are a number of deficiencies in the organization and in the availability of resources. Additionally, the link between the European Agency and the Macedonian Partner has not yet been properly established and therefore there is a deficit of information about the on-going activities.</p>
<p><b>COSME:</b> Eventhough, one of the main barriers for proper implementation of the programme is overcome, the first component of the programme Access to Finance is partially active, the other challenges as reported in 2019 remain, such as : lack of resources to organise info days, lack of technical knowledge, lack of information, etc. Furthermor, since the application is online, and they are not obligated to inform the national contact point, thus the contact point has no mechanism to register each applicant. A mechanism to convey this information would improve the capacity of the focal point to be aware of all the applications that are put forward.</p>
<p><b>Horizon 2020:</b> During the reported period the Ministry of Education and Science in collaboration with the Ministry of Finance has taken some activities for simplification the procedure for managing the grants by the grantholders in order to minimize the barriers for successful implementation of the projects. Although some actions have been taken to improve the R&amp;I environment some of the barriers are still present like as follows: lack of national funded research and scientific projects that are of great relevance for the researcher's portfolio, lack of young scientists and researchers professionally engaged in the higher education institutions and research centres.</p>
<p><b>Customs 2020:</b> : DG TAXUD does not issue sufficient invitations that are open for the candidate countries too, this is the main problem.</p>
<p><b>Fiscalis:</b> DG TAXUD does not issue sufficient invitations that are open for the candidate countries too, this is the main problem. Also, in several cases, there is not enough internal interest from the competent Sector within the PRO for participation on the events for which the invitation is issued for. Furthermore, in some case, even if the working visit proposal is approved, the PRO has difficulties to find a host country (tax administration), i.e. sometimes it takes a long time since the initial contact to set a date for the working visit.</p>
<p><b>Creative Europe:</b> The main problem for Creative Europe Desk (Culture and MEDIA) North Macedonia is that according to the national procedures for registration of the CED Grant, it become functional in November 2019. Also, in 2019, the CED North Macedonia Operational Grant has been cut. We have received approximately 1/3 by the 80% of the full amount of the annual grant (approximately 24.000 EUR). This situation is related to the Offsetting issues with other EU programmes on governmental level. This situation had consequences to realization of the planned activities of the Desks in 2019. The National Fund within the Ministry of Finance and DG Budge has started the negotiations in term to solve this problem. For the beneficiaries of the Culture sub-programme, the main problems are capacity building, networking, partnership as well as co-financing. The co-financing rate is too high especially for the operators from North Macedonia and other WB countries. There are not so many possibilities for operators to provide the matching funds for other sources. Partially this problem should be solved by the recent decision of the Ministry of Culture to co finance 20% of the Macedonian co-financing. The procedures of public tenders have not been compatible with the EU procedures in term of financial implementation of the projects. This problem should be addressed especially for the public institutions. For the beneficiaries of the MEDIA sub-programme, the main problem is the eligibility of the applicants in the different schemes where they cannot match most of the requirements and criteria</p>
<p><b>Life +:</b> The main challenge of applying and using the LIFE + instrument is the long procedure of finding partners from EU countries on priority nature conservation topics, due to the rule that GOs and NGOs from the Republic of North Macedonia can apply only in partnership with the countries and institutions of the EU and co-financing from the state budget. Lack of capacity (human and financial) should also be mentioned as an obstacle. Given the fact that a separate expert body for nature protection as an agency or institute is not yet established on country level, implementing LIFE+ nature conservation projects that require specific expert knowledge for different taxonomic groups or habitats will be a difficult and non-productive process.</p>

**5. Recommendations for further actions for better promotion of the Union Programme and increase of the participation of Macedonian organizations and institutions**

<p><b>Erasmus +:</b> More target oriented promotional activities, particularly for newcomers especially bering in mind the increased funds in MFF 2021-2027. Further strengthening the coordination and communication between central governmental bodies on policies relevant for the NA actions/European education policies. Internal adaptation of the NA looking towards the new programme 2021-2027.</p>
<p><b>Europe for Citizens:</b> Engaging more persons who will work on the Programme on regular basis; providing Budget for organization of Info-days.</p>
<p><b>EaSI:</b></p> <ul style="list-style-type: none"> <li>• Facilitate establishment of partnership for projects that support national reforms.</li> <li>• Early engagement of potential applicants (share the information about the Calls while the EaSI work programme is in draft phase, so that the organisations have enough time to develop the idea and establish partnership);</li> <li>• Organise thematic meetings with potential applicants and grant beneficiaries to discuss the obstacles/difficulties.</li> </ul>

<p><b>Civil Protection Mechanism:</b> More specific oriented activities and recommendations by experts, regarding the quality contribution of the participants in different programs of the Union; Dissemination of the outcomes, evaluations, recommendations for improvement, etc. More specific trainings, knowledge exchange in regard the preparation of strategic documents is required. Also lack of knowledge of project proposal writing skills has been notified.</p> <p>Implementation of the recommendations of the Civil Protection Assessment Mission Report – peer review (attached)</p> <p>During the reporting period, emphasis was placed on reforms in the system of protection and rescue and crisis management. With the conclusion of the Government, the Ministry of Defense, as coordinator of the working group for implementation of the above-mentioned reforms, is obliged to simultaneously analyze the EU Peer Review Report, implemented in the period 15-25 October 2018 and develop a Dynamic Plan for implementing its recommendations. With the conclusion of the Government of RSM, no. 45-8447 / 1 from December 24, 2019, the Ministry of Defense is obliged to begin implementing the recommendations of the Assessment Mission Report on Civil Protection by 30.12.2019 at the latest, as well as to inform.</p> <p>The Ministry of Defense has responded to the Government of the RSM - General Secretariat and the Secretariat for European Affairs, under No. 17 / 3-87 / 1 dated 02.01.2020, that the recommendations of the Assessment Mission Report will be used in carrying out reforms by of the Working Group headed by the Ministry of Defense.</p> <p>To the members of the Interdisciplinary Working Group has been submitted a peer review report of the 2018 Civil Protection Mission and will be the subject of discussion at the next Working Group meeting. A workshop on Assessment of the Preparedness of RNM Disaster Response Capabilities / Capacities, planned by the US Department of Defense and the US Army Corps of Engineers, is planned for March 2-6, 2020, within the framework of the civilian-military program CMEP Emergency Preparedness for 2020. The purpose of this activity is to assess disaster management capabilities, through the prism of EUCOM's 5 Disaster Preparedness Activities: National Response System, Operational Disaster Management Capability, DoD / ARNM Opportunity to Support Civilian Operations, Disaster Management Mutual Support Abilities and Accepted Strategic Partnerships. Also taken into account are the NATO Resilience / Resilience Basis for Government and other essential services and institutions; Dealing with mass casualties; Uncontrolled population movement; Communications; and Transport. NATO and CMEP experts, in cooperation with national experts, will conduct the assessment. Upon completion of the workshop and summing up the results of the meetings with relevant institutions, a final assessment of capacities and capabilities is expected by the end of April 2020, which will also be used in implementing sector reforms.</p>
<p><b>FRA:</b> Improvements of the opportunities for participation of the Republic of Macedonia in the programs of the Agency and support of the Agency for the realization of strategic priorities in the field of human rights in the Republic of Macedonia</p>
<p><b>COSME:</b> Engaging more persons who will work on the Programme on regular basis; providing Budget for organization of Info-days. Some kind of governmental incentives should be applied for successful participants.</p>
<p><b>Horizon 2020:</b> Strengthening the organisational structure and human resources capacities in MES for successful implementation of the Programme. Governmental incentives should be applied for successful participants, especially for those that have projects with high score but unfinanced by EC.</p>
<p><b>Customs 2020:</b> Active participation in program activities</p>
<p><b>Fiscalis:</b> As the PRO is the main beneficiary of this programme; the promotion of the Fiscalis 2020 programme is done internally through the Intranet and continuous communication with the Sectors with the PRO.</p>
<p><b>Creative Europe: MEDIA &amp; Culture)</b> – The Creative Europe Culture Desk is welcoming the efforts of the EU in term to design the special call for WB's countries in term to facilitate the better conditions for WB's cultural operators and other mobility schemes (85 % EU grant, focus on capacity building, I-Portunus for WB artist etc). Organizing joint events with other EU programmes for wider audience, where potential applicant will get knowledge for the overall possibilities of the European programmes. Also, organizing more networking events between AV and CCS professional from other European countries and North Macedonia, thematic events related to better implementation of the programme on national, regional and EU level; developing of mobility schemes with aim to support the participation of Macedonian operators on European level etc.</p>
<p><b>Life+:</b> More info days and events, trainings and workshops that will provide better knowledge and skills for the applicants to follow the procedures and prepare proposals.</p>

<p><b>6. Implemented monitoring and evaluation activities, audits – main findings &amp; lessons learned, recommendations, follow-up and corrective action taken in 2019</b></p>
<p><b>Erasmus +:</b> 2017 Management Declaration, Yearly NA Report and the Independent Audit Body (IAB) Opinion for the National Agency "NATIONAL AGENCY FOR EUROPEAN EDUCATIONAL PROGRAMMES AND MOBILITY" provide the necessary assurance and confirms EU funds for the calendar year 2018 was used for its intended purpose.</p> <p>The Independent Audit Body recommends that "an upgrade to the accounting system that will enable distinction of records among different accounts and separate reporting for each account. Furthermore, we recommend full implementation of a project-based accounting in each of the accounts managed by the National Agency</p>
<p><b>Europe for Citizens:</b> In direction of achieving better results of the UPs (better dissemination of information to the target groups) we suggest realization of mutual Info days that will cover several EU programmes. This approach might increase the visibility and efficiency of the available resources that will lead towards greater participation of individuals or organisations on the Info days.</p>
<p><b>EaSI:</b> The Ministry of Labour and Social Policy has no formal mandate to monitor, evaluate or perform audits for this programme. The legal framework of the EaSI programme simply does not provide any mechanism to impose an obligation for the grant beneficiaries to inform the Ministry that they have applied or have received an EaSi grant. Nevertheless, the Ministry collects data about the implemented activities from DG EMPL or EIF website, by contacting the organisations/individuals who participate in activities funded from this programme or through participation in events/meetings organised within</p>

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the grant projects. Due to this, the Ministry may not avail information about all activities financed in this programme. It could be concluded that the participation in EaSI activities brings new opportunities for Macedonian organisations, especially for the newcomers. They are exposed to the experience and knowledge of their senior MS partners, both in terms of EU project administration, or content-wise. The projects of this programme bring new topics on the agenda, which otherwise would not have been covered and which are of relevance to the EU accession or socio-economic development in the country.
<b>Civil Protection Mechanism:</b> The Protection and rescue Directorate has no formal mandate to monitor evaluate or perform audits for this programme.
<b>FRA:</b> In spring 2018 North Macedonia started to participate on regular meetings of national liason officers.
<b>COSME:</b> The Ministry of Economy has no formal mandate to monitor, evaluate or perform audits for this programme. The legal framework of the EaSI programme simply does not provide any mechanism to impose an obligation for the grant beneficiaries to inform the Ministry that they have applied or have received COSME grant
<b>Horizon 2020:</b> Close collaboration of the H2020 national contact points' network with Enterprise Europe Network –Macedonia and Fund for Innovation boosts the private and public sector collaboration especially for joint projects to be applied in H2020
<b>Customs 2020:</b> After every meeting/workshop, participants are obliged to fill in Event assessment form/ Action follow up form and to send to DG TAXUD directly.
<b>Fiscalis:</b> In February 2018, a questionnaire for mid-term evaluation of the participation in the Fiscalis 2020 program was answered and submitted to DG TAXUD. At the same time, a Questionnaire / Study on EU joint activities after the completion of the current Fiscalis 2020 program, i.e. in the post-2020 period, was answered and submitted to the consulting/research agency. In December 2019 a Programmes Poll was initiated by DG TAXUD. This is an online survey that forms part of the performance measurement of the two programmes and its aim is to measure awareness and networking effects of the programmes every year and a half. Since the poll is measuring awareness, its intended audience are all the customs and tax officials in the participating countries, regardless of whether they know about the programmes or not.
<b>Creative Europe</b>
<b>Life+:</b>

### II a. Performance indicators in the sector Democracy and Governance – Support to the participation in the Union Programmes

Financing Agreement/Programme reference <sup>16</sup>	Indicator for UPs	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 <sup>17</sup> )	Value (2016)	Value (2017)	Value (2018)
IPA 2016/039-618/01.01/MK	2. Country's participation rate	Commission	70 (2014)		100	100	70	See chapter 2		
IPA 2016/039-618/01.01/MK	1. Number of programmes for which an International Agreement has been concluded	Commission	11 (2014)		12	12	11			11
IPA2014 /037-701.2	2. Number of projects implemented by the beneficiary country	Commission	10 (2014)	18	25	25	10	See chapter 2		
IPA2014 /037-701.2	1. Number of Programmes in which the beneficiary country participates	Commission	11 (2014)	12	12	12	11			11
IPA/2015/037-906.02	2. Participation rate	NIPAC Report	0 (2014)	1	1.2	1.2 (2024)	0	See chapter 2		
IPA/2015/037-906.02	1. No of concluded International Agreements	NIPAC Report	0 (2014)	11	12	129	0			11

<sup>16</sup> It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

<sup>17</sup> Number of columns to be adjusted for all years from 2014 up to the year of the reporting period. Values should be cumulative.

## Democracy and Governance, EUIF

### 1. *Involvement in programming*

The EU Integration Facility is programmed under the sector Democracy and Governance on annual basis, in agreement with the NIPAC. During 2019, the mandate for using the EUIF derives from the adopted 2014/2015/2017 IPA Annual Programmes and the respective EU Integration Facility Action Documents. The aim of the EU Integration Facility (EUIF) is to assist the national administration to efficiently manage the EU Integration process and pre-accession funds, by targeting ad-hoc requests by different national entities that are not covered with the relevant sector support programmes, but extremely relevant in meeting the objective of EU Accession.

The deadline for contracting of funds under the EUIF 2015 expired on 14/11/2019. Out of allocated budget of 4.000.000 EUR, 3.977.261,79 were contracted through 16 projects, which makes 99.43% contracting rate. The decommitted amount is 22.738,21 EUR. The information on the contracts can be found under the Table below.

The EUIF 2017-2018 allocations are also planned, and the following information gives you the state of play.

YEAR	AP 2017	AP 2018
<b>ALLOCATED</b>	3,909,607.00	5,800,000.00
<b>CONTRACTED by 31/12/2019</b>	1,827,926.00	0.00
<b>Waiting for contract approval</b>	0.00	0.00
<b>Under Procurement by 31/12/2019</b>	240,000.00	0.00
<b>PAID</b>	168,415.20	0.00
<b>RAC</b>	2,081,681.00	5,800,000.00
<b>RAL</b>	3,741,191.80	5,800,000.00
<b>Remainig project proposals to be financed with 2017 envelope</b>	1,810,000.00	5,800,000.00

### 2. *Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the Sector planning document)*

Please refer to the different sectors.

### 3. *Coordination with other instruments and/or donors/ IFI's within the sector*

Please refer to the different sectors.

### 4. *The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting*

EUIF is already an established facility that provided ad-hoc assistance for many areas that are not traditionally covered by the established IPA II sectors. The assistance is usually used to support the national institutions in designing policy documents, implementation of strategies and capacity building activities.

## EUIF Summary table

### List of contracted projects under AD 2014

Contract	Status	Title /Contracting party	Nature	Contractor' signature date	End date of activities	Currency	Amount (EUR)	Paid (EUR)	Balance (EUR)	Under preparation
<a href="#">IPA/2016/373-268</a>	CL	Supply of the equipment for the Special Prosecutor's office COMPANY FOR TRADE OF GOODS AND SERVICES SAGA MK DOOEL EXPORT-IMPORT SKOPJE	SUP	26/02/2016	20/05/2017	EUR	19,990.00	19,990.00	0.00	0.00
<a href="#">IPA/2017/380-134</a>	EC	Support for the management of the EU funds BUSINESS AND STRATEGIES IN EUROPE	SER	31/05/2017	30/05/2020	EUR	2,576,900.00	0.00	2,576,900.00	0.00
<a href="#">IPA/2017/383-278</a>	EC	Quality control of produced ortho-photo maps and digitized of agriculture land use layers CARDNO EMERGING MARKETS (UK) LTD	SER	06/03/2017	04/03/2019	EUR	99,790.00	0.00	99,790.00	0.00
<a href="#">IPA/2017/383-878</a>	CL	Migration of old court decisions to the new Web Content Management System COMPANY FOR TRADE OF GOODS AND SERVICES SAGA MK DOOEL EXPORT-IMPORT SKOPJE	SER	17/02/2017	16/09/2017	EUR	30,000.00	30,000.00	0.00	0.00
<a href="#">IPA/2017/384-095</a>	EC	Technical Assistance support for the Deinstitutionalisation process in social sector AGRICONSULTING EUROPE SA	SER	23/03/2017	03/09/2018	EUR	178,740.00	0.00	178,740.00	0.00
<a href="#">IPA/2017/384-799</a>	CL	Revision of the Industrial policy 2009-2020 POHL CONSULTING & ASSOCIATES GMBH	SER	09/05/2017	01/08/2018	EUR	240,579.45	240,579.45	0.00	0.00
<a href="#">IPA/2017/385-896</a>	CL	Supply of Readymade software (of the shelf) - Audit software for statistical sampling and Software for office operations and E-Archive NEKSTSSENS DOO SKOPJE	SUP	17/05/2017	24/07/2017	EUR	20,000.00	20,000.00	0.00	0.00
<a href="#">IPA/2017/385-934</a>	EC	Development and re-engineering of business processes of the new tax integrated IT system DANSK ENERGI MANAGEMENT & ESBENDENAS	SER	12/06/2017	24/01/2019	EUR	297,891.00	0.00	297,891.00	0.00
<a href="#">IPA/2017/386-471</a>	EC	Upgrade of the existing Management Information System with comprehensive monitoring tool ASSECO SEE DOOEL SKOPJE	SER	13/06/2017	16/04/2018	EUR	20,000.00	0.00	20,000.00	0.00
<a href="#">IPA/2017/387-418</a>	EC	Supervision of works for upgrade of the customs clearance and inspection facilities at the road Border Crossing Kjafasan EPTISA SERVICIOS DE INGENIERIA SL	SER	28/07/2017	30/11/2019	EUR	235,900.00	0.00	235,900.00	0.00
<a href="#">IPA/2017/387-664</a>	EC	Support to Parliament in implementation of reforms IBF INTERNATIONAL CONSULTING	SER	16/08/2017	03/09/2019	EUR	280,900.00	0.00	280,900.00	0.00
<a href="#">IPA/2017/387-989</a>	CL	Supply of IT equipment for strengthening the	SUP	14/09/2017	30/01/2018	EUR	229,675.00	229,675.00	0.00	0.00

		capacity of the PRO – Contact Centre/Call Centre LADKANI OFFICE SOLUTIONS SAL								
<a href="#">IPA/2017/389-189</a>	EC	Technical assistance for development of consumer protection policy TRANSTEC	SER	20/11/2017	03/07/2019	EUR	262,344.00	0.00	262,344.00	0.00
<a href="#">IPA/2017/390-728</a>	EC	A Canvas for Innovation: a way forward to strengthening the national innovation ecosystem - feasibility studies TRANSTEC	SER	21/12/2017	21/05/2019	EUR	211,290.00	201,811.67	9,478.33	- 9,478.33
<a href="#">IPA/2017/391-110</a>	EC	Drafting a feasibility study for establishment of science and technology park DAI EUROPE LIMITED	SER	13/12/2017	31/01/2019	EUR	174,380.00	0.00	174,380.00	0.00
<a href="#">IPA/2017/394-397</a>	CL	Obtaining of building permission for the CBC project "New common infrastructure at the border crossing point Beljanovce-Stancic" TAJFA ARCHITEKTI DOOEL UVOZ IZVOZ KUMANOVO	SER	28/12/2017	12/04/2018	EUR	29,350.00	29,350.00	0.00	0.00
<a href="#">IPA/2017/394-673</a>	EC	Legal harmonization and capacity building for market surveillance EVOLUXER SL	SER	26/12/2017	11/07/2019	EUR	438,000.00	0.00	438,000.00	0.00
<a href="#">IPA/2018/394-037</a>	EC	EU Opinion Poll and EU Campaigns Assessment PRIVATE MARKET RESEARCH & POLLING AGENCY GFK SKOPJE DOOEL	SER	06/03/2018	05/01/2019	EUR	18,700.00	0.00	18,700.00	0.00
<a href="#">IPA/2018/398-639</a>	EC	Preparation of Needs Assessment report, Analysis of the existing legal framework and Technical Specification for supply of equipment for Upgrade of the ICT system of the National Coordinative Centre for Border Management (NCCBM) PLANET AE	SER	26/07/2018	15/07/2020	EUR	188,690.00	0.00	188,690.00	0.00
<a href="#">IPA/2018/399-367</a>	EC	Addendum to Technical audit for the road construction project of new motorway section Demir Kapija - Smokvica along Corridor X - Linked to contract 377865 PLANET AE	SER	25/07/2018	09/11/2018	EUR	53,644.00	0.00	53,644.00	0.00
<a href="#">IPA/2018/399-600</a>	EC	TA in the Evaluation of the Call for Proposals: Assessors for the Call for Proposals - IPA 2 Civil Society Facility 2019, Cross Boarder with Albania and European Instrument for Democracy and Human Rights BUSINESS AND STRATEGIES IN EUROPE	SER	21/09/2018	31/12/2020	EUR	149,975.00	0.00	149,975.00	0.00
<a href="#">IPA/2018/399-783</a>	EC	Preparation of Study for sustainable economic development possibilities in the wider Prespa/Prespes Lakes area	SER	07/09/2018	15/02/2019	EUR	87,526.00	0.00	87,526.00	0.00
<a href="#">IPA/2018/400-081</a>	EC	MK 14 IPA FI 01 18 TWL Strengthening the capacities of the system for fight against counterfeiting of EUR	ACT	08/10/2018	30/06/2019	EUR	250,000.00	0.00	250,000.00	0.00

		DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH								
<a href="#">IPA/2018/400-138</a>	EC	MK 14 IPA FI 02 18 TWL Further improvement of internal control system SREDISNJA AGENCIJA ZA FINANCIRANJE I UGOVARANJE PROGRAMA I PROJEKATA EU	ACT	19/09/2018	14/06/2019	EUR	250,000.00	0.00	250,000.00	0.00
<a href="#">IPA/2018/400-324</a>	EC	Functional review of the Ministry for Agriculture, Forestry and Water Economy (MAFWE) INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	ACT	14/09/2018	31/10/2019	EUR	500,000.00	0.00	500,000.00	0.00
<a href="#">IPA/2018/400-493</a>	EC	Enhancing Democracy through promotion and protection of Minority Rights GFA CONSULTING GROUP GMBH	SER	30/10/2018	06/07/2020	EUR	288,090.00	0.00	288,090.00	0.00
<a href="#">IPA/2018/401-009</a>	EC	MK 14 IPA JH 04 18 TWL "Standardization and harmonization according to ISO 17025 standard of the laboratories within the Institute for forensic medicine, criminalistics and medical deontology"	ACT	11/10/2018	13/11/2019	EUR	250,000.00	0.00	250,000.00	0.00
<a href="#">IPA/2018/401-076</a>	EC	MK 14 IPA OT 01 18 "Strengthening of the capacities of the Postal Agency" FUNDACION INTERNACIONAL Y PARA IBEROAMERICA DE ADMINISTRACION Y POLITICAS PUBLICAS	ACT	27/11/2018	02/06/2020	EUR	600,000.00	0.00	600,000.00	0.00
<a href="#">IPA/2018/403-855</a>	EC	Training based upon the 1999 & 2017 FIDIC Conditions of Contracts, the former Yugoslav Republic of Macedonia (MK) ECV CONSULTANCY LIMITED	SER	12/12/2018	30/01/2019	EUR	11,450.00	0.00	11,450.00	0.00

List of contracted projects funded under AD 2015

Contract	Status	Title /Contracting party	Nature	Contractor' signature date	End date of activities	Currency	Amount (EUR)	Paid (EUR)	Balance (EUR)	Under preparation
<a href="#">IPA/2018/395-950</a>	CL	THEMATIC EVALUATION OF EU SUPPORT TO ROMA COMMUNITIES AND ROMA SOCIAL MAPPING DT GLOBAL IDEV EUROPE S.L	SER	30/03/2018	31/07/2019	EUR	114,954.00	114,954.00	0.00	0.00
<a href="#">IPA/2018/395-953</a>	CL	Support to Operating Structures in closure of Operational Programme for Regional Development (2007-2013) and Operational Programme for Human Resource Development (2007-2013) ARS PROGETTI SPA - AMBIENTE RISORSE E SVILUPPO	SER	29/03/2018	11/04/2019	EUR	136,379.90	136,379.90	0.00	0.00
<a href="#">IPA/2018/399-593</a>	EC	Support to the national authorities for effective fulfilment of the conditions stipulated in the financing agreements and audit findings regarding the implementation of IPA II assistance	SER	16/11/2018	02/02/2020	EUR	255,186.00	0.00	255,186.00	0.00

		DT GLOBAL IDEV EUROPE S.L								
<a href="#">IPA/2018/399-662</a>	EC	Analysis of Secondary and Tertiary Healthcare System Effectiveness CONSEIL SANTE	SER	27/09/2018	04/06/2020	EUR	403,280.00	0.00	403,280.00	0.00
<a href="#">IPA/2018/399-970</a>	EC	External independent observers for supply and works tender evaluations in the area of Environment and support to the IPA operating structure during tendering PLANET AE	SER	02/10/2018	31/12/2020	EUR	185,600.00	0.00	185,600.00	0.00
<a href="#">IPA/2019/405-472</a>	EC	Support to Justice Sector Reform NIRAS AS	SER	03/06/2019	09/12/2020	EUR	916,454.00	0.00	916,454.00	0.00
<a href="#">IPA/2019/405-546</a>	EC	Implementation of Business continuity and Disaster Recovery Data System-phase 2 RAMBOLL DANMARK AS	SER	13/05/2019	12/11/2020	EUR	225,200.00	0.00	225,200.00	0.00
<a href="#">IPA/2019/405-962</a>	EC	MK 15 IPA HE 01 18 TWL Harmonisation of the legislation for medicinal products with EU legislation and building capacities for its implementation	ACT	02/04/2019	12/03/2020	EUR	250,000.00	0.00	250,000.00	0.00
<a href="#">IPA/2019/406-368</a>	EC	Preparatory Actions for IPA 2020 Municipal Support Programme BUSINESS AND STRATEGIES IN EUROPE	SER	05/07/2019	25/02/2021	EUR	408,650.00	0.00	408,650.00	0.00
<a href="#">IPA/2019/406-405</a>	EC	Video/audio Service Roma Integration Award 2019 MUNLAJT DOO	SER	03/04/2019	07/04/2019	EUR	1,200.00	1,200.00	0.00	0.00
<a href="#">IPA/2019/406-445</a>	EC	Publication of works procurement notices in local newspapers MEDIA PLAN DOOEL SKOPJE	SER	12/04/2019	11/10/2019	EUR	1,761.00	0.00	1,761.00	0.00
<a href="#">IPA/2019/406-493</a>	EC	EU for You - Outreach to municipalities AGENCY FOR PUBLIC RELATIONS AND COMMUNICATON MANAGEMENT IMAGE PR DOO SKOPJE	SER	16/04/2019	15/12/2019	EUR	19,999.00	0.00	19,999.00	0.00
<a href="#">IPA/2019/407-132</a>	EC	Supervision of the Works Contract "Construction works of the new Forensic Laboratory in Skopje" SAFEGE	SER	21/06/2019	19/05/2022	EUR	196,600.00	0.00	196,600.00	0.00
<a href="#">IPA/2019/408-592</a>	EC	MK 15 IPA FI 01 19 Strengthening the institutional capacity of the National Bank of the Republic of North Macedonia in the process of its accession to the ESCB DEUTSCHE GESELLSCHAFT FUR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	ACT	15/08/2019	14/12/2020	EUR	600,000.00	0.00	600,000.00	0.00
<a href="#">IPA/2019/410-190</a>	EC	MK 15 IPA TR 01 19 TWL Support for participation in the ECAA – European common aviation area HRVATSKA AGENCIJA ZA CIVILNO ZRARDPLOVSTVO	ACT	18/10/2019	10/07/2020	EUR	249,420.89	0.00	249,420.89	0.00
<a href="#">IPA/2019/411-874</a>	EC	Support in translation/interpretation of key	SER	14/11/2019	14/12/2020	EUR	12,577.00	0.00	12,577.00	0.00

		documents linked to IPA programming and EU related activities EUROLINGUA DOOEL UVOZ-IZVOZ								
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#### List of contracted projects under AD 2017

Contract	Status	Title /Contracting party	Nature	Contractor' signature date	End date of activities	Currency	Amount (EUR)	Paid (EUR)	Balance (EUR)	Under preparation
<a href="#">IPA/2019/408-197</a>	EC	Preparation of a Long-Term National ICT Strategy 2020-2025 STANTEC	SER	02/09/2019	01/06/2020	EUR	299,900.00	0.00	299,900.00	0.00
<a href="#">IPA/2019/410-389</a>	EC	Review of forestry sector in North Macedonia and preparation of 2019 IPA project for forestry AGRICONSULTING EUROPE SA	SER	15/11/2019	17/04/2020	EUR	116,176.00	0.00	116,176.00	0.00
<a href="#">IPA/2019/412-001</a>	EC	Technical Assistance for establishing an executive body for road safety in North Macedonia PLANET AE	SER	20/12/2019	19/10/2020	EUR	126,100.00	0.00	126,100.00	0.00
<a href="#">IPA/2019/412-419</a>	EC	Support for the management of the EU funds - extension of contract 380-134 BUSINESS AND STRATEGIES IN EUROPE	SER	29/11/2019	30/06/2022	EUR	1,285,750.00	0.00	1,285,750.00	0.00

## II a. Performance indicators in the sector Democracy and Governance – EUIF

Financing Agreement/ Programme reference <sup>18</sup>	Indicator	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 <sup>19</sup> )	Value (2016)	Value (2017)	Value (2018)	Value (2019)
IPA2014 /037-701.1	Number of projects submitted	EUD	0 (2015)	37	40	40 (2022)	0	15	+15	0	0
IPA2014 /037-701.1	Number of projects supported	EUD	0 (2016)	17	30	30	0	0	0	29	0
IPA2014 /037-701.1	Progress in accession	Commission	0 (2016)	Progress in HLAD	Opening negotiation	Accession (2028)	Progress in HLAD	Progress in HLAD	Progress in HLAD	Progress in HLAD	Progress in HLAD
IPA2014 /037-701.1	Decrease in ex ante rejection	EUD	100 (2016)	85	55	55	0	0	NA	NA	NA
IPA2014 /037-701.1	EU Funds absorption in % (only on EUIF contracted under 2014)	EUD	0 (2016)	25	95	95	0	0	0	99,9%	0
IPA/2015/037-906.01	Public recognition of the EU support	Opinion pool	61 (2014)	70	75	80 (2024)	61	0	NA	NA	NA
IPA/2015/037-	Decrease in the number	Financing	45 (2014)	25	5	5 (2024)	45	0	0	NA	NA

<sup>18</sup> It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

<sup>19</sup> Number of columns to be adjusted for all years from 2014 up to the year of the reporting period. Values should be cumulative.

906.01	of ex ante controls (%)	agreements									
IPA/2015/037-906.01	Major audit findings	Audit reports	5 (2014)	5	5	5 (2026)	5	NA	NA	NA	NA
IPA/2015/037-906.01	IPA II Disbursement rate (only on EUIF contracted under 2015)	Accounting system	0 (2014)	20	45	90 (2026)	0	0	0	24%	75%
IPA/2015/037-906.01	IPA II Contracting rate (only on EUIF contracted under 2015)	Accounting system	0 (2014)	30	70	95 (2024)	0	0	0	NA	99.43%
IPA/2015/037-906.01	Sector strategies implemented	Sector strategy monitoring	0 (2015)	15	40	95 (2026)	0	0	0	NA	5
IPA/2015/037-906.01	Sector performance developed	Sector Reform	0 (2015)	3	7	7 (2020)	0	0	0	0	0
IPA/2015/037-906.01	No of Sector approach developed strategies adopted and under implementation	Sector planning	0 (2014)	3	7	7 (2020)	0	0	0	7	7
IPA 2017/040-200/01.02	Number of project proposals submitted under the EUIF /Number of proposals approved for funding	EUIF Steering Committee reports	28 submitted/13 approved under EUIF 2014	NA	30 submitted /8-10 approved	30 submitted /8-10 approved	0	0	0	0	62/12 (contracting deadline is 2/11/21)
IPA 2017/040-200/01.02	Number of institutions involved in submission of proposals / Number of institutions involved in project implementation	EUIF Steering Committee reports	1	NA	30	120	0	0	0	0	15
IPA 2017/040-200/01.02	Average length of project launch (duration from submission of project proposal until contract signature)	EUIF Steering Committee reports	12 months	NA	3-8 months (depending on the type of contract)	3-8 months (depending on the type of contract)	0	0	0	0	5m
IPA 2017/040-200/01.02	EUIF Funds implementation rate (EUIF Contracting and disbursement rate)	Accounting systems (CRIS/ABAC /MIS)	0.17%	NA	80%	100%	0	0	0	0	46,75% (contracting deadline is 2/11/21)
IPA 2017/040-200/01.02	Percentage of projects completed successfully and results delivered (Number of documents adopted, Number of	EUIF reports/ project reports	1 project (100%) (IT equipment)	NA	70%	100%	0	0	0	0	Project implementation ongoing

	people trained, No of IT tools put in use etc)										
IPA 2017/040-200/01.02	No of people that benefit from the funded actions (segregated data by gender, ethnicity, vulnerability – where possible)	Project reports	5 (3 women, 2 men, no vulnerable groups covered)	NA	At least 120	200	0	0	0		Project implementation ongoing

## Environment and Climate Action

### 1. Involvement in programming

As pointed out in the previous Annual Report, the multiannual Action Programme for Environment and Climate Change for the years 2014-2016 were adopted on the 17.12.2014. The Sectoral Operation Programme for Environment and Climate Action 2014-2020 was amended on 27.06.2018. The programme is implemented through major projects and OIS. The main information for the programming activities in 2019 are summarised in the two tables below.

Title of the Major Projects	Status	Remarks
Rehabilitation and Extension of the Sewerage Network of the Municipality of Kichevo – II phase and supervision activities	Approved	The Bilateral Agreement is under procedure of signature after the submission of Information to the Government.
Construction of wastewater treatment plant and rehabilitation and upgrading of the sewerage system in the Municipality of Bitola and supervision activities	Approved	The Bilateral Agreement is under procedure of signature after the submission of Information to the Government.
Establishment of Integrated and Financially Sustainable Regional Waste Management System in East and North-East Regions and supervision activities	Suspended	MoEPP is revising the IPA application with cooperation of Waste Department and TA experts who should support the IPA structure.
Wastewater investment project in the agglomeration of Tetovo	Suspended	MoEPP is revising the IPA application.

Title of the OIS	Status	Remarks
Preparation of Technical Specifications for Supply of Water Equipment for Municipalities of Radovish, Kichevo, Strumica, Prilep, Berovo, Kumanovo, Bitola and Tetovo	Approved by Delegation of EU on 31/05/2018.	
Supporting the implementation of the regional waste management systems in the East and North-East Regions	Approved by Delegation of EU on 10/05/2018.	
Support in the Implementation of Air Quality Directives and Horizontal Legislation	Approved by Delegation of EU on 04/10/2018. Modified OIS approved by Delegation of EU on 27/12/2019.	The OIS was approved by the Delegation of the European Union on 04.10.2018. However, at the request of one of the final beneficiaries, it has been decided in the OIS to be modified in terms of splitting the previous one contract into two separate contracts. Namely the contract "Support in the Implementation of Air Quality Directives" and "Support in the Implementation of Air Quality Directives and Horizontal Legislation" in order to be able for faster tendering, signature and implementation, taking into account the importance and priority of the contract itself for the environmental sector for the Country. Modified OIS was submitted to SEA on 03.12.2019.
Preparation of project documentation for improvement of Waste water collection and treatment infrastructure and water supply network in the Municipality of Arachinovo	On-going	Revised OIS was submitted to SEA on 23.05.2019 OIS was suspended on 08.07.2019 by Delegation of EU. MoEPP to decide whether to submit revised OIS to SEA/EUD.
Improved Implementation of the EU Floods Directive through Harmonization of National Legislation and Preparation of Flood Risk Management Plans	Approved by Delegation of EU on 13/09/2018	
Further support in the implementation of the reforms in the water sector	Approved by Delegation of EU on 12/04/2019	
Development of Strategic Noise Maps and Action Plans with Programs of Measures	Approved by Delegation of EU on 25/01/2019.	
Support in the implementation of the waste management legislation and extended producer responsibility scheme	Approved by Delegation of EU on 16/04/2019.	
Development and Implementation of Environmental Public Awareness Campaign	On-going	Revised OIS was submitted to SEA on 03.09.2019. Delegation of EU suspended OIS on 06.11.2019. MoEPP is revising the OIS and will submit the revised version of the OIS.

Supporting the IPA Operating Structure in project planning and finance management in environment sector	Approved by Delegation of EU on 24/09/2019.	
Preparation and revision of the National Waste Planning Documents	Approved by Delegation of EU on 26/06/2019.	
Supply of Specific Equipment for Water Monitoring Information System	Approved by Delegation of EU on 24/09/2019.	
Improving capacities for Natura 2000 and CITES	Approved by Delegation of EU on 23/07/2019.	
Supply of IT and Other Specific Equipment for Environmental Monitoring and Information System	Approved by Delegation of EU on 27/06/2019.	
Development and implementation of River Basin Management Plans for all river basins (River Vardar, Crn Drim, Strumica) under the Water Framework Directive with Implementation of Measures	On-going	OIS was submitted to SEA on 19/06/2019. Delegation of EU suspended OIS on 22.07.2019. Revised OIS was submitted to SEA on 01.10.2019. Delegation of EU suspended OIS on 20.11.2019. MoEPP is revising the OIS and will submit the revised version of the OIS.
Technical audit for investment projects in Environment sector	On-going	OIS was submitted to SEA on 06/09/2019.

## 2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)

In the Annex 4 of the report, detailed information about the implementation of the roadmap is presented. In the table below, the achieved targets and the concrete actions that are going to be implemented in order to fully implement the roadmap are summarised.

<b>Strategic Planning</b>	<b>Self-assessment:</b> Less than half of the targets for 2016, 2017, 2018 and 2019 have been reached
<b>Administrative Capacity</b>	<b>Self-assessment:</b> Less than half of the targets for 2017, 2018 and 2019 have been reached, however for the missing ones there is a programme to achieve them
<b>Coordination</b>	<b>Self-assessment:</b> The targets are partially achieved, there is still work to be done to fully achieve them
<b>Performance</b>	<b>Self-assessment:</b> Less than half of the targets for 2017, 2018 and 2019 have been achieved. However, there are programmed activities to achieve them by the end of 2020.
<b>Budget</b>	<b>Self-assessment:</b> Less than half of the target for 2017, 2018 and 2019 have been achieved
<b>Remarks:</b> Working progress according the procurement plan.	

## 3. Coordination with other instruments and/or donors/ IFI's within the sector

The following meetings of the SWGs were organised in 2018:

Date	Number of participants	Discussed topics
19/12/2019	42	The structure of the performance assessment framework and draft indicators for the environment sector.

The following Donors, IFIs, Embassies and CSOs were present at these meetings;

Donors	IFIs	Embassies	CSOs
UNDP		Swiss Embassy	Eko-Svet
		EU Delegation	ENV-net
		Swedish Embassy	ORT-net
		Bulgarian Embassy	Mileukontakt
		French Embassy	

In the NATURA sector, the following programmes financed by the donors are under implementation:

Donors	Value of the support	Addressed issues	Implementation period
GEF	3,360,731 US \$	“Achieving Biodiversity Conservation through Creation and Effective Management of Protected Areas and Mainstreaming Biodiversity into Land Use Planning.	2016 - 2020
SECO	3,798,402 CHF	Programme for Nature Protection in North Macedonia (phase II)	2017 - 2020

In the WATER sector, the following programmes financed by the donors are under implementation:

Donors	Value of the support	Addressed issues	Implementation period
SECO	23,069.000 CHF	Construction of the WWTP and the collector system in the Municipality of Kocani	2014 - 2019
SECO	7.254.000 CHF	Construction of WWTP for the Municipality of Delcevo, extension and rehabilitation of water supply system	2018 - 2021
GEF, UNDP, UNECE	4.500.000 EUR	Integrated management of the expanded Drim River Basin	2015-2019
SDC	300.000 CHF + 100.000 CHF (register of GW)	RBMP for Strumica and Register of GW	2016-2019
WBIF	351,750 EUR	Technical support for the PIU within PE Vodovod and Kanalizacija Skopje (related to the project for Construction of WWTP in the city of Skopje/Skopje)	2019 - 2020
FASEP, France	197.863 EUR	Assistant to the city of Skopje related to organizing the tender phase	December 2017 - December 2020

At present, in the WATER sector, the following loans financed by the IFIs are under implementation:

IFI	Value of the support	Addressed issues	Implementation period
EBRD	58.000.000 EUR	Construction of WWTP for the City of Skopje	12 – 2019 – 12.2026
EIB	68.000.000 EUR	Construction of WWTP for the City of Skopje	12 – 2019 – 12.2026

In the AIR Quality sector, the following programmes financed by the Donors are under implementation:

Donor	Value of the support	Addressed issues	Implementation period
SIDA	453.920 EUR	Repair and replacement instruments in strategic monitoring stations (5 stations)	2019 - 2021
IAEA	235.990 EUR	Strengthening capacity at the central level for reduction of solid particles in the air through use of nuclear technology	03.2020-12.2021
IPA-CBC North Macedonia-Greece	969.331 EUR (332.340 EUR-MoEPP)	Transboundary air pollution health index development and implementation	03.08.2018-03.08.2020

In the sector Environment and Climate Change, the following programmes financed by the Donors are under implementation:

Donor	Value of the support	Addressed issues	Implementation period
GEF (grant)	852,000 USD	Macedonia's Fourth National Communication (4th NC) and Third Biennial Update Report (3rd BUR) on Climate Change under the UNFCCC. The goal of the project is to assist the country in mainstreaming and integration of climate change consideration into national and sectorial development policies by providing continuity to the institutional and technical capacity strengthening process.	Sep 2018 - August 2022
GEF (grant)	1,320,000 USD	Strengthening institutional and technical North Macedonian capacities to enhance transparency in the framework of the Paris Agreement"	Apr. 2019 – Apr.2022

#### 4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting

The IPA II has an impact in the sector either through the implementation of Action Programmes or through the implementation of TA projects or through the cooperation between the National Authorities and the Institutions of the European Union. Considering that it is not always possible to separate impacts according to the years, in the table below, the main improvements on the functioning of the sector are presented.

Strategic Planning:
<b>Administrative Capacity:</b> The functional review of the Ministry of Environment and Physical Planning, as well as sectoral road map and indicators were prepared with assistance of the on-going project "Support for the management of the EU funds" mainly implemented through Secretariat for European Affairs. Technical assistance has been provided through the EUD centralized framework contract "External independent observers for supply and works tender evaluations in the area of Environment and support to the IPA operating structure during tendering".
<b>Performance:</b> Indicators for the sector were developed.
<b>Budget:</b>

### Under indirect management by RoM:

#### **5. OS(s) in place and related changes, if relevant:**

Operational Agreement for Sector Operation Programme for Environment and Climate Action was signed by NIPAC, HOS and IPA Coordinator, no. 21-2655/3 on the 26.05.2017. New Systematization Act of Ministry for Environment and Physical Planning was taken in May 2017. IPA operational structure is part of the Department for EU and two project's implementation unites, one PIU for Prilep infrastructure projects and one Project Implementation Unit for Infrastructure Projects (PIUIPs) within MoEPP for implementation of infrastructure projects funded by IPA.

Operating structure within the Ministry of Environment and Physical Planning includes eleven (11) employees from which the designated IPA coordinator that is Head of Coordination and Technical Implementation of IPA; Advisor for technical monitoring of implementation in the framework of the Instrument for Pre-Accession Assistance (IPA) that is performing duties of Head of Unit for Programming and Monitoring of Implementation in the framework of the Instrument for Pre-Accession Assistance (IPA) and nine (9) employees on positions of advisors, junior and senior associates.

#### **6. Information on the implementation of Action programmes under indirect management in the sector**

In order to update the dates of different stages of the procurement procedure and some other minor changes in titles, types and values of the projects, IPA II Procurement Plan has been revised and adopted by CFCD on 11/01/2019 and 22/08/2019.

#### **Published Prior Information Notices**

- Supervision of the works contract for Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Bitola (18/02/2019)
- Development of Strategic Noise Maps and Action Plans with Programs of Measures (27/02/2019)
- Supervision of Works Contract for Closure of Non-compliance Landfills and Dumpsites in East and North-East regions - First Phase (07/05/2019)
- Further Support in the Implementation of the Reforms in the Water Sector (27/05/2019)
- Supporting the implementation of the regional waste management systems in the East and North-East Regions (08/07/2019)
- Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Bitola (09/08/2019)
- Improving capacities for Natura 2000 and CITES (13/08/2019)
- Supply of IT and other specific equipment for Environmental Monitoring and Information System (29/08/2019)
- Supporting the IPA Operating Structure in Project Planning and Finance Management in Environment Sector(21/10/2019)
- Supply of Specific Equipment for Water Monitoring Information System (20/11/2019)
- Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Tetovo (republished 22/11/2019)
- Establishment of Integrated and Self Sustainable Waste Management System in East and North-East Regions (republished 25/11/2019)
- Support in establishing Regional Waste Management System - Supply of equipment for waste collection in East and North-East Regions, Phase I (23/12/2019)

#### **Published Contract Notices**

- Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Bitola (11/11/2019)
- Supervision of Works Contract for Closure of Non-compliance Landfills and Dumpsites in East and North-East regions - First Phase (16/09/2019)
- Supporting the implementation of the regional waste management systems in the East and North-East Regions (07/08/2019)
- Improved Implementation of the EU Floods Directive through Harmonization of National Legislation and Preparation of Flood Risk Management Plans (05/08/2019)
- Supervision of the works contract for Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Tetovo (19/08/2019)

- Supervision of Works Contract for Establishment of Integrated and Self Sustainable Waste Management System in East and North-East Regions (14/06/2019)
- Closure of Non-compliance Landfills and Dumpsites in East and North-East (24/06/2019)
- Rehabilitation and Extension of Sewerage Network in the Municipality of Kichevo (05/06/2019)
- Support in establishing Regional Waste Management System - Supply of equipment and vehicles for waste collection in East and North-East Regions, Phase I (23/04/2019)

### **Evaluation procedures**

- Supporting the implementation of the regional waste management systems in the East and North-East Regions
- Supervision of the implementation of the works contracts for Rehabilitation and Extension of Sewerage Network in the Municipality of Kichevo
- Supervision of Works Contract for Closure of Non-compliance Landfills and Dumpsites in East and North-East regions - First Phase
- Supervision of the works contract for Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Bitola
- Supervision of the works contract for Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Tetovo
- Improved Implementation of the EU Floods Directive through Harmonization of National Legislation and Preparation of Flood Risk Management Plans
- Supervision of Works Contract for Establishment of Integrated and Self Sustainable Waste Management System in East and North-East Regions
- Support in establishing Regional Waste Management System - Supply of equipment and vehicles for waste collection in East and North-East Regions, Phase I
- Closure of Non-compliance Landfills and Dumpsites in East and North-East
- Rehabilitation and Extension of Sewerage Network in the Municipality of Kichevo

### **Tender documentation prepared and under procedure of approval**

- Development of Strategic Noise Maps and Action Plans with Programs of Measures
- Further Support in the Implementation of the Reforms in the Water Sector
- Improving capacities for Natura 2000 and CITES
- Supply of IT and other specific equipment for Environmental Monitoring and Information System
- Supporting the IPA Operating Structure in Project Planning and Finance Management in Environment Sector
- Supply of Specific Equipment for Water Monitoring Information System
- Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Tetovo
- Establishment of Integrated and Self Sustainable Waste Management System in East and North-East Regions
- Support in establishing Regional Waste Management System - Supply of equipment for waste collection in East and North-East Regions, Phase I
- Supply of Office and Technical Equipment and ICT software for the OP Structure of MoEPP for the implementation of the SOPECA 2014-2020
- Support in the implementation of the waste management legislation and extended producer responsibility scheme
- Preparation and revision of the National Waste Planning documents
- Support and preparation of necessary documentation for Supply of Water Equipment for Municipalities of Radovish, Kichevo, Strumica, Bitola, Tetovo, Berovo, Kumanovo and Prilep

### **7. Main achievements in the sector**

The main achievements in the sector that are connected to the implementation of projects under indirect management are presented in the table below. In this table there are two categories of projects, the projects that are already completed and the projects that are under implementation but have already achieved significant results.

<b>Contract title</b>	<b>Status</b>	<b>Expected result</b>	<b>Achieved result</b>	<b>Remarks</b>
Supervision of the	On-going	To improve city wastewater collection infrastructure in	-Work Plan for supervision (Inception phase) (prepared);	There has been a delay in the

implementation of the works contract for Improvement of the Wastewater Collection Infrastructure in the City of Skopje		compliance with the directive 91/271/EEC through supervision of construction of 3 sections of waste water collection system.	- Manual for supervision (Inception phase) (prepared); - Inspection reports during the Implementation period prepared; - Construction works supervision and checking in accordance with FIDIC Conditions of contract; - Verification and checking of all necessary documents prepared by the Contractor - Inception Report - First (6 months) Interim Report - Second (6 months) Interim Report - Third (6 months) Interim Report	project activities due to the delay of the works contract activities i.e. construction activities.
Improvement of the Wastewater Collection Infrastructure in the City of Skopje	On-going	To improve city wastewater collection infrastructure in compliance with the directive 91/271/EEC through construction of the wastewater collection infrastructure (3 Sections).	At the end of November 2019 (last Monthly Brief received up to date, time elapsed is 39,6% (289 days of 730 in total). Certified laid pipes 2079 m. IPC no.1 in amount of 814.470,5 EUR (executed works) has been paid. IPC No.2 in amount of 704.469,31 EUR (executed works) has been paid. IPC No.3 in amount of 614.207,88 EUR (executed works) has been paid. IPC No.4 in amount of 469.327,24 EUR (executed works) has been paid. IPC No.5 in amount of 298.867,37 EUR (executed works) has been paid. Addendum no.1 for reducing the minimum amount of IPC signed on 26.06.2019.	There is a delay in implementation of the project.
Development of Environmental Monitoring and Information System	On-going	To strengthen capacities for monitoring, data collection, data management and reporting through establishment of national environmental information system and monitoring network structure.	The Contract was signed on 10.03.2019 with Contractor Particip GmbH in consortium with Asseco SEE DOOEL (MK). Addendum No.1 regarding replacement of KE 1: Team Leader was sent to EUD on 06.09.2019 and was approved on 30.09.2019. The implementation of this Contract (Contract No. 12-1486/1) has been started. Amount paid as of November 2019: EUR 273.810. In the reporting period there are submitted Inception Report and Interim Report. Also, in the reporting period were submitted the proposals for non-key experts.	
Preparation of Long-term Strategy and Law on Climate Action	On-going	To support the Country in achieving the long-term goals of climate action: full transposition/implementation of the EU acquis, achieving a low emissions and climate resilient development	The Contract was signed on 15.02.2019 with Contractor GFA Consulting Group GmbH. The implementation of this Contract (Contract No. 12-530/1) has been started. Amount paid as of November 2019: EUR 459.921,6. In the reporting period there are submitted Inception Report and draft of different assessment reports.	A request for extension has been sent to CFCD and it is under procedure of assessment.

## 8. Recommendations for further actions

The main recommendations according to the last Monitoring Committee held on the 21.05.2019 are as follows:

- (1) MoEPP to submit the IPA application for Tetovo and Waste management system in East and North East regions.
- (2) MoEPP to resolve all the pending issues with regards the conditionalities for the infrastructure projects.
- (3) The Operating structure to decide if the contract with the Skopje collection project will be terminated.

## Operational conclusions (EU Delegation)

- (1) In the sector of environment there are serious delays in the tender procedures for a lot of projects. Priority shall be given to the contracting of the major projects in the coming period. Deadline for submission of IPA application and tender dossiers for Tetovo and Waste Management in Northeast and East Region is [to be agreed with MoEPP].
- (2) The national authorities at all managerial levels should take actions to rapidly strengthen its capacity to generate, implement and monitor projects by solving the issues with lack of: sufficient staff, sufficient political commitment, adequate level of accountability in decision making process and proper staff retention policy. This point shall be part of the monthly meetings and the pre-conditions for approval of projects will

increasingly introduce human resources commitment.

- (3) The national authorities will take urgent and constructive measures to re-vive the sector coordination dynamics and ensure that the established sector working groups operate smoothly and effectively.
- (4) MoEPP will make sure that the municipal authorities of Northeast and East Region to accelerate the process for establishing a regional communal enterprise for waste management, and in particular to enable fully operational waste management bodies.
- (5) The national authorities shall commit on additional works for the access road to the waste management centre in Sveti Nikole.

## II a. Performance indicators in the Environment and Climate Action sector covering both direct and indirect management

### Indicators<sup>20</sup> per programme

Financing Agreement/Programme reference <sup>21</sup>	Indicator for sector Environment and Climate Action	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 <sup>22</sup> )	Value (2015)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
CSP indicator	Quality of energy supply (WEF) 1 = Not reliable and 7 = Fully Reliable	World Economic Forum	4.60 (2010)				4.95	4.90			No longer available for MK	No longer available for MK
IPA/2014/037702.3	2. No of pilot measures for sustainable use of natural resources prepared.	IPA Report	0 (2015)	0	20	20 (2025)	0	0	0	0	Circa 20 under finalisation	20 under finalisation (in may 2020)
IPA/2014/037702.3	1. No of pilot measures for climate change and energy efficiency prepared.	IPA Report	0 (2015)	0	20	20 (2025)	0	0	0	0	0	0
IPA/2014/037702.1	9. Completion of sector based approach conditions/framework	EUD Regular assessment	0 (2014)	80	100	100 (2020)					In time	In time
IPA/2014/037702.1	8. Availability of information to public, decision making and reporting	European Institutions	Basic (2015)	Advancing	Advanced	Very Advanced (2025)	Basic	Basic	Good	Good	Good	Good
IPA/2014/037702.1	7. Institutions responsible for approximation of environmental legislation in priority areas capable to undertake approximation tasks	EU Progress report	Early stage (2015)	Early stage	Advanced	Very Advanced (2025)	Early stage	Early stage	Early stage	Improved but still at early stagy	Improved but still at early stagy	Improved but still at early stagy
IPA/2014/037702.1	6. Completion of environmental statistics framework	SSO	20 (2015)	20	80	80 (2022)	20	20	20	20	20	20
IPA/2014/037702.1	5. % of actions completed/implemented in the strategic framework	Ministry of Environment	0 (2015)	10	80	80 (2025)	10	13	15	20	20	
IPA/2014/037702.1	4. % of natura 2000 territories identified	MoEPP Report	0 (2010)	25	70	70 (2025)	0	0	9,39 %	9,39 %	9,39 %	9,39 %
IPA/2014/037702.1	3. Number of laws, by-laws and implementing acts in compliance with EU legislation developed (new or amended)	MoEPP	0 (2010)	126	200	200 (2025)	24	28	32	36	36	36 till 2018 plus 10 under development

20 These should be mostly outcome, as well as selected relevant output indicators

21 It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

22 Number of columns to be adjusted for all years from 2014 up to the year of the reporting period. Values should be cumulative.

Financing Agreement/Programme reference <sup>21</sup>	Indicator for sector Environment and Climate Action	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 <sup>22</sup> )	Value (2015)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
IPA/2014/037702.1	2. Number of planning documents developed	MoEEP	0 (2010)	8	13	13 (2025)	2	2	4	8	8	
IPA/2014/037702.1	1. Level of transposition of environmental legislation	EC	69 (2014)	70	85	85 (2025)	69	69	69	69	69	69
IPA/2014/037702.2	6. Number of new constructed landfills in East and North-East Regions	MoEPP	0 (2012)	0	1	1 (2025)	0	0	0	0	0	0
IPA/2014/037702.2	5. Km rehabilitated and extended of sewerage network	MoEPP and PUC	0 (2012)	69	96	96 (2025)	0	0	0	0	0	4,7
IPA/2014/037702.2	4. WWTPs meeting the EC required criteria constructed	MoEPP and PUC	0 (2012)	0	0	2 (2025)	0	0	0	0		0
IPA/2014/037702.2	3. % of household served with waste collection service	MoEPP and SSO	70 (2012)	70	80	85 (2025)				0	0	0
IPA/2014/037702.2	2. % of households connected to the wastewater treatment plants for agglomerations above 10 000 p.e.	MoEPP and SSO	12.5 (2012)	24.5	31	25 (2025)				15% (including WWTPs in Strumica and Gevgelija)	15% (including WWTPs in Strumica and Gevgelija)	> 15% (including Kocani)
IPA/2014/037702.2	1. % of household connected to sewerage systems	MoEPP and SSO	65 (2012)	70.8	75	80 (2025)	65	65				0

## Transport

### 1. Involvement in programming

As pointed out in the previous Annual Report, the multiannual Action Programme for the Republic of Macedonia for the year 2014 - 2016 was adopted on the 17.12.2014. The programme was amended on 29.11.2017. The programming in the sector transport was done in close coordination with all the relevant sector institutions: Public enterprise for state roads, Public Enterprise Macedonian railways Infrastructure, Macedonian Railways Transport Ltd and also with the CFCD (Ministry of Finance). All the relevant stakeholders were also a part of the Sector working group.

The programme is implemented through major projects (with a value above 10 mil EURO) submitted for approval through IPA applications and other projects with a value below this amount (submitted for approval through OIS). The main information for the programming activities in 2019 are summarised in the two tables below.

Title of the Major Projects	Status	Remarks
Construction of road section Gradsko – Interchange Drenovo as part of road Corridor X-d,	Approved	Works Contract No. 12-4986/1 with TirrenaScavi S.p.A., Italy signed on 21.09.2017 and under implementation
Supervision of the Construction of road section Gradsko – Interchange Drenovo as part of road Corridor X-d,	Approved	Service Contract No. 12-5554/1 with Egis International, in consortium with Egis d.o.o. Beograd - Stari Grad and Hill International N.V., France signed on 02.10.2017 and under implementation

In 2019, five OISs were approved by the EUD, in addition, one more OISs was prepared, but it is still under consultation and approval of the EUD.

Title of the OIS	Remarks
Rehabilitation of State road A2 Kumanovo – Stracin, section I (km.0+000 – km.15+195) -	Approved by EUD 23.01.2019
City of Skopje Sustainable Urban Mobility Plan	Approved by EUD 23.01.2019
Preparation of a National Aviation Development Strategy 2021-2030	Approved by EUD 20.05.2019
Replacement of guardrails according to EN standards on motorway on Corridor 10 on identified priority sections	Approved by EUD 26.07.2019
Preparation of design documentation and implementation of measures for improvement of road safety	Approved by EUD 27.12.2019

According to the Country Strategy Paper for IPA II for 2019, the available amount for Transport in 2019 was EUR 40.049.177.

### 2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)

In the Annex 4 of the report, detailed information about the implementation of the roadmap are presented. In the table below, the achieved targets and the concrete actions that are going to be implemented in order to fully implement the roadmap are summarised.

<b>Strategic Planning</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached
<b>Administrative Capacity</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached
<b>Coordination</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached
<b>Performance</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached
<b>Budget</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached
<p><b>Remarks:</b> The commitment for the Sector Approach is good and is confirmed with the adoption of the National Transport strategy 2018-2030 adopted in December 2018 and the functioning of well-structured institutional set-up, among other the Sector Working Group for Transport.</p> <p><b>Administrative capacity:</b> On the 15th meeting of the Subcommittee on Transport, Environment, Energy, and Regional Development held in March 2019 between the European Union and the Republic of North Macedonia joint conclusions were agreed. Two of them are related to the new National transport strategy 2018-2030 specifically addressing the administrative capacity:</p> <p>1. The Commission recommended to the national authorities that drafting of strategies and legislation need to be accompanied by a proper stakeholders' consultation, by the allocation of resources adequate to the objectives of the strategy, to favour quality over speed, to improve data collection statistics and to ensure a monitoring mechanism for the implementation of the strategy.</p>	

2. Adequate staffing will be ensured for the implementation of the National Transport Strategy 2018-30 and keep the Commission regularly informed once a year.

SOPT management capacity regarding the existing OS/ sector for EU staff needs improvement in terms of trainings and retention policy, as well engagement of new staff according to the WLA (Work Load Analysis) and the Recruitment plan. Coordination mechanism is good, tasks and responsibilities are clear per Ministerial decision, and rules of procedures are drafted. However, the motivation and feedback of the SWGT members is below expectation.

Administrative capacity: Based on lessons learned, the NTS 2018-2030 foresees transparent institutional settings for the NTS interventions (incl. those under the SOPT) monitoring and reporting.

Coordination:

Within the NTS 2018-2030, more accurately within the Monitoring and evaluation chapter, an online data platform (IT application tool) is foreseen to be created. This tool will automatically collect, systematise and produce a Report, which will be used for the regular progress reporting of the strategy.

Innovative management tools, to improve motivation of SMC members, needs to be explored.

All other targets formulated under the Road map were met.

### 3. *Coordination with other instruments and/or donors/ IFI's within the sector*

As per the guidelines of the NIPAC, the Ministry of Transport and Communications for the meeting on May 11th, 2018 invited the donors (IFIs) involved in the sector transport (World Bank, EBRD, KfW, USAID). The representatives of donors are included and regularly invited to the meetings. The World Bank and the EBRD were also consulted in the process for preparation of the National Transport Strategy 2018-2030, were also invited to the event for public consultation for the new Transport strategy 2018-2030 and were present to the meeting of the SWG themed for the strategies' indicators.

The following meetings of the SWGs were organised in 2019:

Date	Number of participants	Discussed topics
September 26 <sup>th</sup> 2019	35	Presentation, review and adoption of the draft sector indicators - determining the status of the indicators and identifying the need for their amendment (locating of responsible person/institution for the indicators)

The following donors, IFIs, Embassies and CSOs were present at these meetings;

Donors	IFIs	Embassies	CSOs
EU Delegation	EBRD	/	/
WBIF	World Bank	/	/

In the sector Transport, the following programmes financed by the donors are under implementation:

Donor	Value of the support	Addressed issues	Implementation period
European Union (IPA)	109 mil EURO	Rail transport infrastructure, Road transport infrastructure, Horizontal assistance in the transport sector	2014-2020

At present, in the sector Transport the following loans financed by the IFIs are under implementation:

IFI	Value of the support	Addressed issues	Implementation period
World Bank	135 mil EURO	Modernization of the road network infrastructure in the Republic of Macedonia	2014-2023
EBRD	275 mil EURO	Modernization of the road network infrastructure in the Republic of Macedonia	2014-2023
EXIM Bank	580 mil EURO	Construction of motorways	2014-2021

### 4. *The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting*

The IPA II has an impact in the sector either through the implementation of Action Programmes or through the implementation of TA projects or through the cooperation between the National Authorities and the Institutions of the European Union. Considering that it is not always possible to separate impacts according to the years, in the table below, the main improvements on the functioning of the sector are presented.

**Strategic Planning:** With a GoRM decision, NTS 2018-2030 was adopted in December 2018.

The first report to the Government is due in March 2020.

**Administrative Capacity:** Additional measures were formulated under the NTS 2018-2030 aiming to improve monitoring and assessment capacity and in order to strengthen the NTS 2018-2030 monitoring.

**Performance:** Under IPA 2014-EU Integration Facility “Support for the Management of the EU funds Project”, in cooperation with the EU department in the MoTC indicators for the Performance Assessment Framework (PAF) were developed to back up the new NTS 2018-2030 including targets and milestones, information sources and data collection procedures (incl. actors, roles and responsibilities and frequency/deadlines)

**Budget:** Multi annual budget plan updated (and implemented) for 2019,

The Procurement plan 2014-2020 is based on the approved IPA funds for the period 2014- 2019.

The procurement plan was revised in January 2019 and in December 2019 according to the latest developments in the programming of the projects and allocation of funds.

### Under indirect management by RoM:

#### **5. OS(s) in place and related changes, if relevant:**

The sector structure includes all the relevant institutions in the sector transport: the Ministry of Transport and Communications as a lead coordinating institution, the CFCD as a contracting authority and head of operating structure, the NIPAC office, the Public enterprise for state roads, Public Enterprise Macedonian railways Infrastructure, Macedonian Railways Transport Ltd as final beneficiaries of the projects implemented under IPA II. Operational Agreement was signed between NIPAC, HOS, IPA Coordinator and PIU coordinator.

Workload analysis is prepared annually for a three-year period for the IPA structure in the Ministry of Transport and Communications. According to the latest IPA WLA for 2020 it is indicated that additional 3 employments are necessary (2 in the programming unit and 1 in the monitoring unit). Bearing in mind the fact that 2 (two) employees within the IPA Monitoring Unit left working posts on 01.11.2019 and 23.12.2019 respectively the WLA for 2020 needs to be revised.

According to the **EC Annual Progress Report for Republic of Macedonia, 2019**, where for chapter 14 (Transport Policy) and chapter 21 (TENs) stresses that an increased political commitment is required to deliver on necessary sectoral reforms. The administrative and operational capacity for all modes of transport also needs to be strengthened. The country should in particular strengthen the operational and administrative capacity of the inspection bodies and develop the enforcement capacity to reduce fatalities along road and rail infrastructure. Implement the connectivity reform measures on rail, open the rail transport market at least for domestic and regional undertakings and set up a national system to continuously collect data on road crashes. Adopt legislation on intelligent transport systems and combined transport and make further efforts to produce a strategic framework for implementing the systems and the core networks.

The need for **strengthening institutional capacity** is stressed all over the report. Regarding TEN, a further strengthen the operational and technical capacity of all management and stakeholder institutions dealing with the development of Trans European T and Trans European E networks are noted. Also, the need to mobilise sufficient resources to implement the Transport Community Treaty is emphasized. The harmonisation of the legal framework with the Trans European Network Regulation is necessary. In the Chapter 22: Regional policy and coordination of structural instruments the following was found: To upgrade the administrative capacity across the Instrument for Pre-Accession (IPA) management structure and improve the dynamics in the contracting and implementation of the EU-funded projects, particularly in the areas of transport and environment;

Currently in the Ministry of Transport and Communications, Department for EU there are IPA programming and project preparation unit and IPA Monitoring unit, which currently count 6 (six) employees and according to the WLA for 2019 the optimal number of employees is 9 (nine). The WLA showed that 3 (three) additional employments are needed: 1 (one) in the unit for monitoring of contracts and 2 (two) in the unit for project preparation. Bearing in mind the fact that 2 (two) employees within the IPA Monitoring Unit left working posts on 01.11.2019 and 23.12.2019 respectively the WLA for 2020 needs to be revised.

However, in order to strengthen the administrative, operational and technical capacity, the stakeholders will need to decide on new jobs, new trainings and new staffing in other units as well, which are of paramount importance<sup>23</sup>. The EC progress reports, and the SAA subcommittee conclusions also state that

<sup>23</sup>General level note remains on strengthening the administrative capacities of the negotiating structure of the administration for the needs of the entire negotiation process. Therefore, the Unit for negotiation and integration in the MoTC as responsible unit for both Chapters for the implementation of the EU acquis, should increase its capacity. This remark among other things also applies to the administrative, operational and technical capacity of the unit to manage Trans-European networks as one of the drivers of EU integration.

it is necessary to “Mobilize sufficient resources for the implementation of the Transport Community Treaty”. It must be stressed that in order for all of this to be effective, the so far non-existing retention policy needs to be building up. This especially is essential in this sector considering the experience needed and the length of a single project considered not ignoring the length of a single programme or a strategy on which all falls onto.

More specifically, the MoTC should focus to capacity building (mobilization of resources and administrative capacities) for monitoring the implementation of the agreement that will cooperate with the bodies of the Transport Community. The ministry should already have the administrative capacity in order to cope with the huge number of obligations to be fulfilled, that will arise prior and after the assessment mission envisaged in the protocol of this treaty. Having in mind the aforementioned, a quick intervention from the aspect of building administrative capacities is needed also to ensure proper National Transport Strategy 2018-2030 monitoring and implementation.

#### ***6. Information on the implementation of Action programmes under indirect management in the sector***

The procurement plan was adopted on January 8<sup>th</sup>, 2016. The last revision of the procurement plan was conducted in 2019 and the amendments were adopted on January 11<sup>th</sup>, 2019 and on December 27<sup>th</sup>, 2019.

Under IPA II until now, there are three priority actions financed in the sector transport: (i) rail transport infrastructure, (ii) road transport infrastructure and (iii) horizontal sector assistance. Until now there have been activities implemented for the following projects:

##### **- Priority action 1 Rail transport infrastructure**

- Construction of rail section from KrivaPalanka - Border with Republic of Bulgaria – Draft IPA application for Major project is prepared in cooperation with JASPERS and is in the process of finalization by the PE Macedonian Railways Infrastructure

##### **- Priority action 2 Road transport infrastructure**

- Construction of road section Gradsko – Interchange Drenovo as part of road Corridor X-d, works Contract No. 12-4986/1 with TirrenaScavi S.p.A., Italy signed on 21.09.2017
- Supervision of the Construction of road section Gradsko – Interchange Drenovo as part of road Corridor X-d, service contract Contract No. 12-5554/1 with Egis International, in consortium with Egis d.o.o. Beograd - Stari Grad and Hill International N.V., France signed on 16.10.2017
- Rehabilitation of State road A2, section Kumanovo – Stracin (phase 1) – OIS was approved on 23.01.2019. Tender procedure launched for the service contract for supervision and for the works contract for rehabilitation.
- Construction of new expressway from Prilep – bridge on Lenishka river and Construction of third lane of road section from village Belovodica – Mavrovo quarry – Tender for the service contract for supervision was launched. The tender dossier for the works contract is under amendment due to the changes in the detailed design.
- Replacement of guardrails according to EN standards on 100 km motorways on Corridor 10 – OIS was approved on – OIS was approved on 26.07.2019.
- Supply and installation for signalization of the railway level crossings - Operation Identification Sheet approved on 29.08.2018. No progress in terms of reply from PEMRI.

##### **- Priority action 3 Horizontal assistance**

- Preparation of project documentation for multimodal node Trubarevo – Contract notice published on 27.12.2019.
- Technical audit for the Major project Construction of road section Gradsko – Interchange Drenovo as part of road Corridor X-d - Tender dossier was submitted to the CFCD on 22.02.2019. Activities for short-listing of three companies were conducted by the PESR.
- City of Skopje Sustainable Urban Mobility Plan- Operation Identification Sheet approved on 23.01.2019. Tender dossier was finalized after several consultations with the EUD, CFCD,

JASPERS, MoTC and the City of Skopje. The latest version was submitted to the CFCD on 13.12.2019.

- Development of Implementation plan under the National Transport Strategy 2018-2030 with system, tools and capacity for its monitoring – OIS is under preparation and in a phase of consultation with JASPERS.
- Preparation of National aviation strategy 2021-2030 – OIS was approved on 20.05.2019. Draft tender dossier is prepared. On-going activities for short-listing of three companies.
- Preparation of design documentation and implementation of measures for improvement of road safety – OIS was approved on 27.12.2019.

#### **7. *Main achievements in the sector***

So far, it is not possible to report on any substantial achievements of the IPA II actions within the sector. Because of the nature of the transport infrastructure projects whose implementation is multi-annual, the social and economic impact could be measured only after road and railway infrastructure is put into operation.. However, the main achievements in the sector are related not only to the implementation of still ongoing major projects under indirect management. Progress has been made also in the area of road safety with the Ministerial Decision for formation of a Working group for formation of an executive body for road safety. Additionally, an application to the CONNECTA instrument (engaged by DG NEAR) for technical assistance for establishing of the executive road safety body was submitted. However, the application was rejected i.e. technical assistance was not approved under the CONNECTA instrument. There was no official notification for the rejection and no argument as to why the application is rejected.

The Ministry of Transport and Communications submitted an application to the EUIF instrument, that was approved and the selection procedure was launched in November 2019. It is expected that the contract will start by the end of January 2020 with an envisaged duration of 9 months. By the end of 2020 or beginning of 2021, the executive body will be established and functioning.

Apart from IPA II, but as a result of the commutative effect of the called “soft” interventions successfully implemented by the partners, as traffic control and public awareness campaigns for road traffic safety increased, the number of accidents with casualties in 2019 was decreased <sup>24</sup>.

#### **8. *Recommendations for further actions***

The main recommendations according to the SWGT held on September 26th, 2019 was: the attendees are invited to propose indicators that they consider should be part of the Performance Assessment Framework after which the final list will be completed. Additionally, an annual revision of the Single project pipeline has to be conducted until mid October as well and the institutions have to start the activities in due time taking into account the guidelines submitted by the SEA.

4 (fourth) IPA Monitoring Committee Meeting was held on 22 March 2019 (No official minutes of meeting were provided by SEA). IPA II Sector Monitoring Committee meeting on Transport and Environment was held on 21 May 2019 (No official minutes of meetings were provided by SEA).

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<sup>24</sup>From the analyzes of the number of accidents with casualties, 2018 recorded a decrease of 17.52%, as well as a decrease in the number of persons killed by 16.77%, ie in road accidents in 2018, the life was lost by 129 people, which is 26 persons less comparable to 2017.

## II a. Performance indicators in the Transport sector covering both direct and indirect management

### Indicators per programme

Financing Agreement/Programme reference <sup>25</sup>	Indicator for sector Transport	Source	Baseline	Milestone (2018)	Target (2020)	Final target (Year)	Value (2014)	Value (2015)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
CSP Indicator	Logistic Performance Indicator 1 = worst and 5 = best	World Bank	2.56 (2012)				2.50		2.51		2.62	
IPA/2014/037702.6 SOPT 2014-2020	1. Length (km) of rail infrastructure reconstructed/rehabilitated/constructed along SEETO Comprehensive Network with IPA II funds	Ministry of Transport	0 (2017)	0	23	23 (2025)	0	0	0	0	0	0
	2. Goods transported (thousands of tons) on annual basis by 2022 on C-VIII	SSO	0 (2015)	0	250000	500000 (2025)	0	0	0		0	0
IPA/2014/037702.6 SOPT 2014-2020	Secured level crossings according to international standards and best practices	Ministry of Transport	81 (2016)	0	96	96 (2025)				0	0	0
IPA/2014/037702.5 SOPT 2014-2020	Number of communication campaigns carried out for improved visibility in transport sector	IPA media report	0 (2016)	0	2	2 (2025)				0	1	0
IPA/2014/037702.5 SOPT 2014-2020	Production of relevant sector statistics and establishment of a comprehensive data collection system	MoTC	0 (2015)	0	0	1 (2025)				0	0	0
IPA/2014/037702.5 SOPT 2014-2020	Total number of technical audits made for Major Projects	Ministry of Transport	0 (2016)	0	2	2 (2025)				0	0	0
IPA/2014/037702.4 SOPT 2014-2020	Length (km) of roads reconstructed/rehabilitated/constructed along SEETO Comprehensive Network	Eurostat/National Statistic Office/P.E State Roads and SEETO MAP	(baseline 16 km)	0	98 km	98 (2020)				0	0	0
IPA/2014/037702.4 SOPT 2014-2020	Increased road safety measures/decreased number of black spots along the SEETO comprehensive network	National Statistic Office/Ministry of Interior			Reduction by 30% of the road safety fatalities, 3 to 6 eliminated black spots		0	0	0	0	0	0

2. It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

3. Number of columns to be adjusted for all years from 2014 up to the year of the reporting period. Values should be cumulative

## Agriculture and rural development

### 1. Involvement in programming

As pointed out in the previous Annual Reports, the MAFWE was involved in the preparation of an IPA AD that was financed under IPA 2015. Additionally, an Operation Programme with DG AGRI for the period 2014 – 2020 was prepared. The OP entered into force in June 2017 and at present it is under implementation. In 2018, the IPA Action Document 2019 was drafted and in 2019 the final version was endorsed by EUD and EC. The main features of the Action Document 2019 are as follows:

**Overall Objective:** To enhance the sustainable development of Rural Areas

**Specific Objectives:**

- To improve farm productivity and sustainable use of forests
- To ensure food safety and improved animal and plant health

**Results:**

- Modernised and optimised farming and forestry
- Decreased risks to human, animal and plant health

Requested EU Financial Support: 14.000.000 EUR

National Contribution: 6.450.000 EUR

Elaboration procedure: 3 meetings of the SWGs in plenary session were organised. Donors, Embassies and CSOs were always part of these meetings. The Minister of Agriculture, Forestry and Water Economy chaired these meetings. Next to the meetings of the SWGs in plenary sessions, 10 thematic meetings including the concerned parties were organised.

Financing Agreement for the IPA AD 2019 is ready to be signed.

### 2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)

In the Annex 4 of the report, detailed information about the implementation of the roadmap are presented. In the table below, the achieved targets and the concrete actions that are going to be implemented in order to fully implement the roadmap are summarised.

<b>Criteria: Strategic Planning</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached
<b>Criteria: Administrative Capacity</b>	<b>Self-assessment:</b> half of the targets for 2017, 2018 and 2019 have been reached
<b>Criteria: Coordination</b>	<b>Self-assessment:</b> More than half of the targets for 2017, 2018 and 2019 have been reached
<b>Criteria: Performance</b>	<b>Self-assessment:</b> More than half of the targets for 2018 and 2019 have been reached
<b>Criteria: Budget</b>	<b>Self-assessment:</b> Less than half of the targets for 2018 and 2019 have been reached
<b>Remarks:</b> Roadmap implementation is progressing well. Some of the targets have not yet been achieved because the projects supporting their achievement are delayed or not yet started. It is expected that all the not yet reached targets will be reached by the end of 2020, except those related to the criteria Budget.	

### 3. Coordination with other instruments and/or donors/ IFI's within the sector

The coordination with other instruments is articulated as follows:

- Coordination meetings within the SWG that has the role to coordinate all the stakeholders that are active in the sector;
- Bilateral relationships with Donors;
- Relationships with IFIs.

The following meetings of the SWGs were organised in 2019:

Date	Number of participants	Discussed topics
15.04.2019	10	This meeting had the purpose on defining the proposal of indicators (NARDS 2014-2020 based)
24.09.2019	50	This meeting had the purpose regarding key perspectives in the sector in relation with the future EU support and the structure of the Performance Assessment Framework (PAF) and indicators in the Sector of Agriculture and Rural Development. On the meeting were presented the general structure of the PAF, the work behind each indicator (each indicator is measurable univocally) and one new aspect of the PAF, the presence of Benchmarks at EU and/or at Balkan level.

The following donors, IFIs, Embassies and CSOs were present at these meetings:

SWG – ARD			
Donors and International Organisations	IFIs	Embassies	CSOs
GTZ	KFW	Greek	CARE
GIZ	World Bank	German	UN Woman

EUD	EBRP	Dutch	CNVP
UNDP			NFF National Federation of Farmers
USAID			

In the sector ARD, the following programmes financed by the Donors are under implementation:

Donor	Value of the support	Addressed issues	Implementation period
FAO	70,000,00 \$	<b>Mainland TCP component of FAO</b> -Proper operational mainstreaming of the National Land Consolidation Programme and established capacity for sound and transparent implementation of land consolidation projects	01.01.2018 30/06/2019
FAO	300,000 \$	<b>Development of a green and competitive broiler sub-sector</b> -The project will contribute to the development of a competitive, green and smallholder inclusive broiler sub-sector in Macedonia based on the recommendations.	05/02/2018 31/08/2019
FAO	275,000 \$	<b>Support to Integrated Community Development</b> - The project will enhance capacities in MAFWE related to rural development in general and enhance the integrated local community development in the two selected pilot communities and the municipalities to which they belong.	15/05/2019  14/05/2021
FAO	72,000 \$	<b>Support to privatization of state-owned land</b> - To assist the smallholders and family farms to get access to purchase and rent of state-owned agricultural land to overcome the problems arising from excessive land fragmentation.	15/06/2018 14/06/2019
FAO	355,000 \$	<b>Assessment of Agricultural Production through NAEZ and LRIMS and Scenario Development</b> -Improve a agricultural production and increase adaptive capacity of the country by establishing National Agro-Ecological Zoning (NAEZ), Land Resources Information Management System (LRIMS) and Scenario Development to better inform policy and national level and climatic risk	01/08/2017 31/07/2019
FAO	272,727 \$	<b>Support for the management of an effective national coordinative mechanism regarding the GCF</b> -FAO supported the country to access environmental climate from the Green Climate Fund (GCF).	01/09/2018 31/06/2019
FAO – Regional project in: Albania, Armenia, Moldova, North Macedonia	320,000 \$	<b>Strategies for Food Loss and Waste Reduction</b> -The final aim of the project is to reduce the impact of Food loss and waste on climatic change, and to mitigate the pressure on national food systems for increased production	8/1/2018 7/3/2020
FAO - Regional project in: Armenia, Belarus, Bosnia and Herzegovina, Georgia, Moldova, North Macedonia, Ukraine	388,000 \$	<b>Support for the enhancement of national plant pest surveillance and phytosanitary certification systems</b> -Support for the enhancement of national plant pest surveillance and phytosanitary certification systems. Capacities of National Plant Protection Organization (NPPO) to better address the pest risk challenges in agricultural production and in ecosystems, posed by climate change.	11/1/2018 31/12/2020
FAO (Regional project in: Albania, Bosnia and Herzegovina, Montenegro, North Macedonia	500,000 \$	<b>African Swine Fever Emergency preparedness in the Balkans</b> -Support the Ministry of Agriculture, Forestry and Water Economy, Food and Veterinary Agency and other partners to enhance country's emergency preparedness.	11/12/2018 31/10/2019
FAO - Regional project in: Albania, Montenegro, North Macedonia	320,000 \$	<b>Improved data methodology for sustainable management of inland fisheries resources in the West Balkans</b> -Provide support to the fishing communities and local municipalities maintain ecological sustainability of inland fisheries in the country.	11/1/2018 31/07/2020
FAO	280,000 \$	<b>Increased resilience of agriculture sector through promotion of climate smart agriculture practices</b> - Increased resilience of agriculture sector by strengthening institutional capacity and coordination at the national level, and promotion of climate resilient good practices at local level.	15/11/2019  14/11/2021
FAO	95,100 \$	<b>Strengthening the national Codex structures in the country</b> - Increased capacity of developing and transition economy countries to engage in Codex through awareness and knowledge of Codex among policy, decision-makers and experts increased. effectively in Codex increased	27/02/2019 31/08/2021
FAO	64,000 \$	<b>Food Safety and Quality Standards in the Dairy Sector - Improved availability of safe, high quality milk and dairy</b>	01/12/2019 01/12/2020

		products through improved implementation of quality standards in line with the Common Market Organization (CMO) principles	
FAO	93,000 \$	<b>Strengthening of Agriculture and Rural Development Policy Analysis and Programming</b> - Capacities of MAFWE developed to ensure that the contribution of Agriculture sector to the process of accession to the EU on solid and sustainable basis	20/08/2019 31/12/2020

In the sector ARD, the following loan financed by KfW is under implementation:

IFI	Value of the support	Addressed issues	Implementation period
KfW	10.800.000 Euro	<b>Project for construction of irrigation system south Vardar Valley - Second phase</b> -The second phase of the project, which includes rehabilitation / modernization and expansion of existing and new irrigation systems in the region of Valandovo.	2018 - 2021

#### 4. *The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting*

<p><b>Strategic Planning:</b> The impact of IPA II actions on strategic planning for the ARD sector can be seen in the strong support received from the EU to the Ministry of Agriculture, Forestry and Water Economy (MAFWE) in the preparation of the IPA II Action Document 2019. In line with the steps and targets of the Roadmap in the strategy criteria for 2018 and 2019, the MAFWE developed and approved the relevant strategic documents and legal requirements in the sector (National Plan on Agriculture and Rural Development 2018-2022; Animal By-products Strategy; Animal Welfare Strategy; Phytosanitary Strategic Framework (on-going); Multi-annual Control Plan; Land consolidation; legal framework for Agricultural Cooperatives; revision of IPARD procedures, etc.). All relevant strategies set out the priorities in the sector for agricultural and rural development, with clear described objectives and defined measure.</p>
<p><b>Administrative capacity:</b> A functional review for MAFWE (including the directorates), AFSARD (Agency for Financial Support of Agriculture and Rural Development) and FVA (Food and Veterinary Agency) is prepared with the support of IPA. One of the main critical aspects in the administrative capacity is the absent of a retention policy for high performing staff in all institutions. Responsibilities of MAFWE staff are delegated to individuals that become overloaded and inefficient while bulk of staff remains underused and somehow demotivated.</p>
<p><b>Performance:</b> Under performance, a list of relevant indicators –qualitative and quantitative- for the sector has been elaborated taking into consideration the different action documents, with the support of the IPA project “Support for the Management of the EU Fund”. The indicators was presented and elaborated on the Sector Working Group meeting as well as the general structure of the PAF. In 2020 it is expected to have a reliable Performance Assessment Framework, to update the Agriculture Information System (AIS) for monitoring and evaluation and to monitor the direct payment policy through the FADN (Farm Accountancy Data Network).</p>
<p><b>Budget:</b> The new Five-year budget national programme for agriculture and rural development 2018-2022 was adopted in 2018 by Government. The programme links the strategic documents, primarily the National Strategy for Agriculture and Rural Development and multi-annual budgetar planning with the annual operational agricultural and rural policies programs and decrees. The preparation of the program was consulted with the wider stakeholder’s community including the most relevant policy beneficiaries and experts.</p> <p>As to the Program, for the planning period from 2018-2022, a total of MKD 48,072,705,000 or € 781,670,000 is foreseen from the national budget for support of agriculture and rural development. While the direct payments remains to consume the most of the envelope, along with increase of the overall funds for support to the agriculture and rural areas over the years from 150.8 million euros in 2018 to 166 million euros in 2022, there is an evident positive upward trend in projection of allocations for the rural development policy increasing from 35.1 million to 46.7 million euros (or from 23 to 28% of the total funds).</p> <p>The Ministry started with the preparation of the new Strategy for Agriculture and Rural Development 2021-2027.</p>

#### *Under indirect management by RoM:*

##### 5. *OS(s) in place and related changes, if relevant:*

Financial Agreement for IPARD 2014-2020 entered into force on 29 June 2017, which enabled implementation of IPARD II assistance as well. Continuous efforts are made to develop adequate structural solutions to strengthen the management and control system, having in mind the DG AGRI recommendations as well as previous experience in the implementation of IPARD I. No changes in the operating structure for implementation of IPARD II occurred during rollover process (from IPARD I towards IPARD II).

#### **Administrative Capacities of the IPARD Management and Operating Structure**

##### *Management Structure*

The number of employees in the Management structure at the end of 2018 was 17 (seventeen), including the NAO.

During 2019, in January one person left and one person returned to Management Structure after one year of leave. Hence, the number of employees at the end of 2019 remains the same. In December 2019, internal

vacancy announcements were published for two positions: Head of NF and Head of NAOSO Unit. The promotions are effectuated as of 21 January 2020. In addition, one employee –accountant from NF has been transferred to other Department in the Ministry of Finance, which decreases the number of staff in MS. The WLA for the period 2020-2022 was prepared and the optimal number of employees in MS for 2020 is 19 (nineteen).

#### IPARD Agency

According to the Workload Analysis (WLA) for 2020, the optimal number of employees needed in IPARD Agency for the implementation of the IPARD Program 2014-2020 is 155. The current number of employees within the IPARD structure of the Agency is 124 (of which 9 are on temporary basis). In 2019, the contracts of 23 temporary employees (employed in 2018) were extended until 31.05.2020 and a procedure for employment of 4 new temporary employees was carried out (which brought the number of temporary employees in the IPARD Agency to 27 of which 21 involved on IPARD). The type of employment of 9 of these 21 temporary employees was transformed on permanent basis by the end of 2019, 2 of these 21 left the IPARD Agency and 1 was transferred to non-IPARD organizational unit within the IPARD Agency. In addition, three Vacancy calls were carried out in 2019 and 12 new administrative civil servants were employed on permanent basis (10 for IPARD, 1 for IT and 1 to be additional assigned to IPARD organisational unit in March 2020). During 2019, three procedures for promotion within the IPARD structure of the Agency were carried out and 7 existing civil servants were promoted in the following titles:

- Deputy head of sector (2 administrative civil servants),
- Head of unit (3 administrative civil servants) and
- Advisor (2 administrative civil servants).

In 2019, 3 administrative civil servants employed on permanent basis left the IPARD Agency (1 of them due to retirement). A procedure for employment of three administrative civil servants on permanent basis was opened on 10.01.2020 and a procedure for employing 12 temporary employees is planned for January, 2020 (this procedure is intended for filling in the vacant posts for 9 temporary employees which had their status transformed to permanent employees, 2 temporary employees that left the IPARD Agency in 2019 and 1 vacant post not filled in until now).

#### Managing Authority

According to the Workload Analysis (WLA) for 2020, the optimal number of employees needed in Managing Authority is 19. During 2019, Assistant Head of Managing Authority and Head of Unit for monitoring of IPARD funds and reporting were elected (promoted) out of the currently employed staff. Also, three employees left Managing Authority, Advisor in the Unit for monitoring the implementation of IPARD funds and reporting to MAFWE's Department for wine, Junior Associate in the Unit for implementation of IPARD Technical assistance to MAFWE's Cabinet of the Minister and Advisor in Unit for implementation of IPARD Technical assistance to Department for rural development within MAFWE. At the end of 2019, the number of employees was 14 (including HoMA).

In the table below are presented the data regarding the human capacities in 2019:

Institution	Number of staff on 31.12.2018	Number of staff needed as per WLA 2020	Realized new recruitments by 31.12.2019	Left the position 31.12.2019	Number of current staff 31.12.2019	Occupancy rate	Turnover rate
NAO/NF	17	20	1	1	17	85%	5,9%
IPARD Agency	120	155	10	6	124	80%	0%
Managing Auth.	17	19	2	3	14	73,7%	17,6%
<b>Total</b>	<b>154</b>	<b>194</b>	<b>13</b>	<b>10</b>	<b>144</b>	<b>82,5%</b>	<b>12,23%</b>

#### *6. Information on the implementation of Action programmes under indirect management in the sector*

The implementation of the IPARD Programme 2014-2020 started in April 2017 with submission of applications under the first call (01/2017, all 3 measures included), all applications are processed, and this public call is closed. Since than additional three calls were announced:

- Public call 01/2018 was for submission of applications under Measure 3.
- Public call 02/2018 was for submission of applications under Measure 1.
- Public call 01/2019 was for submission of applications under Measure 7.
- Public call 02/2019 was for submission of applications under Measure 3.

The status for all 5 public calls with the applications received, contracted and paid by the January, is as follows:

Measure	Submitted		Rejected	In processing	Contracted		Paid	
	Number	EU funds			Number	EU funds	Number	EU funds
1	2.503	36.807.190			1469	16.488.740	809	5.833.897
3	121	28.450.475			69	12.866.765	31	4.386.817
7	449	86.379.655			23	4.297.195	7	59938
9	19	332.002			10	204.513	7	59.938
<b>Total</b>	<b>3.092</b>	<b>151.969.322</b>	<b>1.239</b>	<b>282</b>	<b>1.571</b>	<b>33.857.213</b>	<b>854</b>	<b>10.340.590</b>

Sector for project approval has started to evaluate the applications immediately at the moment the public call ended. Regarding the planned payments from the IPARD II Programme, it will depend on the dynamics of concluding agreements and realization of the investments from the recipients.

For IPARD 2 the following “on the spot” controls have been performed in 2019:

- (1) A total of 745 on-the-spot controls were carried out prior to the approval of public calls 18/01 and 18/02 by IPARD 2 2014-2020, of which 701 controls on Measure 1 investments - Public call 18/02 and 44 controls on investment by IPARD 2 Measure 3 - Public call 18/01.
- (2) A total of 551 on-the-spot controls were carried out prior to the payment of public investment 17/01, 18/01 and 18/02 of IPARD 2 2014-2020, of which 522 controls on investment under Measure 1 - Public call 18/02; 21 controls on Investment from Measure 3 - Public Call 18/01 and 8 controls on Investment in Measure 7 - Public Call 17/01.
- (3) Two additional pre-payment controls have been carried out, one for Measure 1 investment in order to establish the exact technical characteristics of the equipment subject to investment as well as one pre-payment stage check in order to confirm the technical characteristics and functionality of the equipment. part of the purchased equipment.
- (4) 4. A total of 19 controls have been carried out to identify hidden matters, including 6 controls on Measure 1 investments, 5 controls on Measure 3 investments and 8 Measure 7 controls. 21 checks have been carried out after signing the contract, but before the payment request for the Technical Assistance Measure is submitted.

### **7. Main achievements in the sector**

Under the IPA AP 2015, only the Land Consolidation project is implemented under indirect management and its implementation is under the responsibility of FAO. However, this project is not yet completed, and the envisaged result is not yet achieved. Under the Operational Programme IPARD, whose financing agreement entered into force in June 2017, there is good progress at sector level to be reported. IPARD PA authorised 824 claims for payment in total amount of 10.005.809 EUR EU part. The first time in implementation of IPARD Program there is no decommitment of the available EU budget for IPARD.

### **8. Recommendations for further action**

#### **IPA 2015**

The main recommendations according to the last Monitoring Committee for IPA 2019 held on the 30.10.2019 are as follows:

- The IPARD Paying Agency will purchase all the licences for Oracle data base, which are conditional for the software developments, as soon as possible and by the end of 2019.
- The law on agriculture and rural development will be adopted as a matter of urgency early next year at latest (by 11th of February 2020).

### **IPARD Operational Programme**

Key conclusions and recommendation on the last IPARD Monitoring Committee Meetings, held in 12.12.2019, related to the IPARD Programme 2014-2020 were as follows:

- The IPARD Monitoring Committee 2014-2020 members, will be clarified on the status with advice on the task of implementing the budget under rural infrastructure measure, and introduction of LEADER, Advisory services and Agri-environmental measures in the Programme.
- IPARD Monitoring Committee 2014-2020 adopted the Annual Report on Implementation of IPARD 2014-2020 for 2018.
- The IPARD 2014-2020 Monitoring Committee 2014-2020 adopted the second (financial) modification of the Programme and List of eligible expenditure.
- The IPARD Monitoring Committee 2014-2020 welcomed the newly appointed members.
- IPARD Monitoring Committee 2014-2020 adopted the action plan for Communication and publicity of the Programme for 2020.
- IPARD Monitoring Committee 2014-2020 adopted the plan for procurement under the Technical Assistance measure (APTA) for 2020.

## II a. Performance indicators in the Agricultural and Rural Development sector covering both direct and indirect management

Financing Agreement/Programme reference <sup>26</sup>	Indicator for sector Agriculture and Rural Development	Source	Baseline	Target (2020)	Final target (Year)	Value 2018	Present Value
CSP indicator	Total investment generated via IPA in agri-food sector and rural development – DG AGRI	IPA report		54181644			
IPA/2015/037-907.03	13. Number of in-depth Market organisation analysis	Project reports	0 (2014)	2	2 (2019)	0	4
IPA/2015/037-907.03	12. Number of small-scale irrigation systems constructed	Project reports	0 (2015)	2	8 (2024)	0	0
IPA/2015/037-907.03	2. Additional number of hectares irrigated	Irrigation project reports	0 (2015)	0	800 (2024)	0	0
IPA/2015/037-907.03	11. Number of tests performed	Phytosanitary reports	33 (2019)	45	70 (2024)	29	31
IPA/2015/037-907.03	10. Number of accredited methods	Accreditation protocols (Institute for accreditation)	34 (2019)	50	50 (2024)	141	146
IPA/2015/037-907.03	9. Established and operational Phytosanitary Information System,	Project reports	0 (2014)	1	1 (2020/2021)	0	0
IPA/2015/037-907.03	8. Compliance of BIPS with EU requirements	Progress reports	4 (2014)	5	5 (2020)	5	5
IPA/2015/037-907.03	7. % of sampled animals immunized against rabies	Monitoring reports	48 (2014)	70	70 (2020)	71	96
IPA/2015/037-907.03	6. EU Legislative compliance with chapter 12 in %	Progress reports	85 (2016)	95	95 (2020)	88	89
IPA/2015/037-907.03	5. Set of CMO Policy Regulations implemented	Project reports	0 (2014)	2	2 (2024)	0	0
IPA/2015/037-907.03	4. New AFSARD/IACS software developed and interoperability among different IACS elements secured.	Project reports	0 (2014)	1	1 (2020)	0	0
IPA/2015/037-907.03	3. Number of additional cooperatives with an economic objective and market performance created	Project reports	27 (2014)	10	10 (2024)	41	54
IPA/2015/037-907.03	1. Number of land consolidation projects (areas)	Land consolidation reports	2 (2014)	24	26 (2024)	5	10

<sup>26</sup>

It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

## Competitiveness and Innovation

### 1. Involvement in programming

As pointed out in the previous Annual Report, the following programming document(s) were prepared and are in an advanced implementation phase: IPA 2014 and IPA 2016. In 2019, the IPA Action Document 2019 was finalized and approved. The main features of the Action Document are as follows:

**Overall Objective:** To achieve competitive economy based on knowledge and innovation and real convergence with the EU.

**Specific Objective:**

- (1) To improve compliance of the local markets with the EU acquis
- (2) To support start-ups and SMEs in selected under-developed regions to grow, produce added value and create local living

**Results:**

Result 1- Strengthened legal alignment and enforcement in the fields of Free Movement of Goods (Chapter 1), Free Movement of Services (Chapter 3), Company Law (Chapter 6) and Chapter 28 (Consumer's rights).

Result 2 - Improved access of start-ups and SMEs to financing and high value added business services in selected regions.

**Requested EU Financial Support:** 14.000.000 EUR

**National Contribution:** 250.000 EUR

**Elaboration procedure:** 5 meetings of the SWGs in plenary session were organised. Donors, Embassies and CSOs were always part of these meetings. The Minister(s) in charge of the sector chaired a large number of meetings. Next to the meetings of the SWGs in plenary sessions, 22 thematic meetings including the concerned parties were organised.

### 2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)

In the Annex 4 of the report, detailed information about the implementation of the roadmap is presented. In the table below, the achieved targets and the concrete actions that are going to be implemented in order to fully implement the roadmap are summarised.

<b>Criteria: Strategic Planning</b>	<b>Self-assessment:</b> All the targets for 2016, 2017, 2018 and 2019 have been reached.
<b>Criteria: Administrative Capacity</b>	<b>Self-assessment:</b> All the targets for 2016, 2017, 2018 and 2019 have been reached.
<b>Criteria: Coordination</b>	<b>Self-assessment:</b> All the targets for 2016, 2017, 2018 and 2019 have been reached.
<b>Criteria: Performance</b>	<b>Self-assessment:</b> All the targets for 2016, 2017, 2018 and 2019 have been partially reached.
<b>Criteria: Budget</b>	<b>Self-assessment:</b> All the targets for 2016, 2017, 2018 and 2019 have been partially reached.
<p><b>Remarks:</b></p> <p><b>Strategic Planning:</b> The Strategy on Competitiveness was adopted in 2016 and the implementation in advanced stage. Regular monitoring is done through Working group and annual Reports are prepared.</p> <p><b>Administration Capacity, Coordination and Performance:</b> The establishment of a System (IT platform) for inter-ministerial coordination, monitoring and implementation is ongoing. The delays in establishment of the System (IT platform) are the result of the change of the Government and process of revision of the Project, which included re-negotiation with the donor partner. Therefore, the project activities started in 2018 by signing Project Agreement and establishing of a Project Implementation Unit. The PIU carried out all necessary activities (mapping and analyses), which resulted in tendering procedure and establishing operational IT system for monitoring of a set government, documents and budget programmes as well as coordination among involved stakeholders. In the first step, envisage to end by Q1 2020 the system should be functional covering regional development projects in the country on national level.</p> <p><b>Budget:</b> In the period 2017-2019 measures were undertaken which resulted in increasing the transparency of the budget planning mainly by better publicity, inclusion of stakeholders and public, more proper consultation and feedback mechanism. So far, for some of the measures of the Competitiveness Strategy, the budget is secured on annual and multi annual bases. However, activities for 3 year budgeting are envisaged in the frame of Public Finance Management Program of Ministry of Finance, which still have not achieved any result.</p>	

### 3. Coordination with other instruments and/or donors/ IFI's within the sector

The following meetings of the SWG in plenary session were organised in 2019:

Date	Number of participants	Discussed topics
20/2/2019	14	IPA 2019-2020 Programming Mission
19/3/2019	9	Preparatory meeting for the Join IPA II Monitoring Committee
5/6/2019	12	Coordination meeting for the IPA II Sectoral Monitoring Committee Meeting –Regional Competitiveness and innovation and Agriculture and rural development (3-rd meeting)
30/10/2019	30	Join Sectoral Monitoring Committees
15/10/2019	36	Performance Assessment Framework - Indicators

The following donors, IFIs, Embassies and CSOs were present at these meetings;

Donors	IFIs	Embassies	CSOs
EUD	World Bank	British	Macedonian Chamber of Information and communication Technologies
USAID	EBRD	Dutch	Economic Chamber of Macedonia
UNDP	EIB	Italian	ICT Chamber – MASIT
		Spanish	Chamber of North West Macedonia
		Swedish	Crimson Development Foundation
		Swiss	American Chamber of Commerce in Mac

In the sector Competitiveness and Innovation, the following programmes financed by the donors are under implementation:

Donor	Value of the support	Addressed issues	Implementation period
EU Regional funds	EUR 140 mil	Western Balkans Investment Facility (WBIF) - financing and technical assistance to strategic investments in the energy, environment, social, transport, and digital infrastructure sectors.	2009 - 2021
USAID	USD 13,1 mil	Build prosperity by helping to strengthen the competitiveness of Macedonia's micro, small, and medium sized enterprises (MSME) sector through enhanced support services, improved access to finance, a more streamlined business environment, and greater energy security.	2018-2020
UNDP	USD 12,2 mil	Promoting Sustainable Employments by support for self-employment, training of unemployed in skills that are deficient on the labour market, support to the growth of SMES with subsidized employment.	2007 - ongoing

In the sector Competitiveness and Innovation, the following loans financed by the IFIs are under implementation:

IFI	Value of the support	Addressed issues	Implementation period
WB	USD 24 mil	Skills development and innovation	2014-2020
EBRD	EUR 30 mil	Support of Industry, Commerce and Agribusiness	2017-2025
EIB	EUR 100 mil	Enhance the access to credits for small and medium-sized enterprises and mid-caps through Macedonian Bank for Reconstruction and Development	2018-2022

#### *4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting*

The IPA II has an impact in the sector either through the implementation of Action Programmes or through the implementation of TA projects or through the cooperation between the National Authorities and the Institutions of the European Union. Considering that it is not always possible to separate impacts according to the years, in the table below, the main improvements on the functioning of the sector are presented.

<b>Strategic Planning:</b> The national authorities have received TA support by EUD in preparation of Competitiveness strategy as a key document in the sector. Also, revision of Industrial Policy and preparation of new Industrial Policy was supported by EUD assistance. Support was also received for the preparation of IPA ADs in participatory approach.
<b>Administrative Capacity:</b> TA was provided for the preparation of analyses and ToR for the One Stop Shop System project (finance through different sector). Also, TA is secured as a support of EUD to the SEA and all SWG in the IPA process (developing of Programme Documents, Monitoring, and Reporting etc.).
<b>Performance:</b> The IPA 2014 and 2016 Programmes are still under implementation. Support is received for the definition of the monitoring indicators and for the development of a web-based monitoring tool.
<b>Budget:</b> The budgeting is still performed on annual basis (short term). No direct support has been provided to the sector. Support is planned to be received indirectly through the MoF.

#### *Under indirect management:*

**5. OS(s) in place and related changes, if relevant:**

Not relevant- the sector does not have operation structure.

**6. Information on the implementation of Action programmes under indirect management in the sector**

There are no actions under indirect management, under the responsibility of RoM. World Bank executes the IPA 2014 Programme. The IPA 2016 Programme is executed by EBRD.

**7. Main achievements in the sector**

There are no contracts under indirect management / that have produced any result yet. However, two Agreements are ongoing (IPA 2014 and IPA 2016). The main achievements in the sector that are connected to the implementation of projects under indirect management are presented in the table below.

Contract title	Status	Expected result	Achieved result	Remarks
AD IPA 2014 on Local and Regional development	On going	Increase of competitiveness at local and regional level by supporting municipalities in their integrated local development with a view to stimulate growth and local job creation. Developing tourism capacities by supporting infrastructure interventions.	None yet	Still under implementation
AD IPA 2016 on Private sector development	On going	Private sector development by improving the dynamics on the markets of financial services. It will support an EBRD-managed facility providing loans, grants and technical assistance to non-bankable SMEs to help them implement their investment strategies.	None yet	Still under implementation

**8. Recommendations for further actions**

The main recommendations according to the last Monitoring Committee held on the 2019 are as follows:

- On the project SME Competitiveness Support Programme, based on the discussions with EBRD, to organize quarterly technical meetings, or steering committee meetings.
- On the LRCP project, the amendment of the contract between the World Bank and the Ministry of Finance will be finalised at beginning of November. The new sub-grants agreements with the municipalities will be signed at latest by the beginning of 2020.

## II a. Performance indicators in the Competitiveness and Innovation sector covering both direct and indirect management

### Indicators<sup>27</sup> per programme

Financing Agreement/Programme reference <sup>28</sup>	Indicator for sector Competitiveness and Innovation	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 <sup>29</sup> )	Value (2015)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
CSP indicator	Distance to Frontier 0 = worst and 100 = best	World Bank	65.53 (2010)	76	78		74.03	78.95	79.19	81.39	81.55	80.75
IPA 2014/037-706	Increased public sector good governance indicators	World Bank	0 (2015)	30	100	100 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
IPA 2014/037-706	New private sector investments linked or triggered by the action (in Euro)	World Bank	0 (2015)	0	200000	200000 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	1.100.546,54 EUR
IPA 2014/037-706	Number of employments created in targeted economic destinations.	World Bank	0 (2015)	50	150	150 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	56 employees by the beneficiaries
IPA 2014/037-706	Municipal revenue tax collection	SSO	100 (2015)	100	102	102 (2020)						
IPA 2016/039-619/06.03/	9. Client satisfaction rate (% SMEs stating satisfaction, added value of specific service provided)	EBRD	0 (2016)		85	85 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
IPA 2016/039-619/06.03/	8. No of standards/new technologies introduced	EBRD	0 (2016)		30	30 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	5
IPA 2016/039-619/06.03/	7. Leverage effect	EBRD	0 (2016)		48.000.000	48.000.000(2020)	Not Available	Not Available	Not Available	Not Available	Not Available	36.000.000 EUR
IPA 2016/039-619/06.03/	6. Number on SMEs supported	EBRD	0 (2016)		120	120 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	60
IPA 2016/039-619/06.03/	5. Speed of growth compared to the average for the country	EBRD	100 (2016)		110	110 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
IPA 2016/039-619/06.03/	4. Employment growth rate of the supported SMEs	EBRD	100 (2016)		115	115 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	3143 jobs sustained
IPA 2016/039-619/06.03/	3. Turnover growth rate of the supported SMEs	EBRD	100 (2016)		125	125 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
IPA 2016/039-619/06.03/	2. Contribution of SMEs to job creation	Eurostat / SSO	76 (2013)		80	80 (2020)		74.4		74.2		

27 These should be mostly outcome, as well as selected relevant output indicators

28 It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

29 Number of columns to be adjusted for all years from 2014 up to the year of the reporting period. Values should be cumulative.

Financing Agreement/Programme reference <sup>28</sup>	Indicator for sector Competitiveness and Innovation	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 <sup>29</sup> )	Value (2015)	Value (2016)	Value (2017)	Value (2018)	Value (2019)
IPA 2016/039-619/06.03/	1. Contribution of SMEs to GDP (value added)	Eurostat / SSO	67 (2013)		70	70 (2020)		64.5		63.4		

## Education, Employment and Social Policy

### 1. Involvement in programming

In 2016, the IPA Action Document 2017 was elaborated. The main features of the Action Document “Education, Employment and Social Policy” are as follows:

**Overall Objective:** To improve the effectiveness of the country's policy in the sectors of education, employment and social inclusion

**Specific Objective:** To reduce the high rate of unemployment, increase labour market participation, in particular of young people and women, increase access to quality education and training, improve skills matches and modernize the social protection system.

#### Results:

- Strengthened sector governance, policy framework and statistics
- Equitable access to quality inclusive education at all levels
- Improved employability and access to labour market and decent work
- Improved quality and availability of social services

EU Financial Support: 23,700,000 EUR

National Contribution: 1,450,000 EUR

Elaboration procedure: The Action document for the education, employment and social policy sector was drafted by the line ministries and relevant institutions in the last quarter of 2016, in parallel with the finalisation of the Sector Planning Document. In the first half of 2017, it underwent three cycles of quality reviews and exchanges with the services of the EU Delegation and the European Commission. In parallel, two rounds of consultations were implemented with CSOs, development partners and other stakeholders.

In 2018, the IPA Action Document and the SRC 2019 were drafted. The Action Document was centred on the Social Policy while the SRC was centred on Youth education and employment.

Elaboration procedure: Four meetings of the SWGs focused on programming in plenary session were organised in 2018 and 2019. Donors, Embassies and CSOs were always part of these meetings. The Ministers in charge of the sector chaired all meetings. Next to the meetings of the SWG in plenary sessions, three bilateral meetings with the EU Delegation, one donor coordination meeting on the VET sub-sector, as well as a number of thematic meetings including the concerned parties were organised.

In 2019 the AD and the SRC were further negotiated ending with a Commission decision as of 28.12.2019 for adoption of IPA 2019 Programme. The main features of the adopted programming Documents are as follows:

Action Document “EU for Inclusion”	Sector Reform Contract “EU for Youth”
<p>Overall Objective: To reduce poverty in the country</p> <p>Specific Objective: To improve social, education and economic inclusion of people belonging to most vulnerable groups</p> <p>Results:</p> <p>Result 1: Improved housing, education, and economic opportunities for Roma and people living in deep poverty</p> <p>Result 2: Improved accessibility of educational facilities for persons with disabilities</p> <p>Result 3: Improved access to community based services for vulnerable groups of people</p> <p>Requested EU Financial Support: 6,500,000 EUR</p> <p>National Contribution: 800,000 EUR</p>	<p>Overall Objective: To enhance the employment of young women and men</p> <p>Specific Objective:</p> <ol style="list-style-type: none"> <li>1. Improving the quality, relevance and inclusiveness of the national vocational education and training system.</li> <li>2. Improving employment opportunities for young women and men.</li> </ol> <p>Results:</p> <p>Result 1: Improved offer of accredited VET programmes and providers</p> <p>Result 2: Competences of staff of the regional VET centres aligned with Human Resource management plan and accreditation criteria</p> <p>Result 3: Youth Guarantee implemented</p> <p>Requested EU Financial Support: 16,500,000 EUR</p> <p>National Contribution: N/A</p>

### 2. Overview of results in moving towards a fully-fledged sector approach (i.e. targets reached as per sector roadmap in the SPD)

In the Annex 4 of the report, detailed information about the implementation of the roadmap is presented. In the table below, the achieved targets and the concrete actions that are going to be implemented in order to fully implement the roadmap are summarised.

<b>Criteria: Strategic</b>	<b>Self-assessment:</b> The targets for 2017, 2018 and 2019 have been reached.
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<b>Planning</b>	
<b>Criteria: Administrative Capacity</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached.
<b>Criteria: Coordination</b>	<b>Self-assessment:</b> The targets for 2017, 2018 and 2019 have been reached.
<b>Criteria: Performance</b>	<b>Self-assessment:</b> The targets for 2017, 2018 and 2019 have been reached.
<b>Criteria: Budget</b>	<b>Self-assessment:</b> Most of the targets for 2017, 2018 and 2019 have been reached.
<b>Remarks:</b>	
<p>The <b>Strategic documents</b> for the sector have been prepared and approved. In the second half of 2019, the ESRP 2020 was reviewed and the Government adopted a Revised ESRP 2022. The revision extended the ESRP timeframe to 2022. A limited number of headlines, outcome and process indicators are set for each area to measure the overall progress in each area of the ESRP. New target values for 2022 are set for all indicators. The country performed well with reaching the targets for the most indicators in the area of employment, some indicators in the area of education and social protection. Slow progress is observed with regards to social inclusion of Roma.</p> <p>The first implementation report on the Education Strategy 2018-2025 was published in March 2019. In the second half of 2019, MoES start working on developing monitoring mechanisms for implementation of the Education Strategy. Revision of the Education Strategy 2018- 2025 is planned - activities and expert assistance is provided from Erasmus + program for 2020. The update will include <b>new annex for internationalization of education and inclusion of the Acton plan from OECD report</b>. The second implementation report on the Education Strategy 2018-2025 is expected by the end of March 2020.</p> <p>The <b>administrative capacities</b> have been continuously boosted. Human resources in lead institutions have been strengthened, though fluctuation of employees is always possible. Several recruitments or internal promotions in lead institutions were implemented in 2019 on positions of relevance for implementation of the reforms. Capacity building was implemented with own resources and with assistance of the UN agencies, EU and other donors. Further work is needed with regards to introduction of programme budgeting, policy monitoring and gender-sensitive policy making.</p> <p>A <b>high-level sector policy</b> discussion on the sector strategy and the PAF was channeled through the SWG with involvement of stakeholders (civil society sector and social partners) and donor community. In fact, the entire process of preparation of the Revised ESRP 2022 has been carried out in full co-operation, coordination and consultation with all relevant stakeholders, primarily through their participation in the EESP SWG. The Economic-Social Council also contributed to the revision through one of its standing committees and provided a positive opinion to the document. The EESP SWG was also involved in the PAF discussions.</p> <p>The <b>Sector-based Performance Assessment (PAF)</b> has been developed throughout 2019, consisting of 48 key indicators necessary to track the performance of the Education, employment and social policy sector. The EESP Sector Working Group reviewed the PAF. Once adopted by the government, the PAF will be available on a web-based platform and will enable monitoring of the country's progress in the national context, but also its performance compared to the EU average and countries in the region.</p> <p>The Government has launched a wide-scale <b>PFM Reform programme</b>, the implementation of which will be supported by EU funds as well as by other donors. The government demonstrated strong political commitment to PFM reforms, which is visible in the progress in the first year of reforms as reported at the end of December 2018 during the PFM Policy dialogue, channelled through the PFM Sector Working Group.</p> <p>The governmental commitment to the sectoral reforms is reflected in the real and gradual increase of the total budgets of the line ministries and institutions, as well as in the specific budgetary programmes within their budgets</p>	

### 3. Coordination with other instruments and/or donors/ IFI's within the sector

The following meetings of the SWG/donors' Coordination were organised in 2019:

Date	Number of participants	Discussed topics
20.9.2019	66	Presentation of PAF and indicators proposed for the EESP sector, status of IPA 2019 programming and related policy developments, review of status of implementation of youth guarantee and regional VET centres, revision of the ESRP 2020
19.12.2019	58	Presentation of draft Revised ESRP 2022 and finalisation of PAF for EESP sector

The following Donors, IFIs, Embassies and CSOs were present at these meetings;

Donors and International Organisations	IFIs	Embassies	CSOs
EUD	WB	UK	Foundation Open Society Macedonia
ETF		Swiss	IPA 2 Mechanism
IOM		Austrian	Gender Equality Platform
GIZ			National Network to End Violence Against Women and Domestic Violence
UNDD			Coalition Sexual and Health Rights of Marginalized Communities
UNDP			CSO Reactor
UNICEF			Foundation for Education and Cultural Initiatives 'Step by Step'
ILO			Nansen Dialogue Centre Skopje

UNFPA			Association for Health Education and Research Hera
UNWOMAN			Macedonia Civil Education Centre
USAID			CSO Humanost
OSCE SMMS			Macedonian Platform Against Poverty
			European Training Foundation
			Resource Centre for Parents of Children with Special Needs
			Progress Institute for Social Democracy
			Coalition of Youth Organizations - SEGA
			Foundation Agro-Centre for education
			Federation of Trade Unions of Macedonia
			Business Confederation of Macedonia
			Macedonian Confederation of Free Trade Unions

In the sector EESP, the following programmes financed by the donors are under implementation:

Donor	Value of the support	Addressed issues	Implementation period
UNDP	316,000 €	UN Country programme: Support in implementation of active employment programmes; deinstitutionalisation	2018-2019
UNICEF	619,800 €	UNICEF Country programme: Support to the social protection reforms; Deinstitutionalisation; Early Childhood Education	2018 - 2019
UNFPA/ UNRPD	196,188 €	UNFPA Country programme/DP/FPA/CPD/MKD/1: Gender-based violence; PwD/deinstitutionalization; prevention of early marriages and family planning services	2018 - 2020
ILO	194,507 €	Support in drafting (informal) employment related policy documents, assistance in alignment with International Labour Standards and EU Directives	2018 - 2019
EU IPA regional/ UN Women	480,586 €	Support of gender-based violence	2018 - 2019
SDC/ UN Women	2,949,867 €	Support of gender responsive budgeting	2018 -2020
Swiss Development Cooperation (SDC) <sup>30</sup>	4,260,622 €	Fostering employability of hard to employee people	2017 - 2020
USAID <sup>31</sup>	1,085,400€	Strengthening interethnic interaction among children	2017 - 2021
USAID	1,394,935€	Youth Guarantee - Strengthen literacy and numeracy skills of early grade students.	2018
Norway / UNDP	567,000 €	Investment in pre-school	2017 - 2018
CEB Migrant and Refugee Fund	700,000 €	Improving basic living conditions for the asylum seekers	2018-2019
Swiss Agency for Development and Cooperation	5,652,429 €	Education for Employment in Macedonia (E4E@mk)	2018-2022
USAID	1,100,000 €	Children with usual visual impairment project	2014-2019
USAID	5,800,000 €	Youth Ethnic Integration	2017-2022
USAID	1,300,000 €	Advancing Social Cohesion	2017-2021
UNICEF	50,000 €	Inclusive education	2018-2019

In the sector EESP the following loans financed by the IFIs are under implementation:

IFI	Value of the support	Addressed issues	Implementation period
WB-IBRD	33.4 million \$	Social Service Improvement Project <sup>32</sup> (Development loan) Its overall goal is to expand access to and improve the quality of social services, including pre-school services for vulnerable groups. The loan will support: 1. Social inclusion through improved access to social benefits and services i.e. the project will support creation and expansion of preventive and non-residential social services and 2. Expanding the access to and improving of the quality of preschool services in particular for children from socially disadvantaged backgrounds	September 2019 – June 2024
WB-IBRD	15.7 million \$	Social Insurance Administration Project (SIAP) <sup>33</sup> (Development loan) The SIAP project will support the government's efforts to create a more efficient social insurance administration system. The project will consist of the following components: Component 1. Improving the quality of the social insurance administration services, Component 2. Strengthening the regulatory framework for people with disabilities and for hazardous occupations and Component 3. Project	TBD - In pipeline

<sup>30</sup> SDC Country Cooperation Strategy 2017-2020: [https://www.eda.admin.ch/dam/countries/countries-content/macedonia/en/Cooperation-Strategy-Macedonia-2017-2020\\_en.pdf](https://www.eda.admin.ch/dam/countries/countries-content/macedonia/en/Cooperation-Strategy-Macedonia-2017-2020_en.pdf)

<sup>31</sup> More information: <https://www.usaid.gov/macedonia/social-cohesion>

<sup>32</sup> More information for the project: <http://mtsp.gov.mk/siap-projekt-za-administriranje-na-socijalnoto-osiguruvanje.nspj> and <https://projects.worldbank.org/en/projects-operations/project-detail/P170343>

<sup>33</sup> More information for the project: <http://projects.worldbank.org/P103974/conditional-cash-transfers-project?lang=en&tab=overview>

		management, monitoring and evaluation	
.WB-IBRD	24 million \$	Skills Development and Innovation Support Project Its objective is to improve transparency of resource allocation and promote accountability in higher education, enhance the relevance of secondary technical vocational education, and support innovation capacity in the country. The project consists of the following components: 1) improving transparency of higher education; 2) modernization of secondary Technical Vocational Education and Training (TVET); 3) improving the innovative capacity of enterprises and collaboration with research organizations; and 4) project management and monitoring and evaluation.	January 2014 – May 2020

#### *4. The impact of IPA II actions within the sector on the development of the relevant national administrative capacity in the sector, strategic planning and budgeting*

The IPA II has an impact in the sector either through the implementation of Action Programmes or through the implementation of TA projects or through the cooperation between the National Authorities and the Institutions of the European Union. Considering that it is not always possible to separate impacts according to the years, in the table below, the main improvements on the functioning of the sector are presented.

<p><b>Strategic Planning:</b> IPA II supported the strategic planning in a couple of priority areas of the EESP sector. First, the lead ministries were assisted with the revision of the Employment and Social Reform Programme 2020 (ESRP). This included facilitation of the consultations and participation of social partners and civil society organisations. The Revised ESRP 2022 consists of limited number of priorities in the area of labour market, employment policies, human resources and skills development, as well as social inclusion and social protection policies. Second, the Ministry of Labour and Social Policy received a targeted technical assistance for completion of legal framework for delivery of specific social services. Several by-laws were drafted and adopted by the Ministry at the end of 2019. This is also a contribution for completion of deinstitutionalisation and promotion of community-based living in line with the National Strategy on Deinstitutionalisation 2018-2027, developed earlier with EU assistance.</p> <p>Third, the leading ministries received technical assistance to compile the Performance Assessment Framework for the EESP sector. With TA (“Support for the Management of the EU Funds”), the list of indicators was fine-tuned, and the EU and regional benchmarks were collected. Fourth, as reported in the Annual report 2018, the social mapping of Roma that was published in 2019 will enable evidence-based policy making and targeted policy responses for inclusion of the Roma community as part of the new policy cycle after 2020.</p>
<p><b>Administrative Capacity:</b> IPA II is in early phase of implementation in the EESP sector. Nevertheless, capacity building was provided to the relevant authorities involved in design and implementation of community-based services.</p> <p>The sector dialogue was intensified at the level of the EESP SWG, but also through capacitating the social partners to take part in the discussions of the Economic-social councils on national and local level and thus shape the economic and social policy. PAF development itself meant a shift towards measuring the effects of the policy interventions and increased awareness of the two-line ministries about the importance of the policy monitoring.</p> <p>With TA “Support for the Management of the EU Funds”, the quality of detailed designs for the kindergartens in municipality of Tetovo and Tearce were significantly improved and the projects are mature for tendering. Important lessons for planning works projects were learnt from the whole process of revision of the tender documentation on national and local level.</p>
<p><b>Performance:</b> The Revised Employment and Social Reform Programme 2022 took note of the changes brought by the policy measures over the past 2,5 years, i.e. since the adoption of the ESRP in 2017. It assessed the performance in the sector by looking into the value of the ESRP indicators against the targets set for 2020. In the Revised ESRP 2022, a limited number of headline, outcome and process indicators are defined to measure the overall progress in each area of the ESRP. New target values for 2022 are agreed for all indicators. Simultaneously, Performance Assessment Framework for the EESP sector was finalised and discussed and considered by the EESP SWG.</p>
<p><b>Budget:</b> The 2019 Budget of the Ministry of Labour and Social Policy and affiliated sector institutions noticed an increase in several areas which will receive IPA funding, such as, for example, pre-school, employment policy and, deinstitutionalisation. In the Budget for 2019 of the Ministry of Education and Science, funds are foreseen for preparatory measures for establishing Regional VET Centres as foreseen in the Sector Reform Contract 2019. The 2019 Budget of the Ministry of Education and Science and affiliated sector institutions noticed an increase in several areas which will receive IPA funding, such as for example secondary education (VET), increase of salaries of the teachers and support staff in primary education, deinstitutionalisation etc.</p>

#### *Under indirect management by RoM:*

#### *5. OS(s) in place and related changes, if relevant:*

Nine out of 22 projects of the AP 2017 are implemented indirectly by the IPA Operating Structures (OS), which were responsible for implementation of the IPA 2007-2013, human resources development component. The Operating structure consists of the CFCD in capacity of Contracting Authority and the IPA units in the Ministry of Labour and Social Policy (MLSP) and the Ministry of Education and Science (MoES), responsible for programming and implementation of the Action programmes. Mutual relationships are regulated in the Operational Agreements between the Head of the CFCD and the IPA Coordinators in the respective line ministries signed for the Country Action Programme for year 2017.

There are two units in the MLSP in charge for IPA: Unit for IPA Coordination and Implementation of EU Financial Instruments and Unit for IPA Monitoring and Evaluation of IPA. At the end of 2019, there were 8

persons employed in the IPA Units in the MLSP (three being managerial staff and five expert level staff), thanks to two new employments and internal promotion of staff. According to the workload analysis the optimal number would be nine, which is calculated for all IPA (both indirect and direct management) and non-IPA related tasks. Within the MoES there are two units in charge of IPA: Unit for Implementation and Coordination of IPA and Unit for Programming, Monitoring and Evaluation of IPA. In the second half of 2019 IPA Structure left with only 3 employees. In December one of the officers for implementation and coordination was authorised as Acting Head of Unit for Implementation and Coordination of IPA and appointed as IPA Coordinator. The latest WLA expresses the need of 4 additional officers with total number of IPA staff to be 8 employees.

#### 6. Information on the implementation of Action programmes under indirect management in the sector

The procurement plan for the projects implemented under indirect management (Results 2 and 3 of AP 2017, Action 4) was adopted in August 2018 and it was revised twice in 2019.

Out of 10 contracts, two were launched in 2018, five in 2019, three will be launched in 2020.

The table below present the status of tendering and contracting of the projects under indirect management as per the Procurement Plan dated 26 December 2019.

Result/Activity/Project	2019		2020	Programmed (EUR)	Contracted (EUR)	
	P	C	P		IPA	Total
<b>Result 2: Equal access to quality inclusive education at all levels</b>						
Improving the quality of pre-school education and care (Activity 2.1.)	x	x		1,500,000	1,150,750	1,150,750
Expanding the network of public pre-school institutions in rural and urban areas – works (Activity 2.2.)			x	1,900,000		
Expanding the network of public pre-school institutions in rural and urban areas - equipment (Activity 2.2.)			x	279,060		
Expanding the network of public pre-school institutions in rural and urban areas -supervision (Activity 2.2.)			x	80,000		
Further support to the implementation of the National Qualifications Framework (Activity 2.3.)	x			1,500,000		
Further support to the implementation of the National Qualifications Framework - Procurement of equipment (Activity 2.3.)	x			412,000		
Improving the quality of education (Activity 2.4.)	x			1,500,000		
<b>Result 3: Improving employability and access to the labour market and decent work</b>						
Increasing attractiveness, inclusiveness and relevance of VET and adult education (Activities 3.1; 3.2; 3.3; 3.4)	x			2,300,000		
Support for the active labour measures (Activities 3.5; 3.6)	x	x		3,350,000	3,000,000	4,191,401
Improving the working conditions (Activities 3.7; 3.8)	x	x		1,000,000	855,440	855,440
Total:	7	3	3	12,650,000	5,006,190	6,197,591

#### 7. Main achievements in the sector

Three contracts under indirect management under the responsibility of the MLSP have commenced, but are in early (inception) phase of implementation. Hence no results could be reported.

Four contracts under indirect management under the responsibility of the MoES stil in phase of preparation and lunching no results could be reported.

#### 8. Recommendations for further actions

The operational conclusions according to the 1st SMC meeting on Education, Employment and Social Policies for IPA 2017 held on the 30.10.2019 are as follows:

- (1) Direct Grant to the Employment Service Agency value of around EUR 4.2 million, the Ministry of Finance will consent the announcements of the new post for the recruitment. The Employment Service Agency will recruit staff as soon as possible and before the end of 2019. The vacancy notes will be disseminated as widely as possible in order to attract higher number of qualified applicants.
- (2) The adoption of the amendment on Regional VET Centres to the Law on Vocational Education concerning secondary education to be done by the end of 2019, immediately followed by a decision on the selected VET Centres for the transforming of those chosen municipal/regional schools into Regional VET centres.

- (3) The National Agency for European Educational Programmes and Mobility shall be invited to the monthly progress review meetings in order to give information to EU Delegation and to be involved more in the projects and activities.

The SMC conclusions may be complemented with the following main recommendations for further actions regarding IPA 2017:

- (1) Regarding the direct grant project to the Employment Service Agency, which is related to the on-going systemic reform for activation of social welfare recipients (Activities 3.5 and 3.6 of the EESP Action, AP 2017), there is a need to closely monitor the implementation of the new Law on Social Protection. The monitoring especially refers to the preparatory activities, division of tasks and regulation of the cooperation between the Employment Service Agency and social work centres, both in charge of the activation policy. The Employment Service Agency must notify significant problems in activation of guaranteed minimum assistance and undertake adjustments in the target group or project's activities.
- (2) Regarding the project for construction of kindergartens (Activity 2.2 of the EESP Action, AP 2017), there is a need to: 1) To finalize the preparation of a quality tender documentation with technical assistance of the project "Support for the Management of EU funds, 2) Prepare tender for supervision of the works contract under Result 2 of the EESP Action, AP 2017 (the supervision will be financed from the outstanding amounts after completion of procurement procedures) 3) Mobilise expertise under the project "Raising the quality of pre-school education and care" to prepare technical specification for the supplies and integrate the supply with the works tender.
- (3) There should be a review and revision of the intervention logic of the Action Programme at a later stage of its implementation. As the implementation of the AP 2017 began, it was found out that at least one indicator (e.g. the indicator related to Activity 2.1 of the EESP Action, AP 2017) may not be that relevant for grasping the intervention performance and that a new indicator is needed.

## II a. Performance indicators in the Education, Employment and Social Policy sector covering both direct and indirect management

### Indicators<sup>34</sup> per programme

Financing Agreement/Programme reference <sup>35</sup>	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value (2019)
IPA 2017/040200.04.EU	Progress made towards meeting accession criteria	EC CountryReport	Moderately prepared (2016)	Good level of preparation	Well advanced (2022)	Moderately prepared (2017)	Moderately prepared (2018)	Moderately prepared (2019)
IPA 2017/040200.04.EU	Employment rate 15-64 years, total %	Eurostat	43.52% (2010)	50.8%	> 53% (2022)	50.52 %	51,9 % (Q3 2018)	54,8% (Q3 2019)
IPA 2017/040200.04.EU	Unemployment rate (15+) Total %	State Statistical Office	32.0% (2010)	21.5%	< 19% (2022)	22,4 %	20.8% (Q3, 2018)	17,1% (Q3, 2019)
IPA 2017/040200.04.EU	Increased students' achievements in international tests	Official PIRLS, TIMSS and PISA Reports	PIRLS – out of 45 participating countries, the former Yugoslav Republic of Macedonia was ranked on place No. 38 (2006) TIMSS – out of 59 participating countries, the Republic of NorthMacedonia was ranked in mathematics on 43 place, and in science knowledge it was ranked on 52 places. (2011) PISA – out of 72 participating countries, the Republic of North	Improved level results in reading literacy since last participation in PIRLS Improved level results in mathematics and science knowledge since last participation in TIMSS Improved level results (closer to the OECD average) in science, reading and mathematics since last participation in	Improved level results in reading literacy since last participation in PIRLS Improved level results in mathematics and science knowledge since last participation in TIMSS Improved level results (closer to the OECD average) in science, reading and mathematics since last	N/A No participation in the latest PIRLS 2016. The next PIRLS is for the 2021 year. TIMSS 2019- the data (official release of international results) will be available in December 2020. The results from PISA 2018 are expected to be published in December 2019.	N/A No participation in the latest PIRLS 2016. The next PIRLS is for the 2021 year. TIMSS 2019- the data (official release of international results) will be available in December 2020. The results from PISA 2018 are expected to be published in December 2019.	PISA – out of 77 participating countries, the Republic of North Macedonia in literacy and mathematics was ranked on 67 place and in science knolege it was ranked on 63 places. (2019) The next PIRLS is for the 2021 year. TIMSS 2019- the data (official release of international results) will be available in December 2020.

<sup>34</sup> These should be mostly outcome, as well as selected relevant output indicators

<sup>35</sup> It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

Financing Agreement/Programme reference <sup>35</sup>	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value (2019)
			Macedonia in literacy and science was ranked on 69 place and in mathematics it was ranked on 68 places. (2015)	PISA	participation in PISA			
IPA 2017/040200.04.EU	Number of persons in employment, including self-employment 6 months upon benefiting from employment programmes or services of this Action Segregation of data by gender and age group	ESA database; ESA/MLSP reports;	Minimum 1000 women - 60% young people (18-29) - 70%	Minimum 1500 women - 50% young people (18-29) - 30%	Minimum 1500 women - 50% young people (18-29) - 30%	n/a	n/a	n/a
IPA 2017/040200.04.EU	Percentage of early leavers from education and training; percentage of population aged 18-24 with at most a lower secondary education and not in further education and training	State Statistical Office	11,3 % (2015)	10,5%	9,5%	8,5%	7.1%	n/a
IPA 2017/040200.04.EU	Students drop-out rate in compulsory education – segregated data per - type of educational level/type: primary, secondary-gymnasium, VET; - gender, - status - students with special educational needs, talented pupils, students from low-income families and from rural areas, minority	State Statistical office, MoES EMIS system, Primary and secondary schools data	- 0,8% student drop-out rate in primary education -0,9% student drop-out rate in secondary education <sup>36</sup>	Students drop-out rate in primary and secondary education decreased by 0,8% from the data for 2015/2016 school year.	Students drop-out rate in primary and secondary education decreased by 0,8% from the data for 2015/2016 school year.	- 0,5% students drop-out rate in secondary education in 2016/2017 school year	- 0,9% Students drop-out rate in primary education - 0,9% students drop-out rate in secondary education in 2017/2018 school year	
IPA 2017/040200.04.EU	Number of persons benefiting from non-institutional (alternative) community based social services -	MLSP database on social protection	Total:811 611 <sup>37</sup> (2016)	1250	1600		Total: 894 500 <sup>39</sup> (2018)	1139 678 <sup>41</sup> (2019) beneficiaries in day-care

<sup>36</sup>MoES data on the number of students in primary and secondary education who dropped-out of school for some reason, as a share of the total number of enrolled students in the specific school year.

Financing Agreement/Programme reference <sup>35</sup>	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value (2019)
	segregated data by type of service (day-care centres, home-care and other support social services, excluding foster families) and gender/ethnic group/disabilities - cumulative	institutions, State Statistical Office reports	beneficiaries in day-care centres 200 <sup>38</sup> beneficiaries of home-care 0 beneficiaries of other support social services				beneficiaries in day-care centres 326 beneficiaries of home-care 68 <sup>40</sup> beneficiaries of other support social services	centres 402 beneficiaries of home-care 59 <sup>42</sup> beneficiaries of other support social services
IPA 2017/040200.04.EU	Trade Union Density rate and Employers organisations density rate	The official reports from the social partners; report generated from the MLSP database on SP membership	Trade Union Density rate - 22% (2016)	25%	26%	Trade Union Density rate 21,16% <sup>43</sup>	Trade Union Density rate 22% Employers organisations density rate 26%	Trade Union Density rate 22% Employers organisations density rate 26%
IPA 2017/040200.04.EU	No of labour market analysis prepared	MLSP and ESA reports; Governmental information; intervention reports	0	1	2	0	1 <sup>44</sup>	2 <sup>45</sup>
IPA 2017/040200.04.EU	Percentage of all labour market and employment measures subject to analysis from a gender perspective	MLSP and ESA reports; Governmental information; intervention reports	0	30%	70%	/	/	/
IPA 2017/040200.04.EU	Percentage of persons (students/unemployed/employed/adult learners) covered by statistics	MLSP and ESA reports	0	50%	75%			

<sup>37</sup>Day-care centers for persons with disabilities could cater for 815 users, but the average number of daily users was 611

<sup>39</sup>Day-care centers for persons with disabilities could cater for 825 users (1% increase of the capacity since 2016), but the average number of daily users was 500

<sup>41</sup>Day-care centers for persons with disabilities could cater for 881 users (8% increase of the capacity since 2016), but the average number of daily users was 678

<sup>38</sup>The figure refers to the home-care provided to elderly citizens who as a result of physical or mental frailty or disability depend on help with daily living activities

<sup>40</sup>The figure refers to the personal assistance service, which was introduced for the first time as a publicly funded programme in 2018

<sup>42</sup>The figure refers to the personal assistance service

<sup>43</sup>Source ESRP Annual Report for 2017

<sup>44</sup>The Labour Market Units in the MLSP produced one analysis by using the existing HERMAK model for long-term-forecasting

<sup>45</sup>The Labour Market Units in the MLSP produced one analysis by using the existing HERMAK model for long-term-forecasting as well Occupational Outlook

Financing Agreement/Programme reference <sup>35</sup>	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value (2019)
IPA 2017/040200.04.EU	No of beneficiaries with improved skills for data collection and data analysis and forecast skills	Intervention's report	5	15	20	/	/	
IPA 2017/040200.04.EU	Percentage of NESC opinions on economic and social reforms upon which feedback by the Government is received	NESC tracking mechanism	0	50%	80%	100% <sup>46</sup>	100% <sup>47</sup>	100% <sup>48</sup>
IPA 2017/040200.04.EU	Number of local employment pacts concluded	LESC meeting minutes	0	3	4		/	4 <sup>49</sup>
IPA 2017/040200.04.EU	Number of additional spaces for children 0-6 years created in pre-school institutions	State Statistical office, MLSP database on pre-school institutions	0(2016) <sup>50</sup>	590	590		1415	1842 <sup>51</sup>
IPA 2017/040200.04.EU	Revised programme for pre-schools education meeting the requirements of the ELD Standards adopted	Official gazette	0	1	1	/	/	/
	Percentage of pre-school teachers and caregivers involved in professional development	Intervention reports; MLSP database	0	30%	50%	/	/	/
IPA 2017/040200.04.EU	% of school staff in primary schools are trained for early recognition and support of pupils with special educational needs	MoES database						/
IPA 2017/040200.04.EU	No of revised/modernised and verified educational programmes for adults	MoES/ CAE data base	0/130	3/150	200	73 additional (315 in total)	85 additional (400 in total)	/
IPA 2017/040200.04.EU	Number of qualifications developed, adopted (and integrated/registered inside the NQF register) according to the labour market needs	Government Decisions; MoES Orders; NVETEC Minutes; Reports of the appropriate body	0	60	100	2	38 (40 in total)	64

<sup>46</sup>All 7 recommendations provided by NESC were integrated in the documents adopted by the Government

<sup>47</sup>All 19 recommendations provided by NESC were integrated in the documents adopted by the Government

<sup>48</sup>All 10 recommendations provided by NESC were integrated in the documents adopted by the Government

<sup>49</sup>Four local employment pacts were concluded for Bitola, Kumanovo, Skopje and Veles. These four Local Employment Pacts with the most feasible and relevant concept notes were selected to develop full projects. One of the projects will be financed by IPA Project "Strengthening social dialogue". Moreover, the ILO continues to search for investors, mobilize development partners to support the remaining 3 local employment pacts, based on the diagnostic of the territorial potentials and needs.

<sup>50</sup>There were 96 institutions for child care and education which enrolled 34.386 children aged 0-6 years

<sup>51</sup>According to the data provided by the Child Protection Department in the MLSP, the total additional spaces created in pre-schools in 2019 is as follows: 1599 spaces distributed in 80 groups (created within existing or new public kindergartens) and 243 spaces in 6 early child development centres (established as part of the public kindergartens).

Financing Agreement/Programme reference <sup>35</sup>	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)	Value (2019)
IPA 2017/040200.04.EU	No of Sector Qualification Committees established and operational	Government Decisions; MoES Orders; NVETEC Minutes; Reports of the appropriate body	0	6	10	0	9	9
IPA 2017/040200.04.EU	Number of students enrolled in post-secondary education	MoES EMIS system and CAE data base	600 (2015/2016 school year)	750	900	265 in the 2016/2017 school year	258 in the 2017/2018 school year	/
IPA 2017/040200.04.EU	Number of persons involved in employment programmes and services supported by the Action, segregated data by gender, age group, ethnicity	ESA database; ESA/MLSP reports; documents on the attendance of persons participating in employment programmes; resumes of participants; copies of certificates/diplomas (in case they are issued); evaluation reports.	472018 women - 60% young people (18-29) - 70% Roma - 32	5000 women - 50% young people (18-29) - 30% Roma - 200	5000 women - 50% young people (18-29) - 30% Roma - 200	/	/	/

## Cross-Border Cooperation

### 1. Involvement in programming as appropriate

The Ministry of Local Self-Government of the Republic of North Macedonia (MLSG) is the institution responsible for the implementation of the second component of the EU pre-accession assistance instrument IPA – component for cross-border cooperation. Upon completion of the IPA I CBC programmes, the programming process began at the end of 2013 and was completed during 2014 when the European Commission approved 4 of the cross border cooperation programmes. Currently, the cross border cooperation programme between the Republic of North Macedonia and the Republic of Serbia is in the process of implementation, which is the only CBC programme that lasts 4 instead of 7 years (2016- 2020).

### 2. Progress made in implementing the CBC programme and in particular in achieving the specific objectives per thematic priority (including qualitative and quantitative elements indicating progress in relation to targets)

#### a. Interreg - IPA cross - border programme between the Republic of North Macedonia and the Republic of Bulgaria 2014 – 2020

The total number of concluded contracts within the First Call under Interreg - IPA Cross-border Cooperation Programme between the Republic of Bulgaria and the Republic of North Macedonia is 48. A total of 46 projects completed the implementation at the end of 2018 and 2 projects were completed with the implementation in the middle of 2019.

The Second Call for Proposals under Interreg - IPA Cross-border Cooperation Programme between the Republic of Bulgaria and the Republic of North Macedonia for a **total amount of EUR 6,917,631.00**, was lunched on 09.02.2018. The Joint Program Monitoring Committee, held in Berovo on 17.01.2019, preliminarily approved the financing of **17 new projects** under the Second Call for Proposals.

In March 2019, budget negotiations were carried out with all projects, as well as on the spot site visits paid only to investment projects to be funded under the Second Call for Proposals under the Programme. The Joint Secretariat has conducted training for the projects funded under the Second call for project proposals, for the Bulgarian management team members, on the 16 July 2019 in Kyustendil and for the Macedonian management team members on the 18 July 2019 in Stip.

**The total number of concluded contracts under the Second Call is 17. A total of 17 new contracts under the Second Call were signed**, of which 14 were signed on 12.07.2019, and three contracts were signed on 12.08.2019, 16.08.2019 and 04.09.2019. **The total value of the 17 contracts signed under the Second Call is EUR 5 366 283.**

Cooperation Programme name	INTERREG Cross Border Cooperation programme between R. of Bulgaria and R. of North Macedonia 2014- 2020	
	No. of applications received	No. of actions selected for funding
<b>I Call for Project Proposals</b>	216 (of which 3 after deadline)	48
Priority Axes		
1. Environment		14
2. Tourism		17
3. Competitiveness		17
<b>II Call for Project Proposals</b>	162	17
Priority Axes		
1. Environment		6
2. Tourism		8
3. Competitiveness		3

#### b. Interreg IPA program for cross border cooperation between the Republic of Greece and the Republic of North Macedonia 2014-2020

The Programme Authorities have taken great care towards the reinforcement of the beneficiaries' capacity. As this Programme is a successor of a 2007-2013 Programme under IPA I, the Managing Authority had collected valuable information about the strengths and weaknesses of the authorities in the Programme Area.

The Organisational capacity of authorities was thoroughly appraised under the 1st CfP, in line with the procedures described in the Programme's Management and Control System. As a result, in the 40 approved projects, 170 unique Beneficiaries are involved, with 93 of them from Greece and 87 from the Republic of North Macedonia.

The Joint Secretariat has provided specialized training for the project beneficiaries, which was tailored to the applicable rules of each partner country. As the Secretariat is staffed by nationals of both countries, specialized guidance was available for partners from the Republic of North Macedonia. Valuable experience is accumulated during the project implementation. Lead Partners, in particular, shall have a dedicated Financial Manager and Project Manager, assigned to the project. As such, staff costs represent up to 50% of the Project budget, an indication of the acquired 'in-house' experience.

In addition, measures are taken to ensure that the know-how provided by external experts is embedded in the partner organization. Further, all Beneficiaries are required to present a Project Management Team that consists of permanent partner staff, despite or regardless of the involvement of external experts. This provision intends to ameliorate institutional capacity in the participating Beneficiaries, thus enriching the technical know-how of the cross-border region accordingly

Cooperation Programme name	INTERREG IPA Cross Border Cooperation Programme R. Greece- R. of North Macedonia 2014- 2020	
	No. of applications received	No. of actions selected for funding
<b>I Call for Project Proposals</b>		
	149	40
<b>Priority Axes</b>		
Development and Support of Local Economy	87	18
Protection of Environment - Transportation	62	22

#### c. IPA cross-border cooperation program between the Republic of North Macedonia and Republic of Albania 2014-2020

In the frame of the CBC programme between, the Republic of North Macedonia and the Republic of Albania on April 22, 2019, the 7th information sessions was organized under the 2nd Call for Proposals for IPA. In May 28, 2019, the call for applications for ideas for strategic projects was announced under the IPA Cross-border Program North Macedonia - AL 2014 -2020.

In connection with the call for applications for strategic project ideas, within the North Macedonia-AL IPA Cross-Border Program 7 information sessions were organized for potential applicants on both sides of the border. In October 2019, an initial selection of applications was made following the call for ideas for strategic projects. 6 ideas for strategic projects are selected. In November 2019, five (5) projects from the second call they signed contracts for implementation of their projects in the next 2-3 years.

Cooperation Programme name	INTERREG Cross Border Cooperation programme between R. of North Macedonia and R. of Albania 2014- 2020	
	No. of applications received	No. of actions selected for funding
<b>I Call for Project Proposals</b>	96	9
Priority Axes		
1. Environment	2	
2. Tourism	2	
3. Competitiveness	5	
<b>II Call for Project Proposals</b>		
Priority Axes		
1. Environment		
2. Tourism		
3. Competitiveness		

#### d. IPA CBC programme Republic North Macedonia – Republic of Kosovo 2014-2020

On March 29, 2019, EUOK launched the Third Call for proposals with a total available budget of 2,040,000 EUR. The third call covers two thematic priorities: Thematic Priority 2 - Encouraging tourism and cultural and natural heritage (**840,000 EUR**) and Thematic Priority 3 - Protecting the environment, promoting climate change adaptation and mitigation, risk prevention and management (**1,200,000 EUR**).

In the frame of the CBC programme between the Republic of North Macedonia and the Republic of Kosovo including the 3rd CfP 12 projects were approved.

Cooperation Programme name	INTERREG Cross Border Cooperation programme between the R. of North Macedonia and the R. of Kosovo 2014- 2020	
	No. of applications received	No. of actions selected for funding
<b>I Call for Project Proposals</b>		
<b>Total available budget: 2.040.000,00 EUR</b>	52 application in total 23 pre-selected for full application	<b>8 projects</b> (Initially 9 projects signed but 1 project cancelled by CA immediately in the first month of implementation)
<b>II Call for Project Proposals</b>		
<b>Total available budget: 350.000,00 EUR (leftovers from the 1<sup>st</sup> Call for Proposals)</b>	15 application	<b>1 project</b>
<b>III Call for Proposals: Total available budget: 2.040.000,00 EUR</b>	31 applications	<b>3 projects</b> Tourism 1 Environment 2
Priority Axes 1. Environment – 2. Tourism –3. Competitiveness –	2 projects 8 projects 2 projects	Tourism 8 projects Competitiveness 2 projects Environment 2

#### e. Transnational programme for cooperation Balkan Med 2014-2020

In the frame of the Programme for transnational cooperation Balkan- Mediterranean were granted 37 transnational projects. All the projects are on going.

Cooperation Programme name	INTERREG programme for Transnational Cooperation Balkan Mediterranean 2014- 2020	
	No. of applications received	No. of actions selected for funding
<b>I Call for Project Proposals</b>	149 projects received	37 projects selected for funding
Priority Axes 1. <b>Entrepreneurship and Innovation</b> 2. <b>Environment</b>		37

#### f. IPA Cross-Border Cooperation Programme R. of North Macedonia - R.Serbia 2016-2020

The first call for proposals in the amount of EUR 1,260,000 for both countries was announced on 25.07.2019. The project evaluation process is still on going.

Cooperation Programme name	Cross Border Cooperation programme between the R. of North Macedonia and the R. Serbia 2016- 2020	
	No. of applications received	No. of actions selected for funding
<b>I Call for Project Proposals</b>		
<b>Total available budget: 1,260.000,00 Euros</b>	Ongoing	In process of evaluation of submitted applications

### 3. Monitoring, including data collection arrangements and where applicable evaluation activities.

Under IPA CBC Programme between the **R. of Kosovo** and the **R. of North Macedonia** for the period January–December 2019, the JTS/Antenna Office in cooperation with OS and CA organized 2 rounds of monitoring visit with total of 36 visits to the beneficiaries. The JTS/Antenna/OS/CA organized 16 field visits and participated in the events and training organized by the beneficiaries. The goal of the monitoring visits was to check the progress in the implementation of the projects and assist the beneficiaries to solve potential obstacles and issues encountered during implementation. The online monitoring database has been prepared to

collect the indicators and results for each respective project. The process of data collection is in the initial phase.

Under the IPA CBC programme between the **Republic of Bulgaria and the Republic of North Macedonia** in the course of 2019, have been implemented 2 final monitoring and 1 ex-post monitoring on investment projects, as well as 30 (thirty) ex - post on - line monitoring of "soft" projects of the First Call from the JS/Antennae staff. Two irregularities have been suspected. The irregularity reporting procedure is on its way.

Under the IPA CBC programme between the **Republic of North Macedonia and Albania**, in the course of 2019, 22 monitoring visits were made to 9 projects under the second CfP. One project was suspended by EUD in North Macedonia, due to irregularities in the implementation of the contract. The other 8 projects were smoothly implemented. In order to be provided a systematic and continuous collection, analysis and use of management information that will support the effective decision-making process in the implementation of the CBC Programme, CBIB Plus, has developed a simple excel system, easy to use for OSs, JTS and the GBs as well.

Both OSs of this CBC Programme have started preparation of the internal progress-programme monitoring and the evaluation of results during 2019 and the midterm period.

The JTS was very important in assisting the CBC projects under the 1<sup>st</sup> CfP, from the moment the project started and especially during implementation. During the monitoring to these projects, the JTS officers were ready to support and advice to the beneficiaries to comply with the requirements of EU procedures. The JTS had created an environment of confidence with the grant beneficiaries throughout the project implementation period.

During this reporting period, the JTS had performed two rounds of monitoring visits (2<sup>nd</sup> and 3<sup>rd</sup> round of the monitoring visits) from both sides of the border to all 9 GBs under the 1<sup>st</sup> CfP of this Programme. Both OSs representatives had been invited to participate on these monitoring visits. During the 2019 period, the JTS had the opportunity to perform visits to the GBs in order to review the findings and follow up on the recommendations of the monitoring visits. During the reporting period, in both countries a total of 22 monitoring visits were made to the GBs premises divided as follows: in NMK – 14 monitoring visits and in AL – 8 monitoring visits.

The JTS had prepared 2 monitoring schedule/plans for monitoring visits to the GBs under the 1<sup>st</sup> CfP of this Programme in both countries, which had been approved by OSs and EUD as follows: 2<sup>nd</sup> round for the period January - February 2019 and 3<sup>rd</sup> round for the period of October - November 2019, as well as unannounced visits to project sites.

#### *4. Coordination with the partner country.*

In the frame of the bilateral CBC programmes, there are standard joint technical bodies establishes in the very start of the implementation of the programme: the Joint Secretariat and the Antenna Office. Each of these located in one of the countries. Moreover, on programme level there is the Joint Monitoring Committee that represents the highest decision making body (in shared management) that leads the overall implementation of the programme. The joint Monitoring Committee meets face to face at least two times a year and the meetings take place in each country in the rotation principle. This body is co-chaired by representatives of the two counties.

**The IPA CBC Programme Kosovo – Republic of North Macedonia** 2014-2020 for the period January – December 2019 has organized 5 bilateral meetings with the partner OS in Kosovo: two technical bilateral meetings and 3 working meetings during the preparation phase of the TA grant application. Additionally, the project steering committee meetings and JMC meeting are organized regularly foreseen in the working plan.

**Under the IPA CBC Bugaria and the Republic of North Macedonia**, the National Authority/Operating Structure in the Ministry of Local Self-Government, during 2019, has held 5 technical meetings with partner institutions from the Managing Authority in the Ministry of Regional Development and Public Works of the Republic of Bulgaria. Moreover, one Joint Monitoring Committee meeting was organized in Berovo and 9 (nine) JMC written procedures. On 17 September 2019, the Managing Authority of the Cross-Border

Cooperation Programme started the development of the Cross-Border Cooperation Programme between the two countries for the following programming period 2021 - 2027 with a Regional Forum on the hall “22 September” in the Blagoevgrad, with representatives of their stakeholders - local and regional authorities, branch organizations, educational institutions, non-governmental organizations throughout the regions of the Republic of Bulgaria. On 24 September 2019, a public debate - Regional Forum on the development of the Cross-Border Cooperation Programme between the two countries for the following programming period 2021 – 2027 was held. Macedonian representatives of their stakeholders - local and regional authorities, branch organizations, educational institutions, non-governmental organizations throughout the regions in Strumica debated their needs and opinions for the new programming period. The First Meeting of the Joint Working Group for Strategic Planning and Programming on the new programming period 2021-2027 was held on 9 October 2019 in Sofia, in the Ministry of Regional Development and Public Works. Members of the Joint Working Group from both countries - staff from Ministry of Local Self Government, Ministry of Regional Development and Public Works, SEA, Centers for regional development, municipalities, Chamber of Commerce, etc.-adopted the basic working documents and discussed the next steps related to the new programming period.

Regarding the **CBC Republic of North Macedonia and Greece**, the members of the Joint Monitoring Committee (JMC) were selected in accordance with the requirements of Regulation (EU) No 1303/2013 of the European Parliament and of the Council. Relevant Civil Society organizations are also actively involved.

A Joint Steering Group (JSG) was appointed to coordinate the process of the evaluation. Its members had both institutional and technical functions. They were drawn from the MA, from the Greek Ministry’s Central Planning and Evaluation Unit, and from the Ministry of Local Self Government in Skopje. The European Commission also provided input. The works of the JSC and the progress of the Evaluation Plan were dully communicated to the JMC. The latter sealed with its approval the development and implementation of the Evaluation Plan.

In 2018, it was decided to generate a new land border crossing between the two partner countries. The Programme Authorities involved several partners and stakeholders in 2019. As such, Ministries and Regional Authorities had an active role in the project development. Municipalities were also involved. This experience has proved beneficial for their capacity as ‘partner organizations’ and markedly raised their ‘ownership’ of the Programme.

**The IPA CBC programme Republic of North Macedonia and Serbia** in the frame of the bilateral CBC programmes, there are standard joint technical bodies establishes in the very start of the implementaion of the programme: the Joint Secretariat and the Antenna Office. Each of these located in one of the countries. Moreover, on programme level there is the Joint Monitoring Committee that represents the highest decision making body (in shared management) that leads he overall implementation of the programme. The joint Monitoring Committee meets face to face at least two times a year and the meetings take place in each country in the rotation principle. This body is co-chaired by representatives of the two counties. A row of technical meetings is also held, for the IPA- IPA CBC Programmes the Steering Committee Meetings are regularly organized in order to follow the implementation of the TA service contract that follows these CBC programmes. During the programming phase both structures form the Joint Task Force groups that lead this process.

#### ***Meetings between OSs and JTS***

There were two meetings for staff working on programmes implemented under the indirect management in 2019. The first one was attended by HOS/HOS UNIT, CBC Body/JTS, CFCU and EUD and it was held on 30 May 2019 in MEI, Belgrade. The topics were:

Indirect management (delays in implementation and possible consequences);

State of play per programme (with the conclusions to speed up the process of producing visibility material and resolve the issues of contracts for JTS offices);

Calls for proposals (Application package was rejected by the EUD for the second time, deadline for contracting is December 2020, Kick off ceremony, Information sessions and PSFs were planned to be organized upon the launching the 1st CfP);

TA Grants (the new TAGC should be signed by the end of the year); Financing agreements for 2018 (HOS Unit initiated the official procedure for signing and adoption of the Financial Agreement for the year 2018

within the IPA II for all three Programmes); Annex III CBC Annual Implementation Report - CBC Financing Agreement IPA II. Version January 2018

Programming of IPA III (EUD informed the participants that was still not very clear how the IPA III would look like).

The second meeting was held in Belgrade on 23 December 2019 with HOS Unit, CBCB, CFCU and JTSs as participants. Following information were shared: information concerning the implementation of TASC were presented, the 1st CfP was launched and selection of assessors was in progress, the written procedure for the adoption of JTS AWP and CAP for 2020 was also initiated, the preparation of AIR was in progress, the request for no-cost extension was submitted and that the TAGC of 140,000 EURO was signed on 16 December 2019, and it would last 24 months. Information on DG NEAR verification mission, which lasted from 9-13 December 2019, was shared.

There were also several meetings between JTS and OSs dealing with daily operational issues.

### ***JMC meetings and outputs***

In line with the Framework Agreement and Implementing Regulation of IPA II participating countries concerned (IPA II beneficiaries) established a JMC within six months from the entry into force of the first Financing Agreement.

- The 3rd JMC meeting was held in Belgrade on February 7th 2019.

First presentation for the JMC members followed the chapters of the AIR 2018 and it was adopted at the same meeting. Another topic for discussion was that the name of the country “Former Yugoslav Republic of Macedonia” should be kept in officially adopted documents until the new name, The Republic of North Macedonia, becomes official and notification about that sent to all OSs. The members of JMC also accepted the proposed change of the Article 8, point 4 of the JMC RoP which says that “The minutes of the meeting shall be published on the internet web site of the programme” and it was agreed to be deleted from RoP. The revised RoP was adopted by JMC. The CFCU informed the JMC that they will not be in position to comply with the deadlines set in the current Procurement and Grants Plan and that the possible timing for the launching of the 1st CfP could be first half of March 2019. It was also stated by the EUD representative that DG NEAR is clear in encouraging the CA to do the pre-announcement of the call and to provide basic information - the tentative dates, the priorities, eligible territory and similar. The representative of Governmental Audit Office of EU Funds of the RS asked Macedonian OS on the feedback regarding the follow-up of the recommendations provided in the Report and the discussion was held regarding this topic. The next JMC meeting was scheduled for mid-November 2019 and the minutes were adopted on 21 February 2019.

The JMC written procedure was launched on 16 December 2019. The adoption of the JTS Annual Work Plan for 2020 as well as the Communication and Visibility Plan for 2020 were on the agenda. Since the Communication and Visibility Strategy is adopted for the whole duration of the Programme, the Action plan for 2020 covers the period of the first year of implementation of the subsequent TAGC.

### ***Technical meetings between the Operating structures***

Two Technical meetings were held with MK Operating structure, EUD and JTS:

On 7 February 2019 in Belgrade included discussion and agreement between the partners about the technical details concerning the JTS functioning i.e. contracts for offices, solutions for phone lines. Also one of the themes was related to audit requirements i.e. update and fulfilment of audit requirements by MK OS.

On 17th and 18th of October 2019 the second meeting during this reporting period took place in Belgrade. The meeting agenda included: Indirect Management System/Programme Procedures (Indirect management system, programme procedures, responsibilities, approval circuits and revision); 1st Call for Proposals (evaluation, assessors), TASC implementation and preparation of TA Grant Contract, discussion on the request for no-cost extension. On the second day of the meeting, relevant members of the OSs had the meeting related to functioning of 1st Call for proposals evaluation committee and functioning of the programme.

## **IPA CROSS-BORDER COOPERATION PROGRAM BETWEEN THE REPUBLIC OF NORTH MACEDONIA AND REPUBLIC OF ALBANIA 2014-2020**

Based on the initiative taken by OSs and EUD to invite the GBs under the 1<sup>st</sup> CfP per every each JMC meeting aiming to have a more detailed presentation of their achievements, were invited to the meetings of the JMC for this purpose and presented by their project staff as follows:

- On the 6<sup>th</sup> JMC meeting two projects of the thematic priority 2 "Encouraging tourism and cultural and natural heritage": (1) Project title: "Innovation Eco-System in the CBC area (CBC INNOV8)", presented by the Lead Applicant "Euro Partners Development"; (2) Project title: "Agricultural Standards and Certifications, Capacity Building for Absorption of Funds and Marketing Strategies to Support Economic Growth and Trade", presented by the Lead applicant "Creative Business Solutions".
- On the 7<sup>th</sup> JMC meeting two projects of the thematic priority 2 "Encouraging tourism and cultural and natural heritage": (1) Project title: "Innovative practices in Environmental Protection phase II", presented by the Lead Applicant "Centre for Civic Initiative"; (2) Project title: "A Ecosystem protection of the Ohrid-Prespa transboundary region", presented by the Lead applicant "Albanian Local Capacity Development Foundation".

*Under indirect management the following information should also be included*

*Not applicable for MoLSG*

## II a. Performance indicators in Cross Border Cooperation Programmes

Financing Agreement/Programme reference <sup>52</sup>	Indicator for sector Competitiveness and Innovation	Source	Baseline 2014	Target (2023)	Final target (Year)	Value (2017)	Value (2018)	Value (2019)
CBC RNM - AL	<i>Output indicators</i>					79.19	81.39	
CBC RNM – AL	Number of trainees		0	500	500			231
CBC RNM – AL	<i>Outcome indicators</i>							
CBC RNM – AL	Number of tourists using new/improved services		0	5000	5000			#N/A
CBC RNM – AL	<i>Impact indicators</i>							
CBC RNM – AL	Average length of tourist stay increased (overnights)		2,8	3,8	3,8			N/A
CBC RNM – AL	Result: 1.1.2 Mutual co-operation, understanding and respect of cultural heritage and values are furthered							
CBC RNM – AL	<i>Output indicators</i>							
CBC RNM – AL	Number of new cultural events (festivals, fairs, competitions) to connect people of the programme area organised		0	20	20			#N/A
CBC RNM – AL	New digitised collections/library funds created		0	5	5			#N/A
CBC RNM – AL	Number of cultural heritage sites improved		0	4	4			#N/A
CBC RNM – AL	<i>Outcome indicators</i>							
CBC RNM – AL	Percentage of stakeholders involved in activities		1465	1612	1612			#N/A
CBC RNM – AL	<i>Impact indicators</i>							
CBC RNM – AL	Number of visitors visiting supported natural and cultural heritage sites (baseline TBD, increase 15%)		TBD	15%	15%			#N/A
CBC RNM – AL	Thematic priority 3: Enhancing competitiveness, the business environment and the development of small and medium-sized enterprises, trade and investment							
CBC RNM – AL	Specific objective: 2.1 The strengthening of the SME productive capacity and access to markets							
CBC RNM – AL	2.1.1 The SMEs and start-ups awareness and capacity to tap into new markets and value chains are enhanced							
CBC RNM – AL	<i>Output indicators</i>							
CBC RNM – AL	Number of foreign trade activities		0	10	10			#N/A
CBC RNM – AL	Number of businesses/enterprises participating in new foreign trade activities		0	50	50			0
CBC RNM – AL	Number of SMEs with new conformity certificates awarded (ISO, HACCP, etc.)		0	20	20			19
CBC RNM – AL	Number of new markets and trade facilities developed through agreements		0	3	3			0
CBC RNM – AL	<i>Outcome indicators</i>							
CBC RNM – AL	Increase in share of export value of goods and services (in %)		TBD	3	3			#N/A
CBC RNM – AL	Increase in turnover of businesses supported (in %)		TBD	3	3			20
CBC RNM – AL	<i>Impact indicators</i>							

52 It has to be consistent with the way CBC RNM - AL of programming (annual, multi-annual with or without split commitments) and with the NAO report

Financing Agreement/Programme reference <sup>52</sup>	Indicator for sector Competitiveness and Innovation	Source	Baseline 2014	Target (2023)	Final target (Year)	Value (2017)	Value (2018)	Value (2019)
CBC RNM – AL	Gross Value Added by Sector (in %)		TBD	3	3			#N/A
CBC RNM - AL	Thematic priority: Protecting the environment and promoting climate change adaptation and mitigation, risk prevention and management							
CBC RNM – AL	Specific objective: 3.1 The awareness of a greener economy, cleaner environment and climate change is enhanced							
CBC RNM – AL	Result: 3.1.1 Awareness and knowledge of sustainable use of natural resources and environment is fostered							
CBC RNM – AL	<i>Output indicators</i>							
CBC RNM – AL	Number of awareness campaigns on sustainable use of resources and a cleaner environment implemented		0	12	12			2
CBC RNM – AL	Number of improved waste management systems and value chains within the area		0	6	6			#N/A
CBC RNM – AL	Number of site cleaning actions implemented		0	8	8			#N/A
CBC RNM – AL	<i>Outcome indicators</i>							
CBC RNM – AL	Percentage of all businesses and organisations participating in joint actions in wastewater and solid waste management (to be disaggregated)		TBD	10%	10%			#N/A
CBC RNM – AL	Percentage (%) of population of the area targeted by the project made aware of sustainable use of natural resources and environment in key sectors		TBD	3,50%	3,50%			8,91
CBC RNM – AL	<i>Impact indicators</i>							
CBC RNM – AL	Percentage of waste collected for recycling		TBD	15%	15%			#N/A
CBC RNM – AL	Savings (percentage of reduction of water losses) in the use of water by households and businesses		TBD	10%	10%			#N/A
CBC RNM – AL	Decrease in the number of illegal dumpsites		TBD	10%	10%			#N/A
CBC RNM – AL	Result: 3.1.2 Public infrastructure vulnerable to floods, soil erosion and wildfire is upgraded							
CBC RNM – AL	<i>Output indicators</i>							
CBC RNM – AL	Number of projects implemented in relation to this specific objective		0	12	12			#N/A
CBC RNM – AL	Number of awareness raising campaigns to prevent or mitigate the consequences of natural catastrophes implemented		0	5	5			#N/A
CBC RNM – AL	Number of flood and wildfire protection facilities equipped		0	2	2			#N/A
CBC RNM – AL	Number of households/farms and other organisations benefitting from the upgraded infrastructure		0	250	250			#N/A
CBC RNM – AL	<i>Outcome indicators</i>							
CBC RNM – AL	Length of roads protected from risks and man-made hazards (km) (target is 10% of roads exposed to risks that is TBD)		0	10	10			#N/A
CBC RNM – AL	Size of agricultural area protected (target is 5% of land exposed to risks that is TBD)		0	5	5			#N/A
CBC RNM – AL	Size of forestry area protected (target is 5% of forests exposed to		0	5	5			#N/A

Financing Agreement/Programme reference <sup>52</sup>	Indicator for sector Competitiveness and Innovation	Source	Baseline 2014	Target (2023)	Final target (Year)	Value (2017)	Value (2018)	Value (2019)
	risk that is TBD)							
CBC RNM – AL	Size of CBC area covered by activities (in %)		0	3	3			#N/A
CBC RNM – AL	<i>Impact indicators</i>							
CBC RNM – BG	Number of supported investments for improving the environmental conditions in the programme region			15	15		22	
CBC RNM – BG	Number of nature protected areas addressed by supported interventions			5	5		0	
CBC RNM – BG	Number of supported joint mechanisms for environmental protection, promotion of biodiversity and sustainable use of natural resources			5	5		8	
CBC RNM – BG	Number of institutions/organizations involved in environmental related activities			20	20		145	
CBC RNM – BG	Number of participants in environmental related trainings and campaigns			300	300		1,031	
CBC RNM – BG	Supported investments for improving disaster management and risk prevention			5	5		6	
CBC RNM – BG	Supported investments for adaptation and mitigation of climate change consequences			5	5		1	
CBC RNM – BG	Supported joint mechanisms for disaster management and risk prevention and for promotion of climate change awareness			3	3		1	
CBC RNM – BG	Number of institutions/organizations involved in initiatives related to risk prevention and management			10	10		12	
CBC RNM – BG	Number of participants in trainings and campaigns in the field of risk prevention (including marginalized communities and other vulnerable groups)			300	300		108	
CBC RNM – BG	Population benefiting from flood protection measures			350,000	350,000		255,847	
CBC RNM – BG	Population benefiting from forest fire protection measures			400,000	400,000		0	
CBC RNM – BG	Number of cultural and historical touristic sites reconstructed /restored / covered by conservation and protection actions			25	25		5	1
CBC RNM – BG	Length of new or reconstructed or upgraded access roads to natural, cultural and historic tourism sites, cycling routes and walking paths			5.00	5.00		4,214	
CBC RNM – BG	Number of newly built or reconstructed or upgraded tourist related facilities and attractions			10	10		12	3
CBC RNM – BG	Number of created/reconstructed facilities for disabled people for access to or in the supported touristic sites			5	5		3	1
CBC RNM – BG	Number of joint touristic products, services, brands, thematic routes			10	10		20	
CBC RNM – BG	Number of actions, tools and initiatives developed and/or implemented for promotion of sustainable tourism potential of the border area			10	10	1	18	
CBC RNM – BG	Number of participants in joint training and qualification initiatives in the field of sustainable tourism			50	50		256	
CBC RNM – BG	Number of cross-border networks established or strengthened in the			5	5	3	0	

<b>Financing Agreement/Programme reference<sup>52</sup></b>	<b>Indicator for sector Competitiveness and Innovation</b>	<b>Source</b>	<b>Baseline 2014</b>	<b>Target (2023)</b>	<b>Final target (Year)</b>	<b>Value (2017)</b>	<b>Value (2018)</b>	<b>Value (2019)</b>
	field of sustainable tourism							
CBC RNM – BG	Number of public awareness initiatives promoting sustainable use of natural, historical and cultural heritage and resources (Number)			15	15		7	
CBC RNM – BG	Number of public awareness initiatives promoting alternative forms of tourism (Number)			150	150		0	
CBC RNM – BG	Supported joint start-up and self-employment initiatives			2	2	1	10	
CBC RNM – BG	Number of participants (split into men and women) in supported training and qualification initiatives			150	150	365	682	
CBC RNM – BG	Number of enterprises receiving non-financial support			10	10	3	148	
CBC RNM – BG	Supported initiatives for economic development and investment promotion			10	10	1	18	
CBC RNM – BG	Number of cooperation networks			7	7	2	16	