

REPORT

ON THE IMPLEMENTATION OF THE ASSISTANCE UNDER IPA IN 2018

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Annual Report on the implementation of IPA II assistance under direct and indirect management by Republic of North Macedonia

I Executive Summary

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

In order to meet the priorities, set for the EU financial assistance throughout the 2014-2020 period, the ISP sets meaningful and realistic objectives, identifies actions and key 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 control¹. 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 EUD, set up nine sectors². The main challenges of the sectors will be carefully identified during the elaboration of the ISP 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 under the following themes: to improve the professionalism, transparency, accountability and independence of the public administration at central and municipal level, taking into account the principles of merit and equitable representation; 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; 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 in relation to decentralisation include strengthening of all transferred and yet to-be-decentralised competencies 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 the mobilisation of resources and 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 mid-term budgetary framework and improved budget classification needs to be enhanced. 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 the 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 (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 the 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 independence of judges and that the Judicial Council and Council of Public Prosecutors to exercise

¹ Only the performance reserve is to be allocated.

² The country is in a process of establishment of 10th Sector working group on Regional and Local Development

their role of protecting judges and prosecutors; ensuring appointments and promotion on merit-based and performance management system based on qualitative and qualitative standards; and use and auditing regularly the Automated Court Case Management Information System (ACCMIS). This last challenge is particularly relevant taking into account that a tender supporting its achievement failed in the end of 2018.

Concerning the 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 at present addressed through a loan of the CEB to improve the quality of the detention places). As concern the freedom of expression, the main challenge is to strengthen the reform of the broadcasting and its independence, as well as the professional conduct 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, 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 inter-agency cooperation has to be improved.

D. Home Affairs (HA)

On Home Affairs, there is a need to improve the effective management of the external borders of the country 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 the improvement of the track record on investigation, prosecution and conviction of instances 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 smuggling of migrants. Under an operational point of view, it is relevant to point out 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 to 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 air quality improvement; 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 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 the 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 on rail reform and the opening of the 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 creating employment 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 free movement of goods (incl. quality infrastructure, market surveillance and consumer protection, and customs controls), free movement of services and competition and state aid; to improve legal and institutional framework for business creation and operations; to improve the access to finance, specially for woman,

and business services, as well as the business-related infrastructure including at local level; and to enhance research and innovation capacities through cooperation among 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 which 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 of the rural areas in line with the EU *acquis* and policies and ensure food safety is the main objective in the sector. In this sense, the principal challenges of the sector are related to strengthening of the administrative capacity, incl. 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 funding; to improve competitiveness of the agriculture sector; to improve safety of human beings and animal health; to improving the process of alignment of the Farm Accountancy Data Network; and to intensify policy alignment 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 do 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 in order to match demand and supply on the labour market is the strengthening of the vocational education and training (VET) and Adult Education system in close cooperation with the private sector and social partners.

As regards employment and social policies area, the challenges faced by 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 was elaborated, which overall objective is to enhance the employment of young women and men, with two specific objectives: 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. Status of the implementation of the roadmap

A horizontal challenge for all the sector is represented by the implementation of their roadmaps and the achievement of a fully-fledged sector approach. In relation to the moving toward the fully-fledged sector approach, all sectors are implementing the reform based on coherent and relevant strategies adopted, in general, in a consultative manner, including stakeholders and civil society organisations. However, the institutional setting and capacity of some of the sectors needs to be improved in order to properly achieve the reform. Special attention must be paid to reporting, monitoring and evaluation capacity. With respect to sector and donor coordination criteria, the sectors have improved substantially in 2017 and 2018, increasing the number and quality of the SWG meetings, and involving relevant donors and civil society organisation and chaired by high-level representatives of the different line ministries. As concern the sector monitoring system, during 2017-2018, the performance assessment framework has been progressing, improving the quantity and quality of indicators. Finally, as regards the sector budget criteria, it needs to be improved in all sectors as, at present, all the strategies are being implementing based on national annual budgets. The progress is expected with the adoption of the new Organic budget.

2. Involvement in programming

At sectoral level, for the IPA AR 2018, four Programming periods are 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 concluded on 5th 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.

Under IPA 2018, the quality control took place and by now the final version of the Action Document is ready for the signing of the financing agreement.

2018 Annual Action Programme consists of 3 actions in total amount of EUR 32.089.675:

- 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.

In 2018, the elaboration of the draft Action Documents for IPA 2019 and 2020 took place. Five Action Documents and one SRC were prepared 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)
- And
- 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 the period February – December 2018 on plenary level. However, the SWG meetings were also held on technical and bilateral level which significantly increases the total number of meetings.

Next to the sectoral programming, it is necessary to mention the programming of the EUIF, the preparation of the Operational Identification Sheets under the sectors transport and environment, as well as the IPA applications for the major infrastructural projects (waste water treatment plant in Bitola and extension of the sewage system in Kichevo), as well as of the UPs that was carried out with the same modalities of the previous years.

3. Involvement in Multi-country actions and any related issues

The NIPAC office is involved in the IPA Multi country programmes forum that is being organised by the DG NEAR services on regular basis. The representatives of NIPAC office participated on 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 the discussions are ongoing for the 2019 programming. NIPAC office in the country is the responsible authority for communication and consultation of the proposed actions under each programming year. On the implementation side, the NIPAC office appreciates the regular biannual reports for the implementation of the respective programmes as these reports are the only sources for information on the implementation.

The Multi-country Action Programme for the year 2018 was adopted by the European Commission on 31 of July 2018.

List of actions foreseen under MC IPA 2018	Amount in EUR
01 -EU support to improving economic governance and competitiveness	19 800 000
02 - EU support to the Western Balkans Youth Window under Erasmus +	3 000 000

03 - EU support to improving education and skills capabilities in the Western Balkans and Turkey	3 500 000
04 - EU Integration Facility, including EU support for the participation of beneficiaries in EU Agencies	12 000 000
05 - EU/Council of Europe Horizontal Facility for the Western Balkans and Turkey Phase 11	35 000 000
06 - EU support for regional reconciliation	2 500 000
07 - EU support for Roma integration 2020- Phase 11	2 000 000
08 - EU support to Public Administration and Public Financial Management Reforms in the Western Balkans	14 350 000
09 - EU support to the Transport Community Treaty Secretariat	2 000 000
10 - EU support to the Western Balkans Investment Framework for Technical Assistance for 2018	50 000 000
11 - EU support to Technical Assistance to Connectivity in the Western Balkans- Connecta	10 000 000
12 - EU support for the Regional Housing Programme (RHP) (Sarajevo Process)	39 500 000
13 - EU Regional action on animal disease eradication in the Western Balkans	1 500 000
TOTAL	195 150 000

As concerns the status of implementation of the activities under the WBIF during 2018, the main data are presented in the tables below.

NIC Contact point	<ul style="list-style-type: none"> • Orhideja Kaljoshevska, State councillor for coordination of EU funds and other foreign assistance • Suzana Peneva, State Councillor – Ministry of Finance • Evgenija Serafimovska Kirkovski- Head of NIPAC office 				
NIC Meetings (previous meeting held/upcoming meeting)	<ul style="list-style-type: none"> • NIC meeting (first level) held on 28.11.2018 (51 participants) • NIC meeting (second level) held on 17.10.2018 (20 participants) • NIC meeting (second level) held on 06.08.2018 (22 participants) • Upcoming meeting planned in the second half of 2019 				
Single Project Pipeline	Total number of Projects:			Total estimated value:	
	134			7.372.516.672 EUR	
SSPPs	BRI	ENE	ENV	TRA	SOC
Total number of projects / total estimated value	1Project(Digital Connectivity) 7.000.000 EUR	30Projects 3.692.426.532 EUR	28Projects 631.280.140 EUR	53Projects (27 mature + 26 on-going projects) 2.727.810.000 EUR	22Projects 314.000.000 EUR
SPP Revision	SPP Revised and Adopted by the Government on 27.11.2018; 56 new projects were added				
NIC framework Key issues	<ul style="list-style-type: none"> ▪ Workshops on the ground are necessary to explain the WBIF methodology (regional and National) ▪ Possible Revision of SPP by the end of the year – demand driven ▪ Presentations of IPA 3 and role of WBIF are necessary on the ground 				
In 2018 approved projects	<ul style="list-style-type: none"> ▪ In 19th TA call- Technical assistance for Waste Water Treatment Plant in Skopje 351.750EUR- EIB -leading, EBRD ▪ In 20th TA call- <i>Hydropower Plant Cebren</i> 1.005.000 EUR, EBRD ▪ In 3rd INV Call- Construction of new motorway section Gostivar-Kicevo, section from Bukojcani – Kicevo- 20.248.000 EUR with EBRD ▪ Rehabilitation and widening of national road Kriva Palanka-Border crossing Deve Bair-2.520.400 EUR with EBRD 				
21th TA Announced Applications	<ul style="list-style-type: none"> • National Transport Optical Network (National Network) -Feasibility study the National Transport Optical Network including Conceptual design and ESIA -500.000 EUR with World Bank and MISA • Strengthening the Transmission Network in the Southeast Region of Macedonia to Connect RES and Implementation of Smart Grid Concepts 800.000 EUR with MEPSO & EBRD • Special software and hardware platform for management of transmission grid, 80,000 EUR MEPSO & EBRD • Gas Interconnection Republic of Macedonia – Republic of Serbia (LOT 16 Klechovce-Sopot (border with Serbia))-Technical assistance for preparation of Feasibility study and ESIA. MER 				

	and EBRD – 650.000 EUR <ul style="list-style-type: none"> • Interconnection gas pipeline Macedonia – Kosovo Technical assistance for preparation of Feasibility study and ESIA.MER and EBRD- 650.000 EUR
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4. Donor coordination

In 2018, major progress in the donor coordination can be reported. More than 20 meetings of the SWGs with the participation of the donor community were held. In the tables below, the list of the main meetings as well as the list of Donors included in these meetings. One general donor coordination meeting was held in February 2018 as to launch the new dynamism in the donor coordination. Afterwards the donor coordination was done under the scope of the SWGs.

Main meetings of the SWG

SWGs	Date	Topic	Number of Participants
ARD	22.02.2018	Programming	69
ARD	23.04.2018	Programming	29
C&I	10.05.2018	Programming	42
EESP	01.03.2018	Programming	85
EESP	11.04.2018	Programming	53
PAR	12.04.2018	Strategy implementation	69
ENV	08.05.2018	Water	33
TR	11.05.2018	Strategy preparation	41
HA	14.05.2018	Strategy implementation	40
JUST	16.05.2018	Strategy implementation	51
C&I	11.06.2018	Programming	23
ARD	12.07.2018	Programming	45
EESP	12.07.2018	Programming	67
HA	05.09.2018	Programming	38
JUST	10.09.2018	Programming	50
Sub-sector Judiciary	18.09.2018	Programming	20
Sub-sector Human Rights and Freedoms	19.09.2018	Programming	17
Sub-sector Anti-corruption	20.09.2018	Programming	19
Sub-sector Organised crime	20.09.2018	Programming	20
Sub-sector Financial Investigations	21.09.2018	Programming	20
Sub-sector IT (HA)	21.09.2018	Programming	14
EESP sub sector Education (VET)	04.10.2018	Programming	40
C&I	08.10.2018	Programming	23
Sub-sector Judiciary	24.10.2018	Programming	18
Sub-sector Human Rights and Freedoms	29.10.2018	Programming	21
Sub-sector Anti-corruption	31.10.2018	Programming	20
JUST	13.12.2018	Programming	42

Main Donors, IFIs, Embassies and CSOs involved in the meeting of the SWGs

Donors and International Organisations	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,
IFIs	World Bank, EBRD, KFW and CEB
Embassies	Italian, Hungarian, Swedish, German, Czech, Greek, Bulgarian, Dutch, British, Spanish, French, US, Swiss, Chinese (PRC)
CSOs	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
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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)).

In the table below, the main statistical data about the implementation of IPA II are presented.

Per CSP		Programmed		Contracted		Disbursed	
Priorities/sectors	EUR	EUR	%	TOTAL	%	TOTAL	%
a. Reforms in preparation for Union membership	187,897,216	181,156,891	96.41%	69,765,761	38.51%	43,112,588	23.80%
Sector 1: Democracy and governance	130,997,216	127,686,891	97.47%	54,155,740	42.41%	40,305,976	31.57%
Union Programmes		43,336,891		27,664,951		26,030,344	
EU Integration Facility		24,250,000		9,117,699		4,576,004	
PAR&Statistics		17,200,000		1,648,500		0	
PFM		18,600,000		0		0	
Civil Society Facility		24,300,000		15,724,590.24		9,699,628	
Sector 2: Rule of law and fundamental rights	56,900,000	53,470,000	93.97%	15,610,021	29.19%	2,806,612	5.25%
b. Socio-economic and Regional development	421,000,000	401,872,202	95.46%	80,827,856	20.11%	25,957,603	6.46%
Sector 3: Environment and climate action	123,200,000	118,957,592	96.56%	11,658,276.58	9.80%	5,188,793	4.36%
Sector 4: Transport	115,200,000	110,914,610	96.28%	22,584,330.93	20.36%	3,531,955	3.18%
Sector 6: Competitiveness and innovation, Agriculture and Rural Development	135,600,000	125,300,000	92.40%	45,585,266	36.38%	16,899,069	13.49%
6a Competitiveness	39,000,000	38,000,000	97.44%	24,000,000	63.16%	11,956,250	31.46%
6b Agriculture and rural development	111,300,000	87,300,000	78.44%	21,585,266	24.73%	4,942,819	5.66%
of which DG Agri	68,000,000	60,000,000	88.24%	13,049,621	21.75%	1,002,788	1.67%
of which DG NEAR	28,300,000	27,300,000	96.47%	8,535,645	31.27%	3,940,031	14.43%
		0		0		0	
Sector 7: Education, employment and social policies	47,000,000	46,700,000	99.36%	999,983	2.14%	337,786	0.72%
TOTAL	608,897,216	583,029,093	95.75%	150,593,617	25.83%	69,070,191	11.85%

II Information per Sector

Rule of Law and Fundamental Rights – Sub sector Justice

1. Involvement in programming

As pointed out in the previous Annual Report, the following programming document(s), so far only one IPA Action Document was prepared and financed under IPA 2014 AP.

In 2018, the IPA Action Document 2020 was drafted. A single Action Document was drafted for both Justice and Home Affairs, however most of the preparatory activities were done separately. 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: Three (3) meetings of the SWGs 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, six (6) 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 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.

Criteria: Strategic Planning	Self-assessment: Most of the targets for 2017 and 2018 have been reached.
Criteria: Administrative Capacity	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Coordination	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Performance	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Budget	Self-assessment: half of the targets for 2017 and 2018 have been reached
Remarks: Most of the targets have been reached or substantially reached. The ones that are yet to be reached will be reached in 2019 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 that are active in the sector;
- Bilateral relationships with Donors;
- Relationships with IFIs.

The following meetings of the SWGs were organised in 2018:

PLENARY SESSION		
Date	Number of participants	Discussed topics
16.05.2018	51	<ul style="list-style-type: none">• Present the key elements of the new Strategy on Justice that was adopted by the Government of RNM on 27 of November 2017;• Promote involvement of the national stakeholders, donors and development partners for

		quality policy dialogue in the Justice sector; <ul style="list-style-type: none"> • Identify gaps and opportunities for investment in the sector reforms; • Better coordination of donor's intervention in the Justice sector.
10.09.2018	50	<ul style="list-style-type: none"> • Programing initiatives 2020 • Further strengthening the Administrative Capacities of the Ministry of Justice; • Further support to the process of optimisation of court network; • Further Strengthening the effectiveness, efficiency and professionalism of the criminal justice system; • Further Strengthening the capacities of the Academy for judges and public prosecutors; • Support to the Implementation of the Strategic Programmes for Fight against Corruption; • Strengthening the capacities of institutions for mitigation of risks of corruption and conflicts of interest through the system of education; • Strengthening the capacities on "Detection of risks of corruption / conflicts of interest in public procurements"; • Improving infrastructure conditions of Prisons Shtip & Prilep; • Support the Constitutional Court in enhancing its capacities to protect human rights; • Improving the capacity and visibility of the Ombudsman Office.
13.12.2018	40	Presentation of the Concept note of IPA 2020 Programme area "Rule of law and fundamental rights" the areas of further support were discussed: <ul style="list-style-type: none"> • Judiciary; • Organised crime and terrorism; • Anti-Corruption; • Minorities and human rights; • Freedom of expression.

THEMATIC SESSIONS

Date	Number of participants	Discussed topics
18.09.2018	19	Thematic meeting – Anticorruption <ul style="list-style-type: none"> • Analyse the project ideas, results and activities proposed under Programing initiatives 2020
18.09.2018	20	Thematic meeting – Judiciary <ul style="list-style-type: none"> • Analyse the project ideas, results and activities proposed under Programing initiatives 2020, that would better support the medium and long term strengthening of the Judiciary in Macedonia.
19.09.2018	17	Thematic meeting – Human rights <ul style="list-style-type: none"> • Analyse the project ideas, results and activities proposed under Programing initiatives 2020
24.10.2018	18	Thematic meeting – Judiciary <ul style="list-style-type: none"> • Develop the envisaged activities and results of the project ideas
29.10.2018	21	Thematic meeting – Human rights <ul style="list-style-type: none"> • Develop the envisaged activities and results of the project ideas
31.10.2018	20	Thematic meeting – Anticorruption <ul style="list-style-type: none"> • Develop the envisaged activities and results of the project ideas

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

Donors	IFIs	Embassies	CSOs
EU Delegation	Council of Europe Development Bank	Dutch	European Policy Institute
Council of Europe		UK	Association for Development Initiatives
UNDP		USA	Open Society Macedonia
GIZ		Italian	IPA Mechanism
USAID		French	Foundation Open Society - Macedonia
UNICEF		Bulgarian	IRI
OSCE			ZENIT
			FOSM

At present, in the sub-sector "Judiciary", the following programmes financed by the Donors are under implementation:

Donor	Value of the support	Addressed issues	Implementation period
EU	7.937.370,76 €	IPA II 2014	2018 - 2022
British Embassy	Not available	Bringing change - Good governance and effectiveness of the public administration	August, 2018 - March, 2020

	Not available	Improving the efficiency and effectiveness of the administrative justice system in Macedonia	June 2018 - March 2019
	95.880,00 £	Action for more transparent, accountable and effective Judicial Council	June 2018 - March 2020
	Not available	Design of a performance indicator matrix for the Public Prosecutor's Office in Republic of North Macedonia	June 2018 - March 2019
	Not available	Enhancing transparency, legal certainty and efficiency of the judicial system in North Macedonia	June 2018 - March 2019
Embassy of Netherland	Not available	Comparative study of experiences related to the process of selection and evaluation in the judiciary in young democracies	May 2018
	650.000 €	"Together for Accountability" –Project for Support of the Special Public Prosecution in North Macedonia support to the special public prosecution in strengthening its operational capacities and capacities for international legal cooperation"	March 2018-March 2020
UNICEF	1.995,000 MKD	To Improve protection of children's rights in criminal and civil procedures through capacity strengthening of judges, prosecutors and attorneys.	18 months
	2.448.000 MKD	To conduct a comprehensive study on violence against children	June 2017 - May 2018
	3.810.800 MKD	By 2020 to increase number of boys and girls benefit from child protection interventions aimed at preventing, adequately detecting, referring and responding to violence and abuse.	24 months
	4.829.970 MKD	Legal framework and capacities to detect, refer and respond to violence are developed and implemented with cross-sectoral coordination	24 months
	1.664.000 MKD	Developing indicators for collecting data and monitoring the situation of violence against children; Increased support for the implementation of the monitoring system.	24 months
	1.530.000 MKD	To develop a new policy on working with children victims of violence with participation of civil society sector	24 months
GIZ	14,5 Mio Euro	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

At present, in the sub-sector "Judiciary" the following loans financed by the IFIs are under implementation:

IFI	Value of the support	Addressed issues	Implementation period
Council of Europe Development Bank	46.000.000,00 EUR	Reconstruction of the PCI and ECI in Republic of North Macedonia	2011-2019

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.

Strategic Planning: The Justice Sector Reform Strategy (JSRS) with Action Plan 2017-2022 was adopted by the Government on 28 November 2017, taking into account other relevant sub-sectorial strategies (National Strategy for the Development of the Penitentiary system for 2015-2019 and Probation Strategy 2015-2018). In March 2018, the Council for monitoring the implementation of the JSRS, led by the President of the Government, was established. The Council includes representatives of the judicial institutions, experts and civil society. So far, nine sessions of the Council have been held, where draft laws of the judicial area are discussed. Annual report on implementation of the justice sector reform strategy 2017-2022 is prepared for the period January-December 2018. On the basis of the review on progress implementation foreseen in the Action Plan of the Strategy, of the total of 227 activities envisaged in the Action Plan, 23 are fully implemented, 61 activities are ongoing, 3 are late, 22 activities are carried out continuously, 89 activities have a later deadline, while 29 activities depend on the previous adoption of legal changes. The JSRS plans to establish special organization units for strategic planning in the Supreme court, Judicial Council, AJPP, Council of public prosecutors and Public prosecutor office. In 2018, the MoJ also received support through the IPA project "Support for

the Management of the EU Funds”, for the elaboration of the Action Document 2020 “EU for Rule of Law”, which specific objective is to strengthen justice and home affairs systems and reinforce the respect to human rights

Administrative Capacity: The institutional set-up is largely in place. However, as concern the MoJ and other institutions of the sector, an extensive functional and workload analysis is needed. Some important sector/departments are heavy understaffed. To address this situation, in 2018, a selection procedure for selecting 37 officials was announced by the MoJ and 12 persons were employed. The whole process will be completed in 2019. In 2018, the necessary steps were taken to improve the financial, human and physical capacities of the probation service. The MoJ is also preparing a new Action Plan for implementation of the ICT Strategy in the judiciary that will involve the installation, maintenance and operation the information system with a unique methodological and technological basis. Finally, on the basis of the functional analysis and workload mentioned above, capacity-building activities should be carried out.

Performance: The Action plan of the JSRS 2017-2022 contains qualitative and quantitative indicators for each strategic goal / measure. With the support of the project “Support for the Management of the EU funds Project”, those indicators are being developed and improved. Most indicators are measurable and relevant to the actions which are planned. A special organizational unit for monitoring, data collection and implementation of the Strategy will be established in the Ministry of Justice. As well, in order to establish a monitoring mechanism at a high political level, a new Council was created to oversee the implementation of the JSRS and the PA, headed by the President of the Government. With the purpose to strengthening the statistical, analytical and research capacities in the Supreme Court, Public Prosecutor's Office, Judicial Council, Council of Public Prosecutors and ATJPP, special departments will be formed for monitoring the reform activities. As concern the public consultation on the implementation of the JSRS, in December 2018, with the support of IPA (2014), grant contracts were awarded to six CSOs for strengthening the impact of the Civil Society in effective Justice Sector Reforms.

Budget: There is a budget of 6,000,000 euros for the implementation of the Strategy for the reform of the judicial system and the Action Plan for 2017-2022. There is no sectoral budgeting, since the justice sector is administered by numerous institutions that are under different branches of power. The budget is reviewed annually based on the check of the implemented measures. In 2018, the execution of the budget in the court system was 96.5%

Under indirect management by RoM:

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

Operational Agreement for the Country Action programme for the year 2014 signed between NIPAC, HOS and IPA Coordinator, no. 10-2689/2 from 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).

Operating structure within the Ministry of Justice includes six (6) employees - designated IPA Coordinator that is Head of Department for European Union; five (5) employed in IPA Unit (Head of IPA Unit, Programming Officer, junior associate for technical implementation, advisor for technical implementation and Monitoring Officer). In 2018 there were changes in the OS and one person was employed as Advisor for Technical Implementation.

The results of the WLA for 2018 indicated that the optimal number of staff needed for efficient management of the envisaged projects financed under IPA is 7, including the SPO/IPA coordinator who is the Head of the EU Department.

Workload Analysis for the next year (ref.No.10-4805/2 from 16.10.2018) and Recruitment plan (ref.No.10- 4917/1 from 16.10.2018)) were prepared and submitted to CFCD. According the WLA for 2019, an employment of one (1) Senior Monitoring Officer additional employees in IPA unit is needed.

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

According the final status of the procurement plan for the Justice sector under IPA II Action Programme 2014, by 23.12.2018 total of 18 projects/contracts, were contracted in amount of 7.937.370,76 euros (IPA contribution 6.855.747 euros and national co-financing 1.081.624 euros).

- (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) Twinning: "MK 14 IPA JH 02 18 - Strengthening of the penitentiary system and the probation service" contracted in amount of 950.000,00 euros;
- (6) Twinning 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): "Result 4 - 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): "Result 3/5-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 2, contracted in amount 778.870,00 euros;
- (13) Supply contract (International open procedure): "Result 3/5-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 3, contracted in amount of 98.810,00 euros;
- (14) Supply contract (International open procedure): "Result 3/5-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 4, contracted in amount of 297.078,00 euros;
- (15) Works contract (Local open tender): "Result 4 - Works for construction/reconstruction of PPOs" - LOT 1, contracted in amount of 585.751,19 euros;
- (16) Works contract (Local open tender): "Result 4 - Works for construction/reconstruction of PPOs" - LOT 2, contracted in amount of 498.490,84 euros;
- (17) Works contract (Local open procedure): "Result 5 -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): "Result 5 -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): "Result 3/5-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. 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.

Contract title	Status	Expected result	Achieved results
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 including the detailed scope of work necessary to be performed. Preparation and compilation of Detailed Design and tender dossier according to PRAG. Technical audits (revisions) of the Detailed Designs and other relevant documents for obtaining building permits	All the expected results have been fully achieved
"Service Framework contract:	Completed	Detailed assessment of current situation and preparation of	All the

"Preparation of works tender dossier for reconstruction of prison Bitola and courtroom facility in Prison Shuto Orizari" IPA/AP2014/2.3JUS/ LOT2/23		scope of work in the prison Bitola and courtroom facility in Prison Skopje prepared 2.Preparation and compilation of the works tender dossier (volume 3, 4 and 5) according to PRAG procedures including full dossier for the building permit application work for the prison Bitola and courtroom facility in Prison Skopje	expected results have been fully achieved
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 with detailed budget for the implementation of the Strategy Prepared Feasibility study 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 the expected results have been fully achieved
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 the expected results have been fully achieved

8. Recommendations for further actions

The main recommendations according to the last Monitoring Committee held on the 20.04.2018 are as follows:

- (1) The efforts for introducing Sector approach must be extended. While positive dynamics is visible, the achievement of fully-fledged SA in 2019, as per the country sector Roadmaps, is not assured at this stage. The sector coordination must be improved and the capacities of the sector working groups to lead a sector policy dialogue in an inclusive and highly participatory manner need to be strengthened.
- (2) In all sectors important reforms have been launched and IPA funds are allocated to support them. Highest level political commitment is necessary for putting in use a Performance assessment framework in 2018, which will allow following the reforms in transparent and inclusive way and communicating the results to the citizens of the country and the EU.
- (3) Sustainability of IPA investments needs to be improved both in terms of systemic use of the final outputs of IPA projects and as regards building the necessary capacity and administrative resource to sustain reforms. National authorities must regularly monitor how sustainability issues are being addressed.
- (4) The maturity and quality of projects needs to be significantly improved. The capacity and responsibility of the Line ministries for project preparation must be improved along with the capacity for control the level of preparation by the NIPAC office and the CFCD.
- (5) In the sector of Justice and Home affairs, the delayed launch of key reforms needs to be overcome with extended efforts and commitment. Particularly it is important for the country to focus on the successful implementation of the 2014 IPA Annual Action Programme and advance in contracting of the planned projects in support of the reform process. About 50% of the sector project portfolio is under a high risk of decommitment and this issue must be addressed without delay.
- (6) The Government is encouraged to make the necessary decision on the future of the IT system in judiciary and to adopt the list of supplies. The possible amendments to the action deriving from not meeting the conditionality's or some savings from the procurement to be properly planned introducing mature and ready to go projects small scale not later than in the beginning of the summer 2018.
- (7) On the sector working groups, there is a need for a broad participation both from the sector of justice of fundamental rights and home affairs. The meetings should be held in each quarter starting from now, in q2, q3 and q4. He also added that the point of sustainability is very relevant and suggested that this point should be a separate part of each monitoring committee meetings dedicated to sustainability of the results of IPA Projects. Hence, in the next meeting there should be a separate part on which the stakeholders relate on sustainability.

Rule of Law and Fundamental Rights – Sub sector Home Affairs

1. Involvement in programming

As pointed out in the previous Annual Report, so far three IPA Action Documents were 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 the preparatory activities were done separately. 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)

Criteria: Strategic Planning	Self-assessment: Less than half of the targets for 2017 and 2018 have been reached.
Criteria: Administrative Capacity	Self-assessment: Less than half of the targets for 2017 and 2018 have been reached.
Criteria: Coordination	Self-assessment: Less than half of the targets for 2017 and 2018 haven been reached.
Criteria: Performance	Self-assessment: Less than half of the targets for 2017 and 2018 have been reached.
Criteria: Budget	Self-assessment: Less than half of the targets for 2017 and 2018 have been reached.
Remarks: There is a major delay in achieving the targets of the Roadmap. This delay is mainly due to the fact that in the MoI there are too many strategies that were prepared with the support of International Organisations but without a real involvement of the Ministry. As a result, the contents of these strategies are almost unknown in the Ministry or the activities to be implemented are not entrusted to the personnel that should implement them. On this issue, it is necessary to discuss once again the contents (or at least the interpretation) of the roadmap and the Ministry should make clear which are the strategies to be implemented. In order to facilitate this activity, the TA of the project Support to the Management of EU Funds will launch in 2019 a screening of all the strategies to understand their relevance, areas of overlapping and possibility of implementation. 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 2018:

PLENARY SESSION		
Date	Number of participants	Discussed topics
14.05 2018	40 participants	Presentation of the priorities in the area of Home Affairs

05.09.2018	38 participants	Presentation of project proposals for the National IPA Action Programme for 2020
THEMATIC SESSIONS		
Date	Number of participants	Discussed topics
20.09.2018	20	Organised Crime: Analyse the project ideas, results and activities proposed under Programing initiatives 2020
21.09.2018	20	Financial Investigations: Analyse the project ideas, results and activities proposed under Programing initiatives 2020
21.09.2018	14	IT and databases: Analyse the project ideas, results and activities proposed under Programing initiatives 2020

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

Donors	IFIs	Embassies	CSOs
IOM		Hungarian	Foundation Open Society Macedonia
UNHCR		Dutch	ZENIT
Council of Europe		EU	European Political Institute - EPI
OSCE		Italian	
		Swiss	

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>Strategic Planning: Two strategies have been elaborated and approved during 2018 related to relevant aspects of the home affairs sector: 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). In addition, some steps were taken to identify priorities in the area of Security Sector Reform in line with the Urgent Reform Priorities (URP), as well as for the implementation of the relevant strategies. However, although in principle the political commitment is present in the sector, the strategic planning capacity is not improving since the weak/absence of relevant results, measurable by outputs, outcome and impact indicators, financially viable and ensured, based on clear measures and timelines, clear monitoring and reporting mechanism is not in place. Moreover, the absence of annual reports for the strategies in the sector implies the difficulty of measuring the results, updating and/or modifying said strategies. In 2018, nevertheless, the involvement of different departments of the MoI in the elaboration of the draft IPA Action Document 2020 for Rule of Law, with the support of the IPA project “Support for the Management of the EU Funds” and the participation of donors, represented a good start point for improving the strategic planning capacity of the sector.</p>
<p>Administrative Capacity: Ministry of Interior is the sector leading institution. 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. As mentioned in the previous Annual Report 2017, there is an insufficient number of staff in most of the institutions. The status of steps and targets for the roadmap (2017-2018) for this criterion, shows clearly that none of them has been implemented or reached (annual reports on the performance of the institutions, recruitment of competent staff, capacity building plan, etc.), creating a critical situation that must be analysed and addressed urgently.</p>
<p>Performance: The sector performance monitoring system is incomplete as for some of the strategies there are not action plans and implementing indicators that would enable monitoring of the implementation strategies. With the support of the project “Support for the Management of the EU Funds”, several indicators that are relevant for the Home Affairs Sector were defined. With the support of the same project, problems related to indicators and performance measurement are going to be defined in 2019. The Unit for Strategic Planning and Monitoring (USPM) is responsible for the monitoring of the implementation of the strategies and quality assurance and therefore it will be the main stakeholder involved under this criterion. The unit employs 12 persons.</p> <p>The Bureau for the Public Security in the MoI is responsible for performing police duties.</p>
<p>Budget: 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.</p> <p>Costing of Action Plans is done on a case by case basis without the involvement of the MoI’s Budget Department. In addition 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>

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 Secretariat for European Affairs 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 6 employees. (IPAC, two chief advisers for technical implementation, one chief adviser for monitoring and two advisers for monitoring).

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

IPA 2014 Action Programme is under indirect management. The project “Further development of the capacities for crime scene investigation twinning (€1,050,000-twinning) is under implementation. Another project “Implementation of business continuity and disaster recovery system” was contracted in the end of December 2018 and its implementation started in January 2019.

7. Main achievements in the sector

The projects under indirect management financed under IPA II are in a very early implementation phase and therefore there are not yet achievement in the sector.

8. Recommendations for further actions

The main recommendations according to the last Monitoring Committee held on the 20.04.2018 are as follows:

- (1) The efforts for introducing Sector approach must be extended. While positive dynamics is visible, the achievement of fully-fledged SA in 2019, as per the country sector Roadmaps, is not assured at this stage. The sector coordination must be improved and the capacities of the sector working groups to lead a sector policy dialogue in an inclusive and highly participatory manner need to be strengthened.
- (2) In all sectors important reforms have been launched and IPA funds are allocated to support them. Highest level political commitment is necessary for putting in use a Performance assessment framework in 2018, which will allow following the reforms in transparent and inclusive way and communicating the results to the citizens of the country and the EU.
- (3) Sustainability of IPA investments needs to be improved both in terms of systemic use of the final outputs of IPA projects and as regards building the necessary capacity and administrative resource to sustain reforms. National authorities must regularly monitor how sustainability issues are being addressed.
- (4) The maturity and quality of projects needs to be significantly improved. The capacity and responsibility of the Line ministries for project preparation must be improved along with the capacity for control the level of preparation by the NIPAC office and the CFCD.
- (5) In the sector of Justice and Home affairs, the delayed launch of key reforms needs to be overcome with extended efforts and commitment. Particularly it is important for the country to focus on the successful implementation of the 2014 IPA Annual Action Programme and advance in contracting of the planned projects in support of the reform process. About 50% of the sector project portfolio is under a high risk of decommitment and this issue must be addressed without delay.
- (6) The Government is encouraged to make the necessary decision on the future of the IT system in judiciary and to adopt the list of supplies. The possible amendments to the action deriving from not meeting the conditionality's or some savings from the procurement to be properly planned introducing mature and ready to go projects small scale not later than in the beginning of the summer 2018.
- (7) On the sector working groups, there is a need for a broad participation both from the sector of justice of fundamental rights and home affairs. The meetings should be held in each quarter starting from now, in q2, q3 and q4. He also added that the point of sustainability is very relevant and suggested that this point should be a separate part of each monitoring committee meetings dedicated to sustainability of the results of IPA Projects. Hence, in the next meeting there should be a separate part on which the stakeholders relate on sustainability.

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 ³	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)
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)
CSP indicator	Composite indicators Global Corruption (TI) and Control of Corruption (WB)	Elaboration of the EU Commission Transparency International and World Bank	48.83 (2010)	56.00	58.00		37 and NA	5 (CPI)	37 (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
SUB SECTOR JUSTICE									
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 ⁴
IPA2014 /037-701.3	1. Justice sector reform adopted	Ministry of Justice	0 (2015)	1	1	1 (2022)	0	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 ⁵
IPA2014 /037-701.3	2. Average level of public trust in the judiciary based on the standard CEPEJ satisfaction service of the court users		0 (2016)	3	4	5 (2025)	0	0	No data
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	Length of proceeding 1 fair trial 5	Length of proceeding 2 fair trial3	Length of proceeding 0 fair trial3

³ It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

⁴ 227 activities, 23 implemented 61 ongoing, 3 late, 22 continuously, 89 a later deadline, 29 activities depend on adoption of laws.

⁵ WG representatives MoJ, contact persons from the Supreme Court, Judicial Council, and Council for public prosecutors, Public prosecutor office, AJPP and other judiciary institutions.

Financing Agreement/Programme reference ³	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)
						0 (2022)			
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
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
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
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
IPA2014 /037-701.3	11. Bitola prison reconstruction	Ministry of Justice	0 (2013)	0	1	1 (2022)	0	1	1
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 implementation	Ministry of Justice	0 (2014) 0	30%	50%	70% (2022)	0	0	No data

Financing Agreement/Programme reference ³	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)
SUB SECTOR HOME AFFAIRS⁶									
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		
IPA/2014/037-701.5	2. % of the staff engaged in Crime scene investigation	Project report	0	50	100	100 (2020)	0	NA	NA
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
IPA/2014/037-701.5	4. Increased number of investigations initiated.	Ministry of Interior	110	105	110	110 (2020)		NA	NA
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
IPA/2014/037-701.5	6. Average duration of criminal investigations	Ministry of Interior	100	95	90	90 (2020)		NA	NA

⁶ 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.

Financing Agreement/Programme reference ³	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milest one (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)
IPA/2014/037-701.5	7. Number of investigations concluded	Ministry of Interior	100	110	115	115 (2020)		NA	NA
IPA/2014/037-701.4	1. % of employee trained	Ministry of Interior	40	40	40	40 (2020)		NA	NA
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
IPA 2016/039-618/02.02/MK/	16. Number of joint investigations (raising trend)	National Authorities	10 (2016)		50	50 (2020)		NA	NA
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
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
IPA 2016/039-618/02.02/MK/	13. No of direct beneficiaries	National Authorities	0 (2016)		500000	500000	0	0	0
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
IPA 2016/039-618/02.02/MK/	11. Country fully covered by Tetra IV	National Authorities	80 (2016)		100	100			
IPA 2016/039-618/02.02/MK/	10. Number of people trained	National Authorities	0 (2016)		1200	1200	0	0	0
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
IPA 2016/039-618/02.02/MK/	8. 112 emergency call operations smoothly	National Authorities	0 (2016)		100	100		0	0
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			
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			
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
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	National Authorities	150 (2016)		170	170			NA

Financing Agreement/Programme reference³	Indicator for sector Rule of law and Fundamental Rights	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)
	investigated and completed cases)								
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
IPA 2016/039-618/02.02/MK/	2. Security of the citizens improved	UNDP Human Security Index	81 (2014)		70	66	82	NA	NA
IPA 2016/039-618/02.02/MK/	1. Improved rule of law standard	Worldwide Governance Index (0 = lowest and 100 = highest)	55.77 (2014)		60	60	41.83	47	NA

Democracy and Governance, Sub sector PAR and Union Programmes and EUIF

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.

Criteria: Strategic Planning	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Administrative Capacity	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Coordination	Self-assessment: All of the targets for 2017 and 2018 have been reached
Criteria: Performance	Self-assessment: Less than half of the targets have been achieved.
Criteria: Budget	Self-assessment: Half of the targets for 2017 and 2018 have been reached.
Remarks: Strategic planning: PAR Strategy was adopted by the Government on 21 February 2018. Reporting mechanisms are defined in the strategy and in place. First semi-annual report was submitted to the PAR Secretariat and published on the MISA website. Since the Strategy is in the 11 th month of implementation, the Annual report will be drafted in the following month (Approx. End February 2019). Administrative capacity: Resources of the institutions were adjusted to allow smooth coordination, implementation and monitoring of the PAR and the PAR Team sufficiently staffed. Semi-annual report identifies 3 activities implemented with aim to strengthen the administrative capacities, but as drafting of Annual Report is in progress, no other reports could be used to indicate the progress after September 2018. A communication plan is going to be developed by end of Spring 2019. Coordination: Continuous commitment is necessary to keep the achieved results and to ensure sustainability. Performance: In cooperation with the SEA project, there is a concrete plan for the achievement of all the targets associated within this criterion by the end of 2019. Budget: Preparation of the Annual report is in progress and as planned the first draft can be expected in February. National funds for the implementation of the PAR Strategy for next year ensured in line with the action plan.	

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

The following meeting of the SWG was organised in 2018:

Date	Number of participants	Discussed topics
12 April	69	Presentation of the adopted PAR Strategy and exploring possibilities for support and assistance

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

Donors and Organisations	International	IFIs	Embassies	CSOs
USAID		WB	EU Delegation	Open Society Foundation
UNDP			British	Institute for Human Rights
GIZ			German	Progress Institute for Social Democracy
OSCE			Swiss	Institute for Democracy "Societas Civilis" Skopje
IMF			Dutch	Macedonian Center for International Cooperation
			Italian	European Policy Institute
			French	Association for Development initiatives Zenit Skopje
				Metamorphosis foundation
				National Democratic Institute
				IFES

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
SIGMA	Expert support	Methodology for reorganisation of the state administrative bodies, agencies and inspection services Typology of the state administrative bodies, agencies and inspection services	Not defined
UNDP	Expert support	Functional Review Assistance (mapping of the state administrative bodies, agencies and inspectorates and general analysis on regulation)	Completed in 2018
USAID	Expert support	Horizontal functional analysis on inspection services (interconnection between particular inspectorates and inspection services, internal organisation, systematization, working processes,	Completed in 2018

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>Strategic Planning: 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. This process improved the strategic planning capacity of MISA and the different working groups and staff involved in the different phases of the project. The PAR Strategy semi-annual report was published in September 2018 and shows that 27 out of 72 activities have been fully implemented. 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. The political commitment of strategic planning and the technical capacity of MISA in this field have been improved to achieve their objectives in the sector. First Annual Report of PAR will be published in 2019.</p>
<p>Administrative Capacity: The MISA –as the key institution to the reform process- 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. However, there is a need for vertical and horizontal analyses, which will show if there are overlaps between functions and mandates among other state bodies and inspection services. The implementation of this activity has already started with the support of British Embassy and SIGMA and will continue with the support from the Instrument for Pre-accession assistance 2017. 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>Performance: Although PAR sector in the country is funded only through the AD 2017 and the impact of these actions still cannot be evaluated, the support received from the project "Support from Management of EU funds" strengthened the institutional capacities for monitoring and definition of accurate indicators.</p>

Budget: 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.

Under indirect management by RoM:

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

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

Indicators⁷ per programme

Financing Agreement/P programme reference ⁸	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
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
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	
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	N/A
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	Eurostat Strategy for Statistical Cooperation with the Enlargement Countries 2014/20 SMIS+ reports EDAMIS reports	55% (2015)	85%	95%	66.2%	Not available

⁷ These should be mostly outcome, as well as selected relevant output indicators

⁸ 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 ⁸	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
	strategy for statistical cooperation under IPA II increased to 85% based on the currently existing EU acquis in statistics;						
IPA 2017/040200. 03/EU	Availability of statistical infrastructure for rational and efficient statistical production (business register, population register and other registers linked to each other in an interoperable way); partial	Peer review/ Eurostat assessments	Partial	Upgrade of the key registers in line with Eurostat standards	Full interoperability achieved among the key registers		
IPA 2017/040200. 03/EU	Availability of IT infrastructure for efficient statistical production (Integrated data collection system, IT system for Classification management, Metadata driven IT system for editing, imputation, validation, aggregation and analysis)	Key programming documents (ERP, ESRP, sector strategies, etc – indicators dashboard)	None	Integrated data collection system put into function (2021)	IT system for classification management put into function (2022) 30% of surveys processed with metadata driven IT system for editing, imputation, validation, aggregation, analysis and dissemination (2023) Use		
IPA 2017/040200. 03/EU	Use of harmonised statistics in state planning (Indicators dashboard /Number of indicators/harmonised statistics used in strategic planning, monitoring and reporting on key documents i.e. Economic Reform Programme, Employment and Social Reform Programme, key sector strategies)		30%	50%	70%		
IPA	Extent to which the overall	SIGMA Baseline	2 (2014)	4 (2020)	4		

Financing Agreement/Programme reference ⁸	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
2017/040200.03/EU	structure of ministries and other bodies subordinated to central government is rational and coherent.	measurement reports					
IPA 2017/040200.03/EU	No of institutions having and applying an integrity policy	SCPC reports	1 (2016))	50 (2020)	75	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%	/	No data available, this activity has just started
IPA 2017/040200.03/EU	No of whistleblowing cases launched and protection measures taken	SCPC reports	0 (2015)	15	30	0	2
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% ⁹
IPA 2017/040200.03/EU	Number of services accessible and available by Single point of contact (OSS or e-services N/A 100 100 MISA - Annual reports 24	MISA annual report	N/A	100	100		
IPA 2017/040200.03/EU	Percentage of user's vs target users' ratio of eservices	MISA	n/a	15%	15%		
	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		
IPA 2017/040200.	Coverage of OSS umbrella system (% of relevant	OSS e-circuit reports/MoU	5 (2016)	80%	100%		

⁹ There is no Commission to act upon complaints/ appeals to reach decisions since April 2018

Financing Agreement/Programme reference ⁸	Indicator for sector PAR	Source	Baseline (Year)	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
03/EU	institutions covered)						
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%
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%
IPA 2017/040200. 03/EU	Number of improved/aligned statistical methodologies and surveys	Eurostat/SSO Report	n/a	3 (2020)	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%

Democracy and Governance, Union Programmes

1. Focal Points
<p>Erasmus: 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.</p> <p>Contact point: Goce Velichkovski, goce.velichkovski@na.org.mk, +389 75 402 804</p>
<p>Europe for Citizens: 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 just 1 person is fully dedicated to the Europe for Citizens Programme.</p> <p>Contact point: Katerina Gulev, katerina.gulev@mon.gov.mk</p>
<p>EaSI: 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.</p> <p>Contact point: Aleksandra Slavkoska, +389 75 359 856, aslavkoska@mtsp.gov.mk, alternate: Ankica Ivanovski, +389 75 341 020 aivanovska@mtsp.gov.mk</p>
<p>Civil Protection Mechanism: The Protection and Rescue Directorate is in charge the Civil Protection Mechanism. Currently 395 people are working in this directorate (42 temporary employed) and 1 is fully dedicated to the Mechanism (Head of international cooperation department) and 1 dedicated for the EUCPM training program.</p> <p>Contact point: Valentina Atanasovska, valentina.atanasovska@dzs.gov.mk, +389(02) 2433 318, +389 75 457 591</p>

<p>FRA: 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.</p> <p>Contact point: Tanja Kikerekova, TKikerekova@mjustice.gov.mk, +389 2 3106 516, +389 76 40 44 62,</p>
<p>COSME: 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.</p> <p>Contact point: Ardiana Abazi- Ramadani, ardiana@economy.gov.mk, +389 2 3093453</p>
<p>Horizon 2020: 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.</p> <p>Contact point: Marina Nikolovska, +389 3 140 186, +389 76 485 077 marina.nikolovska@mon.gov.mk</p>
<p>Customs 2020: 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.</p> <p>Contact point: Sladjana Damjanoska, Sladjana.damjanoska@customs.gov.mk, +389 2 3293924; +389 70 358 574</p>
<p>Fiscalis: The Fiscalis 2020 programme within the Public Revenue Office (PRO) is coordinated by the Sector for International Cooperation. 6 people are working in the Sector and 3 are fully dedicated to the Fiscalis Programme.</p> <p>Contact point: Marjan Mihajlovski, Marjan.Mihajlovski@ujp.gov.mk, , тел: 3299 543, моб: 076/445 471</p>
<p>Creative Europe: The Coordinating body responsible for implementation of the programme Creative Europe programme (Culture and MEDIA) is the Ministry of Culture. Macedonian 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.</p> <p>3 people are working in the Ministry and in the Agency and are fully dedicated to the Creative Europe Programme.</p> <p>Contact point: Biljana Prentoska e-mail: biljana.prentoska@ced.mk , 'biljana.prentoska@kultura.gov.mk'тел: +389 2 3207 446/443;</p> <p>Bistra Georgieva e:mail bistra.georgieva@ced.mk</p>
<p>Life +: 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 due to difficulties with co-financing and complicated application procedure.</p> <p>Contact point: Vlatko Trpeski, Head of department of nature protection, mail: trpeski@yahoo.com</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 2018			
Programmes	Number of financed projects	Number of events	Value of the financed projects/events
Erasmus +:	125	136	6.077.253 EUR
Europe for Citizens:	3 projects (2017); 2 project (2018)	1 Info-day (2018)	255.192 EUR (financed projects in 2017); 196.560 EUR (financed projects in 2018)
EaSI:	5	1	1.420.177,64 EUR
Civil Protection Mechanism:	EUCPM training program, according the dedicated quote	9	-
FRA:	None	None	None
COSME:	5	3	409.193,00 EUR
Horizon 2020:	9	7 info days; 19 institutional visits/events	1.418.269 e-corda cut of date- 11.2018
Customs 2020:	-	23	45.560,00 Eur

Fiscalis:	-	25	38 904.26 EUR
Creative Europe:	Media: 8	Media: 4 Media+Culture: 10	Media: 220.200 Euro
Life +:	-	-	-

3. Main achievements of the Programmes in 2018

Programme	Objectives	Achievements
Erasmus +:	To support education, training, youth and sport in Europe	Concerning the programme implementation, in Key action 1, 190 organizations were involved and 1340 mobilities were contracted, from which 95,3% are finalized. In Key action 2, 72 organizations were involved, and 2917 participants were contracted. Main topics in these projects were - New innovative curricula - educational methods, Entrepreneurial learning – entrepreneurship education, ICT new technologies and digital competences. In Key action 3, 3 organizations were contracted with 361 participants involved. Main topics in these projects were: Youth (Participation, Youth Work, Youth policies) and EU citizenship, EU awareness and Democracy.
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 citizens' understanding of the EU policy making-process and, by promoting opportunities for societal and intercultural engagement and volunteering at EU level	According to the data available on the official web-site of EACEA, in 2018, there has been supported 2 projects (1 project within the Strand 1: European remembrance, with an amount of 98.280 EUR.; 1 project within Civil Society projects with an amount of 98.280 EUR). Taking into consideration that the amount that has been paid as national contribution is 5.250 EUR, and the amount of the projects that have been supported is 196.560EUR, 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. in 2018, one Info-day for the Europe for Citizens Programme was organized in Skopje. Organizing Info-days as activity within this EU Programme will continue in 2019.
EaSI:	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	The grant projects implemented in 2018 mainly contributed to improving the working conditions and better social protection for posted workers in certain sectors, especially those that have transnational dimension. 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. Under the Microfinancing and Social Entrepreneurship axis, the "Step by Step" programme ¹⁰ will promote 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.

¹⁰ The Programme "Step-by-Step" was launched in October 2018 by Sparkasse Bank Makedonija

Civil Protection Mechanism :	To foster cooperation among national civil protection authorities across Europe.	The Protection and Rescue Directorate is in a process of establishing connection with CECIS, through the MIOA and MOI. Exchanging experience, expertise and knowledge during the activities within the EUCPM (mostly trainings, expert meetings and exercises).
FRA:	To contribute towards ensuring full respect for fundamental rights across the EU and Accession Countries	So far there was only one meeting in April 2018 among the national liaison officers.
COSME:	To facilitate access to finance. To support internationalisation and access to markets. To Create an environment favourable to competitiveness. To encourage an entrepreneurial culture.	So far there is no tangible progress in this area, however, during the Explanatory Meeting on the <i>Acquis</i> for Chapter 20: Enterprise and Industrial Policy, we were informed that there is an application form our country that is in a very advanced stage of processing that hopefully will finalize with positive outcome. For the time being there are two projects being implemented that are helping businesses to access markets in the EU and beyond, European Enterprise M and Accelerating the international growth of young Macedonian SMEs 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
Horizon 2020:	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.	All of the applied and approved for EU financing projects directly influence and address the objectives of the programme. Macedonian projects are mostly financed under the financial instrument for research and innovation activities or just innovation activities mean that business and academy sector in Macedonia closely collaborate with their counterparts abroad to overcome various challenges. For example, the project CROSSBOW proposes the shared use of resources to foster cross-border management of variable renewable energies and storage units, reducing network operational costs and improving economic benefits of clean energies. These benefits will be achieved by fostering regional cooperation among the system operators in South Eastern Europe among which North Macedonia is represented by MEPSO, ELEM, University Ss Cyril and Methodius, Skopje. Also, the 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
Customs 2020:	To support the functioning and modernization of the customs union in order to strengthen the internal market by means of cooperation between participating countries, their customs authorities and their officials	Under this program, representatives of the CARM have the opportunity to establish closer contacts with their colleagues from other countries and exchange knowledge, expertise and experience. For instance, this program offers the possibility for the Customs Administration of the Republic of Macedonia to connect with the customs and tax IT systems of the EU (via CCN\CSI).
Fiscalis:	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	1. PRO has established new modern Contact / Call Centre and new services for the taxpayers in the period 2017 / 2018. 2. 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.

	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.	
Creative Europe:	<p>Culture: To enhance the cultural area shared by Europeans</p> <p>Media: To supports the EU film and audio-visual industries financially in the development, distribution and promotion of their work.</p>	<p>Culture: Transnational cooperation projects involving cultural and creative organizations from different countries taking part in the programm 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.</p> <p>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</p>
Life +:	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.	In 2018 there were no realized activities for organizing info days and events for LIFE+.

4. Any significant problem encountered in implementing the programme in 2018

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. Also, 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. Finally, in some cases problems encountered with the recognition of obtained skills and knowledge in formal and nonformal context within the mobilities of our beneficiaries.

Europe for Citizens: There is a lack of staff within the unit who is working on the Programme – only one person (the contact point); there is no budget for organizing info days; there is a lack of relevant training for the NCP. On EACEA web-site, 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: For what concern the Progress Axis of the Programme, in many Calls, the lead applicant should be national authority or other public institution. In the previous years, the employees in the Ministry were not empowered to initiate preparation of project proposals, but also few public servants are interested to engage in project design and implementation without a reward for the additional workload. Usually, 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. The Twinning projects can play role in this regard. 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.).

<p>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.</p> <p>For what concern the Social Entrepreneurship and Microfinance Axis of the Programme, targeted info sessions, meetings and technical assistance were arranged for informing the financial institutions. There was a lack of interest among banks to participate in the info days. On the other hand, the microfinancing organizations were not ready to apply – most of them cannot offer products (loans) with favorable interest or collateral.</p> <p>On the side of the information about the programme implementation, the Ministry has no access to database of applicants and beneficiaries, DG EMPL refused to provide information on the applicants/beneficiaries coming from North Macedonia</p> <p>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.</p> <p>DG EMPL also publishes information on projects that delivered good practices. However, all information comes with delay.</p>
<p>Civil Protection Mechanism: The Protection and Rescue Directorate has not sufficient qualified personnel and therefore it is not 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>FRA: 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>COSME: The main problem for proper implementation of the programme is that the first component of the programme Access to Finance(that financially represents one third of the programme is not working in the country, i.e. there is no financial intermediary institution that provides the requested services. Additional problems are: lack of resources to organise info days, lack of technical knowledge, lack of information, etc. There is a slight improvement regarding the available information on the projects financed by COSME, value of the support, name of the beneficiary, time of implementation and so on are now available on the COSME data hub.</p> <p>However, since the application is online, 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>Horizon 2020: The main problems for successful implementation & participation in the programme are as follows:</p> <p>lack of national resources to organize the info days, lack of project proposal writing skills of the applicants, language barriers, different accounting system to those in EU.</p> <p>Information about projects is available in the ECorda database, that is official database for all applicants in H2020. There are 3 cut off dates per year and very often the available information is only from the previous year. The period of application deadline to evaluation process and signing the agreement is more than 8 months. The ministry has no mechanism to register the applications because the application process is online and on the open platform. The gathering of the information is based on E-corda data and willingness of the applicant to inform the focal point. However, very often, the focal point has unofficial information about the financed projects before they are published on ECorda.</p>
<p>Customs 2020: DG TAXUD does not issue sufficient invitations that are open for the candidate countries too, this is the main problem.</p>
<p>Fiscalis: 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).</p>
<p>Creative Europe: The main problem for Creative Europe Desk (Culture and MEDIA) North Macedonia is that the operational grant is received too late, almost at the end of its implementation period and therefore they are not able to spend the grant by EACEA.</p> <p>For the beneficiaries of the Culture sub-programme, the main problems are: capacity building, networking, partnership as well as co-financing. The co-financing is too high for them especially if we take into consideration that in North Macedonia 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 is especially remarkable for the public institutions.</p> <p>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>Life +: The main problem for the applicants is unclear and complicated procedure in finding partners from EU countries for priority topics for nature protection and co-financing which</p>

the associated country is able to provide. Due to this fact we concern that organizing more info days and trainings will be helpful but there is a lack of national resources.

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

Erasmus +: More target oriented promotional activities, particularly for newcomers and institutions and organizations that work on topic Social inclusion. Improved and better coordination and communication between central governmental bodies on policies relevant for the NA work.

Internal evaluation of NA work in regard to the NA preparation for the new programme 2021-2027.

Europe for Citizens: Engaging more persons who will work on the Programme on regular basis; providing Budget for organization of Info-days.

EaSI:

- Facilitate establishment of partnership for projects that support national reforms.
- 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);
- Organise thematic meetings with potential applicants and grant beneficiaries to discuss the obstacles/difficulties.

Regarding the first two points, the MLSP already initiated discussions with relevant stakeholders to develop a project that could be submitted under one of the calls in 2019

Civil Protection Mechanism: 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.

In accordance with the upcoming reforms of the PRD and CMC, we need also advisory involvement of EUCPM experts in any phase of the process (besides the EU peer review report that should be completed in May 2019).

FRA: 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

COSME:

Horizon 2020: Strengthening the organisational structure and human resources capacities in MES for successful implementation of the Programme. Some kind of governmental incentives should be applied for successful participants, especially for those that have projects with high score but unfinanced by EC.

Customs 2020: Active participation in program activities

Fiscalis: 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.

Creative Europe: MEDIA & Culture) – organizing more networking events between AV and CCS professional from other European countries and 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.

Life+: 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.

6. Implemented monitoring and evaluation activities, audits – main findings & lessons learned, recommendations, follow-up and corrective action taken in 2017

Erasmus +: 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 2017 was used for its intended purpose.

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

Europe for Citizens: 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.
EaSI: 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 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 new-comers. 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.
Civil Protection Mechanism: The Protection and rescue Directorate has no formal mandate to monitor, evaluate or perform audits for this programme.
FRA:
COSME:
Horizon 2020: 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
Customs 2020:
Fiscalis: 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.

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

Financing Agreement/Programme reference ¹¹	Indicator for UPs	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 ¹²)	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

¹¹ It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

¹² 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. Currently, the mandate for using the EUIF derives from the adopted 2014¹³ and 2015¹⁴ IPA Annual Programmes and the respective EU Integration Facility Action Documents.

Even though the EU provides continued financial support, there is an evident gap between the aspirations, the current administrative capacity and the institutional framework. Thus, the main incentive for the creation of the EU Integration Facility (EUIF) is to assist the national administration to efficiently manage the EU Integration process and pre-accession funds. The idea is also to target those institutions and policy areas which are not covered with the relevant sector support programmes, but extremely relevant in meeting the objective of EU Accession.

EU Integration Facility (EUIF) is important tool which assists our institutions to efficiently manage pre-accession funds and effectively manage the process of EU integration. For 2014 the available funds under EUIF is EUR 8.000.000, 00 and for 2015 is EUR 4.000.000,00. Thus the total amount of programmed funds is EUR 12,000,000.00.

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

The amount for all planned projects under 2018 procurement is EUR 3,000,000.00 and for Non-Objection Received and New Proposals Received the total amount is EUR 3,300,000.00 which in total is 6,300,000.00. The amount for Contracted Ongoing+ Planned vs. Available amount for IPA 2014+2015 EUIF for all projects vs. Available Amount is EUR 257,129.00. Only two small supply contracts have been completed so far, all the other projects are either on going or in the contracting phase. It is therefore too early to draw conclusion on the impact of the EUIF. It is worth mentioning that the project "Support for the management of the EU funds" is under implementation since the beginning of June and as it was pointed out in the last Steering Committee meeting it is producing valuable results in the implementation of the Sector Approach in North Macedonia.

¹³ Commission Implementing Decision of 17.12.2014 C (2014)9847 final, Dec.no. IPA 2014/037701

¹⁴ Commission Implementing Decision of 9.12.2015 C (2015)9126 final, Dec.no IPA 2015/037906

EUIF Summary table

Unique reference	Node_title	Planned (allocated) amount	Global amount	Contracted	Paid	Contract no.	Year
IPA/2015/PG/0066-1477	01-SERVICE-Support for the management of the EU funds	2,750,000.00	2,576,900.00	2,576,900.00	903,643.91	380134	2014
IPA/2016/PG/0079-7136	03-SUPPLY-Equipment to the Special Prosecutor's Office	20,000.00	19,990.00	19,990.00	19,990.00	373268	2014
IPA/2017/PG/0161-2826	04-SERVICE-Migration of old court database decisions to the new Web Content Management System	30,000.00	30,000.00	30,000.00	30,000.00	383878	2014
IPA/2017/PG/0161-5637	05-SERVICE-Supervision of the works contract for upgrading of the Customs clearance and inspection facilities at the road border crossing Kjařasan	245,000.00	235,900.00	235,900.00	91,600.00	387418	2014
IPA/2016/PG/0161-1197	06-FWC-Quality control of produced ortho-photo maps and digitized of agriculture land use layers	100,000.00	99,790.00	99,790.00	59,874.00	383278	2014
IPA/2016/PG/0161-1199	08-SUPPLY-Supply of Readymade software (of the shelf) - Audit software for statistical sampling and Software for office operations and E-Archive	23,500.00	20,000.00	20,000.00	20,000.00	385896	2014
IPA/2017/PG/0161-2827	09-SERVICE-Upgrade of the existing Management Information System with comprehensive monitoring tool	20,000.00	20,000.00	20,000.00	0.00	386471	2014
IPA/2016/PG/0161-1317	11-FWC-REVISION OF THE INDUSTRIAL POLICY 2009-2020	260,000.00	246,336.00	246,336.00	147,801.00	384799	2014
IPA/2017/PG/0161-2569	12-FWC-Development and re-engineering of business processes of the new tax integrated IT system	450,000.00	297,891.00	297,891.00	179,859.60	385934	2014
IPA/2017/PG/0161-2570	13-SUPPLY-IT equipment for strengthening the capacity of PRO-Contact Centre/Call Centre	170,000.00	229,675.00	229,675.00	229,675.00	387989	2014
IPA/2017/PG/0161-3003	15-FWC-TA support for the De-institutionalisation process in social sector	220,000.00	178,740.00	178,740.00	107,244.00	384095	2014
IPA/2017/PG/0162-1419	21-FWC-Support to Parliament in implementation of reforms	300,000.00	280,900.00	280,900.00	168,540.00	387664	2014
IPA/2017/PG/0162-5796	22-SERVICE-Obtaining of building permission for the CBC project "New common infrastructure at the border crossing point Belanovce - Stancic"	30,000.00	29,350.00	29,350.00	29,350.00	394397	2014
IPA/2017/PG/0161-8237	19-FWC-Feasibility study for Technology park	160,000.00	174,380.00	174,380.00	104,628.00	391110	2014
IPA/2017/PG/0161-8238	20-FWC-Technical assistance for development of consumer protection policy	300,000.00	262,344.00	262,344.00	149,982.06	389189	2014
IPA/2016/PG/0161-1316	10-SERVICE-Legal harmonization and capacity building for market surveillance	500,000.00	438,000.00	438,000.00	0.00	394673	2014
IPA/2017/PG/0162-8976	18-FWC relaunch-Strengthening the national innovation ecosystem	250,000.00	211,290.00	211,290.00	126,774.00	390728	2014

IPA/2018/PG/0163-3601	09-SERVICE-EU Opinion Poll and EU campaigns' assessment	20,000.00	18,700.00	18,700.00	7,480.00	394037	2014
IPA/2016/PG/0161-1198	07-TWINNING-Strengthening of the capacities of the Postal Agency in line with EU Postal Directive (2014 allocation)	600,000.00	600,000.00	600,000.00	0.00	401076	2014
IPA/2018/PG/1637304	Functional review of the Ministry for Agriculture, Forestry and Water Economy (MAFWE)	500,000.00	500,000.00	500,000.00	0.00	400324	2014
IPA/2018/PG/0163-7328	MK 14 IPA FI 01 18 TWL Strengthening the capacities of the system for fight against counterfeiting of EUR	250,000.00	250,000.00	250,000.00	195,392.00	400081	2014
IPA/2018/PG/0163-7331	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH	250,000.00	250,000.00	250,000.00	198,200.00	400138	2014
IPA/2018/PG/1637339	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"	250,000.00	250,000.00	250,000.00	0.00	401009	2014
IPA/2018/PG/0166-7451	30.1-FWC-SIEA-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)	300,000.00	188,690.00	188,690.00	75,476.00	398639	2014
IPA/2018/PG/0164-9017	34 - Dummy contract - Technical audit for the road construction project of new motorway section Demir Kapija - Smokvica along Corridor X (Mission 3) (2014 allocation)	70,000.00	53,644.00	53,644.00	0.00	399367	2014
IPA/2018/PG/0166-8232	SERVICE-FIDIC Training	10,000.00	11,450.00	11,450.00	0.00	403855	2014
IPA/2018/PG/0166-8382	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	500,000.00	149,975.00	149,975.00	29,995.00	399600	2014
IPA/2018/PG/0166-8383	37-FWC-Prespa	100,000.00	87,526.00	87,526.00	0.00	399783	2014
IPA/2018/PG/0166-6704	04-FWC - Enhancing democracy through promotion and protection of minority rights	250,000.00	288,090.00	288,090.00	0.00	400493	2014

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

Financing Agreement/Programme reference ¹⁵	Indicator for sector Democracy – EUIF	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 ¹⁶)	Value (2016)	Value (2017)	Value (2018)
IPA2014 /037-701.1	5. Number of projects submitted	EUD	0 (2015)	37	40	40 (2022)				NA
IPA2014 /037-701.1	4. Number of projects supported	EUD	0 (2016)	17	30	30	0	0	0	29
IPA2014 /037-701.1	3. Progress in accession	Commission	0 (2016)	Progress in HLAD	Opening negotiation	Accession (2028)	Progress in HLAD			
IPA2014 /037-701.1	2. Decrease in ex ante rejection	EUD	100 (2016)	85	55	55			NA	NA
IPA2014 /037-701.1	1. EU Funds absorption in %	EUD	0 (2016)	25	95	95			> 9	
IPA/2015/037-906.01	8. Public recognition of the EU support	Opinion pool	61 (2014)	70	75	80 (2024)	61			NA
IPA/2015/037-906.01	7. Decrease in the number of ex ante controls (%)	Financing agreements	45 (2014)	25	5	5 (2024)	45			NA
IPA/2015/037-906.01	6. Major audit findings	Audit reports	5 (2014)	5	5	5 (2026)	5			5
IPA/2015/037-906.01	5. IPA II Disbursement rate	Accounting system	0 (2014)	20	45	90 (2026)	0			NA
IPA/2015/037-906.01	4. IPA II Contracting rate	Accounting system	0 (2014)	30	70	95 (2024)	0			NA
IPA/2015/037-906.01	3. Sector strategies implemented	Sector strategy monitoring	0 (2015)	15	40	95 (2026)	0	0		NA
IPA/2015/037-906.01	2. Sector performance developed	Sector Reform	0 (2015)	3	7	7 (2020)	0	0		0
IPA/2015/037-906.01	1. No of Sector approach developed development strategies adopted and under implementation	Sector planning	0 (2014)	3	7	7 (2020)	0			7

¹⁵ It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

¹⁶ Number of columns to be adjusted for all years from 2014 up to the year of the reporting period. Values should be cumulative.

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 year 2014 - 2016 was 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 2018 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	Suspended	Revised IPA Application sent to Brussels on 17/12/2018.
Construction of waste water treatment plant and rehabilitation and upgrading of the sewerage system in the Municipality of Bitola and supervision activities	Suspended	IPA Application was submitted to SEA on 15/03/2018 and then SEA submitted it to the EC on 30/03/2018. MoEPP is revising the IPA application with cooperation of Municipality of Bitola and TA expert who should support the IPA structure.
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.

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.	
Preparation of project documentation for improvement of Waste water collection and treatment infrastructure and water supply network in the Municipality of Arachinovo	On-going	OIS was submitted to SEA on 30/04/2018 and still no reply is received by Delegation of EU. The City of Skopje and Public Utility have some different opinion regarding this project and the communication and resolving of this is on-going.
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 and the new water tariff methodology	Suspended on 27/09/2018 by DEU.	OIS was submitted to SEA on 01/06/2018. OIS was suspended on 27/09/2018 by Delegation of EU. MoEPP is revising the OIS and will submit the revised version of the OIS.
Development of Strategic Noise Maps and Action Plans with Programs of Measures	Suspended on 04/10/2018 by DEU.	OIS was submitted to SEA on 17/04/2018. OIS was suspended on 04/10/2018 by Delegation of EU. Revised OIS was submitted to SEA on 28/11/2018.
Support in the implementation of the waste management legislation and extended producer responsibility scheme	Suspended on 21/11/2018 by DEU.	OIS was submitted to SEA on 26/09/2018. OIS was suspended on 21/11/2018 by Delegation of EU. MoEPP is revising the OIS and will submit the revised version of the OIS.
Development and Implementation of	On-going	OIS was submitted to SEA on 28/11/2018.

Environmental Campaign	Public Awareness	
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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.

Criteria: Strategic Planning	Self-assessment: Most of the targets for 2017 and 2018 have been reached or are close to be reached Half of the targets for 2016, 2017 and 2018 have been reached Less than half of the targets for 2016, 2017 and 2018 have been reached
Criteria: Administrative Capacity	Self-assessment: Less than half of the targets for 2017 and 2018 have been reached, however for the missing ones there is a programme to achieve them
Criteria: Coordination	Self-assessment: The targets are partially achieved, there is still work to be done to fully achieve them
Criteria: Performance	Self-assessment: Less than half of the targets for 2017 and for 2018 have been achieved. However there are programmed activities to achieve them by the end of 2019.
Criteria: Budget	Self-assessment: Less than half of the target for 2017 and 2018 have been achieved
Remarks: The MoEPP is lagging behind with the achievement of the targets for 2017 and for 2018. However, some of the targets are expected to be achieved already in the beginning of 2019 and the other ones by the end of 2019. In particular for the criteria related to coordination and performance, it is expected a major support from the project Support to the management of EU funds. While for the Criterion Budget, the progress is associated to the establishment of a legal framework under the responsibility of the MoF.	

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
08/05/2018	35	The latest developments in the water sector, implementation process of IPA I in water sector and planned activities in water sector in IPA II.

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

Donors	IFIs	Embassies	CSOs
GIZ		Swiss Embassy	ADKOM
UNDP		EU Delegation	ENI-net
KFW			

In addition, on the meeting were present other representatives from government institutions.

At present, 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

At present, 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 +	RBMP for Strumica and Register of GW	2016-2019

	100.000 CHF(register of GW)		
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 SkopjeSkopje)	2019 - 2020
FASEP, France	197.863 EUR	Assistant to the city of Skopje related to organizing the tender phase	December 207 - December 2019

At present, 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	

At present, in the sector Environment and Climate Change the following loans financed by the IFIs are under implementation:

IFI	Value of the support	Addressed issues	Implementation period
GEF	852,000 USD	<p>Macedonia's Fourth National Communication (4th NC) and Third Biennial Update Report (3rd BUR) on Climate Change under the UNFCCC.</p> <p>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. This project will additionally improve the sustainability for preparation of future National Communication/Biennial Update Reports on Climate Change and will facilitate the reporting requirements to UNFCCC.</p> <p>The immediate objective of the project is to assist the country in the preparation and submission of its Fourth National Communication and Third Biennial Update Report on Climate Change to the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) for the fulfilment of its obligations to the Convention under FCCC/CP/2002/7/Add.2 and Dec.2/CP.17 Annex III.</p>	Sep 2018 - August 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:
Administrative Capacity: The functional review of the Ministry of Environment and Physical Planning, as well as sectoral road map and indicators will be 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".
Performance: Indicators for the sector were developed.
Budget:

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 according to the new Law on public sector employees and Law on administrative officers' no. 01-2372/1 from 03.05.2017. 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. One Advisor for Programming of IPA was employed on temporary base starting from 26.11.2018. In addition, also a Unit for Implementation of Infrastructure Projects was established within MoEPP responsible for implementation of infrastructure projects for waste and water, which has at the moment 2 employees: one (1) Head of the Unit and one (1) Independent referent for documentation for implementation of the IPA infrastructure projects. From 1 January 2018, Head of Unit for programming and monitoring of the implementation under the instrument for pre-accession assistance (IPA) left the IPA operating structure and the MoEPP. From 1 April 2018 Advisor for technical implementation of IPA also left the Ministry. On the 5 October, the Head of the EU Department/IPA Coordinator/SPO left the Ministry as well. With a decision to perform working duties no. 02- 1758/1 dated of 07.03.2018, the employee at the position - Advisor for technical monitoring of implementation in the framework of the Instrument for Pre-Accession Assistance (IPA) performs the duties of the Head of Unit for Programming and Monitoring of Implementation in the framework of the Instrument for Pre-Accession Assistance (IPA). Also, the employee at the position - Head of the Department for coordination and technical implementation of IPA was appointed with a decision no. 02-3793 / 1 from 18.06.2018 for the IPA coordinator of the MoEPP for the implementation of the RD component of the IPA, with a decision no. 02-3795 / 1 from 18.06.2018 for the IPA coordinator of the MoEPP for implementation of the assistance from IPA 2 and with a decision no. 02-3796 / 1 from 18.06.2018 was nominated for Senior Program Officer for IPA TAIB Component from MoEPP. **These two authorizations on a long-term are not justified given that the Head of Unit for Programming and Monitoring of Implementation in the framework of the IPA and the IPA Coordinator are key positions and these jobs are defined as highly sensitive due to the obligations for approval of the documents and expenditure verification of payments of all IPA contracts in the area of environment.** Moreover, since 5 October 2018 with authorization no.02-5428/1, one Junior Officer from the European Union Sector was authorized to perform and prioritize duties from the Sector for cooperation with local self-government, administrative and supervisory matters within the Ministry of Environment and Physical Planning. Also, since 7 June 2017 with decision no. 02-3031/1 the employee from the Unit for Standardization in the EU Sector, is not authorized anymore to perform IT support related to IPA within the Ministry of Environment and Physical Planning (authorization from 27.02.2014). According the latest WLA for 2019 which is still under preparation, an employment of 7 additional employees in IPA units are needed in 2019 in order to have the optimal number of employees. For 2019 for PIUIPs the total needed employments are: 3 (three) Advisors for IPA Monitoring for the infrastructure projects envisaged under IPA II such as for the water infrastructure projects for Kichevo, Bitola and Tetovo. Also a change of the Systematization Act of MoEPP was request for additional 3 Advisors for IPA Monitoring of water infrastructure project in Skopje, and for the waste management project in East and North East regions in Sveti Nikole and Kumanovo.

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 07/08/2018.

Published Prior Information Notices

- Supporting the implementation of the regional waste management systems in the East and North-East Regions (21/06/2018)
- Establishment of Integrated and Self Sustainable Waste Management System in East and North-East Regions (04/08/2018)
- Supervision of Works Contract for Establishment of Integrated and Self Sustainable Waste Management System in East and North-East Regions (07/08/2018)

- Supervision of the implementation of the works contracts for Rehabilitation and Extension of Sewerage Network in the Municipality of Kichevo (published 15.09.2017 and re-published 06/11/2018)
- Support in the Implementation of Air Quality Directives and Horizontal Legislation (06/11/2018)
- Improved Implementation of the EU Floods Directive through Harmonization of National Legislation and Preparation of Flood Risk Management Plans (13/11/2018)
- Supervision of the works contract for Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Tetovo (13/11/2018)
- Construction of WWTP and Rehabilitation and Upgrading of the Sewerage Network in the Municipality of Tetovo (13/11/2018)

Published Contract Notices

- Development of Environmental Monitoring and Information System (10/03/2018)
- Implementation and planning for the approximation in priority areas of environment (06/03/2018)
- Preparation of Long-term Strategy and Law on Climate Action (16/02/2018)
- Supervision of Works Contract for Closure of Non-compliance Landfills and Dumpsites in East and North-East regions - First Phase (31/07/2018)
- Supervision of the implementation of the works contracts for Rehabilitation and Extension of Sewerage Network in the Municipality of Kichevo (20/12/2018)

Started evaluation procedures

- Development of Environmental Monitoring and Information System
- Implementation and planning for the approximation in priority areas of environment (tender cancelled)
- Preparation of Long-term Strategy and Law on Climate Action
- Supervision of Works Contract for Closure of Non-compliance Landfills and Dumpsites in East and North-East regions - First Phase (tender cancelled)

Tender documentation prepared and is under procedure of approval

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

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.

Contract title	Status	Expected result	Achieved result	Remarks
Supervision of the implementation of the works contract for Improvement of	On-going	To improve city wastewater collection infrastructure in compliance with the	-Work Plan for supervision (Inception phase) (prepared); - Manual for supervision (Inception phase) (prepared);	There has been a delay in the project activities due

the Wastewater Collection Infrastructure in the City of Skopje		directive 91/271/EEC through supervision of construction of 3 sections of waste water collection system.	- 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	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).	Physical progress: 26,7% (2.279 m. of 8.524 m in total) Certified laid pipes 1253m. Time elapsed 43,8% (320 days of 730 in total) IPC no.1 in amount of 814.470,5 EUR (executed works) has been paid.	There is a delay in implementation of the project.

8. Recommendations for further actions

The main recommendations according to the last Monitoring Committee held on the 23.11.2018 are as follows:

Operational conclusions and Arrangement for the next meeting in 2019 (SEA):

- The Ministry of environment and physical planning is obliged to inform on the administrative capacity by the end of January 2019.
- The representatives from all of the technical sectors within the Ministry of environment and the representatives from the public enterprises involved in IPA implementation in the sector transport to be presented on the regular monthly meetings organized by CFCD and the EU Delegation.
- For the next round of SMC meetings, the NIPAC office similar to last year will propose a tentative calendar of SMCs in the two rounds in 2019 (spring/autumn). This calendar will include also the setting up the new SMC on Democracy and Governance and Education, Employment and Social Policy.
- Based on the Work Load Analysis (WLA) for the two Programmes, the EUD will be informed on the status of the capacities that are currently involved and the also based on the projections how many people are needed and how it will affect the recurrent plans starting from January 2019.
- In the Financial management and control system to address urgently the deficiency in the current setup of the operating structures.

Additional recommendations are as follows - Operational conclusions (EUD):

- The national authorities at all managerial levels should take actions to rapidly strengthen its capacity to generate, implement and monitor major 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.
- The national authorities will take urgent and constructive measures to re-vive the sector coordination dynamics and ensure that the established sector working group operate smoothly and effectively.
- 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.
- The national authorities shall commit on additional works for the access road to the waste management centre in Sveti Nikole.
- MoEPP to submit as soon as possible the revised documents WWTP Bitola, Kichevo Phase II, and Waste Management in North east and East Region and by MoEPP to propose deadline.

- The national authorities to present its plans to strengthening the capacity and proactive involvement of the road and railway public enterprises by end of December 2018.

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

Indicators¹⁷ per programme

Financing Agreement/P programme reference ¹⁸	Indicator for Environment and Climate Action	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 ¹⁹)	Value (2015)	Value (2016)	Value (2017)	Value (2018)
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
IPA/2014/037 702.3	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
IPA/2014/037 702.3	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
IPA/2014/037 702.1	9. Completion of sector based approach conditions/framework	EUD Regular assessment	0 (2014)	80	100	100 (2020)					In time
IPA/2014/037 702.1	8. Availability of information to public, decision making and reporting	European Institutions	Basic (2015)	Advancing	Advanced	Very Advanced (2025)	Basic	Basic	Good	Good	Good
IPA/2014/037 702.1	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 stage	Improved but still at early stage
IPA/2014/037 702.1	6. Completion of environmental statistics framework	SSO	20 (2015)	20	80	80 (2022)	20	20	20	20	20
IPA/2014/037 702.1	5. % of actions completed/implemented in the strategic framework	Ministry of Environment	0 (2015)	10	80	80 (2025)	10	13	15	20	20
IPA/2014/037 702.1	4. % of natura 2000 territories identified	MoEPP Report	0 (2010)	25	70	70 (2025)	0	0	9 3,99 %	9 3,99 %	9 3,99 %
IPA/2014/037 702.1	3. Number of laws, by-laws and implementing acts in compliance	MoEEP	0 (2010)	126	200	200 (2025)	24	28	32	36	36

¹⁷ These should be mostly outcome, as well as selected relevant output indicators

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

¹⁹ 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/P rogramme reference ¹⁸	Indicator for sector Environment and Climate Action	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2014 ¹⁹)	Value (2015)	Value (2016)	Value (2017)	Value (2018)
	with EU legislation developed (new or amended)										
IPA/2014/037 702.1	2. Number of planning documents developed	MoEEP	0 (2010)	18	13	13 (2025)	2	2	4	8	8
IPA/2014/037 702.1	1. Level of transposition of environmental legislation	EC	69 (2014)	70	85	85 (2025)	69	69	69	69	69
IPA/2014/037 702.2	6. Number of new constructed landfills in East and North-East Regions	MoEPP	0 (2012)	0	1	1 (2025)	0	0	0	0	0
IPA/2014/037 702.2	5. Km rehabilitated and extended of sewerage network	MoEPP and PUC	0 (2012)	69	96	96 (2025)	0	0	0	0	0
IPA/2014/037 702.2	4. WWTPs meeting the EC required criteria constructed	MoEPP and PUC	0 (2012)	0	0	2 (2025)	0	0	0	0	
IPA/2014/037 702.2	3. % of household served with waste collection service	MoEPP and SSO	70 (2012)	70	80	85 (2025)				75.16% (Including sewerage for Prilep, Bitola and Kumanovo)	75.16% (Including sewerage for Prilep, Bitola and Kumanovo)
IPA/2014/037 702.2	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
IPA/2014/037 702.2	1. % of household connected to sewerage systems	MoEPP and SSO	65 (2012)	70.8	75	80 (2025)	65	65			

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 2018 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 Tirrena Scavi 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 2018, five OISs were approved by the EUD, but the implementation for one of them after approval was cancelled since the project will no longer be financed under IPA 2. In addition, two more OISs were prepared, but they are still under consultation.

Title of the OIS	Remarks
Preparation of project documentation for cycle paths in selected cities (Skopje, Ohrid, Stip and Tetovo) in Macedonia	OIS approved by the EUD on 18.07.2017
Supply of 10 automated railway ticket vending machines-TVMs for the 10 rehabilitated railway stations along rail Corridor X and branch X-d –	OIS rejected by the EUD on 18.07.2017
Preparation of project documentation for multimodal node Trubarevo	OIS approved by the EUD on 03.05.2018
Technical audit for the Major project Construction of road section Gradsko – Interchange Drenovo as part of road Corridor X-d -	OIS approved by the EUD on 23.08.2018
Supply and installation for signalization of the railway level crossings	OIS approved by the EUD on 29.08.2018
Reconstruction and upgrade of the existing road from Prilep – bridge on Lenishka river and Construction of third lane of road section from village Belovodica – Mavrovo quarry -	OIS approved by the EUD on 02.11.2018
Rehabilitation of State road A2 Kumanovo – Stracin, section I (km.0+000 – km.15+195) -	OIS in inter sector consultation
City of Skopje Sustainable Urban Mobility Plan	OIS in inter sector consultation

According to the Country Strategy Paper for IPA II for 2018, the available amount for Transport in 2018 was EUR 27.953.430,04.

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.

Criteria: Strategic Planning	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Administrative Capacity	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Coordination	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Performance	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Budget	Self-assessment: Most of the targets for 2017 and 2018 have been reached

Remarks: The commitment for the Sector Based Approach is good and could be confirmed by adoption of the National Transport strategy 2018-2030 and the functioning of well-structured institutional set-up, among other the Sector Working Group for Transport.

why some targets were not yet reached

Administrative capacity: Lack of regular ongoing monitoring and detailed reporting for the implementation of the NTS 2007-2017. Reports were not drafted, but instead as required under the GoRM decision regular Annual Information(s) on the implementation of the strategy were prepared and submitted to the GoRM (focused on implementation of Major projects, only for information purpose). In 2010 the Government decided that this Annual Information should be made on Bi-annual period. All total, six short Information were submitted during the period of NTS 2007-2017 implementation. Last one was submitted in July 2016.

Corrective action: Within the preparation of the new Transport strategy, the consultant team with the input of all the institutions in the transport sector undertook an analysis of the implementation of the measures foreseen in the NTS 2007-2017. The analysis and conclusions were a part of the Scoping report subject to adoption of the Steering Committee. It might be considered that with official endorsement of the NTS 2018-2030, the Scoping report (to replace the NTS 2007-2017 Final report) was approved on a State level by the Steering Committee (SC) members on the final meeting of the SC held on 11.12.2017. (SC members are nominated by all the relevant governmental institutions)

SOPT management expert capacity is improved for the existing OS/ sector for EU staff.

Coordination mechanism is good, tasks and responsibilities are clear per Ministerial decision, and rules of procedures are drafted. However, the motivation 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 SOP) monitoring and reporting.

Coordination:

With a new NTS Monitoring and evaluation chapter where online data platform is foreseen to be build/institutionalized, the paper will become a tool.

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). After setting –up of the reformed SWGT, the representatives of the 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 and were also invited to the event for public consultation for the new Transport strategy 2018-2030.

The following meetings of the SWGs were organised in 2018:

Date	Number of participants	Discussed topics
May 11 th 2018	41	<ul style="list-style-type: none"> Activities for preparation of the new National Transport Strategy; Activities for implementation of the SOPT 2014-2020 Activities for road safety Technical assistance in the transport sector in the previous period
August 24 th 2018	22	Presentation and review of the Single project pipeline for the sector transport
December 21 st 2018	15 ²⁰	Public consultation for the NTS 2018-2030

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

Donors	IFIs	Embassies	CSOs
EU Delegation	EBRD	Bulgarian	LAG Agro Lider-Prilep
		Czech Republic	Institute for Sociological Research and Sustainable Development ISIOR Struga
		Spanish	ECCO awareness
		Italian	
		Chinese (PRC)	

In May 2018, IFIs (KfW and World Bank), as well as representatives from other NGOs and embassies present in the Republic of Macedonia were duly invited but did not attend the meeting.

In August 2018, IFIs were invited but again did not attend.

At the public consultation for the NTS 2018-2030 held on December 21st, 2018, all the members of the SWGT were invited to attend but no one attended.

²⁰ Number of participants at the public consultation for NTS (no members of the SWGT present)

At present, 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.

<p>Strategic Planning: Following the elaboration of the Draft NTS in the course of 2017 (financed under IPA), in 2018, NTS 2018-2030 Final draft was elaborated with assistance provided under IPA 2014-EU Integration Facility “Support for the Management of the EU funds Project” in cooperation with the EU department in the MoTC. Among other, NTS coherence was improved (General and Specific objectives- measures; Actions foreseen under the implementation plan (Annex 1) to comply with general and specific objectives.</p> <p>NTS 2018-2030 Final draft was subject of a Public presentation and consultation held in December 2018 (previously it was published for public consultation and comment as well on the site of the Ministry on May 16th, 2018). On 21st December 2018 was closed with a positive result.</p> <p>With a GoRM decision, NTS 2018-2030 was adopted in December 2018.</p>
<p>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.</p>
<p>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)</p>
<p>Budget: Multi annual budget plan updated (and implemented) for 2018, before adoption the NTS 2018-2030 in December 2018</p> <p>The Procurement plan 2014-2020 is based on the approved IPA funds for the period 2014- 2019.</p> <p>SOPT –final amendment adopted on January 23rd, 2018. The latest version was done due to the revision of the SOPT 2014-2020 which was adopted by the European Commission in June 2017 and due to the allocation of the saved funds from the already completed contracting procedures.</p>

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 with ref. No. 12-5586/3 from 17.05.2016 (PESR), No. 43-4967/2 from 25.05.2016 (MoTC), No. 12-3188/1 from 26.05.2017 (MF), No. 11-116/91 from 26.05.2017 (SEA).

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 2019 it is indicated that additional 3 employments are necessary (2 in the programming unit and 1 in the monitoring unit).

According to the **EC Annual Progress Report for Republic of Macedonia, 2018**, where for chapter 14 (Transport Policy) and chapter 21 (TENs) stresses that a need for **strengthening institutional capacity** is defined, conclusions and answers noted that it is necessary to further strengthen the administrative, operational and technical capacity of all governing institutions and stakeholders concerned with the development of TEN-T and TEN-E networks.

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 counts 6 (six) employees and according to the WLA for 2018 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.

However, in order to strengthen the administrative, operational and technical capacity, the stakeholders will need to decide on new jobs, new trainings and new investments in the other units as well that are of paramount importance²¹. The EC progress reports also states that it is necessary to “*Mobilize sufficient resources for the implementation of the Transport Community Treaty*”.

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.

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.

In July 2018, a new IPA coordinator was appointed.

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

The procurement plan was adopted on January 8th, 2016. There was an amendment adopted on June 22nd, 2017 and amendments were adopted on January 23rd, 2018 and August 13th, 2018. The revision was done due to the revision of the SOPT 2014-2020 which was adopted by the European Commission in June 2017 endorsed the allocation of the saved funds from the already completed contracting procedures.

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 Kriva Palanka - 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 Tirrena Scavi 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
- Supply and installation for signalization of the railway level crossings - Operation Identification Sheet approved on 29.08.2018
- Reconstruction and upgrade of the existing road from Prilep – bridge on Lenishka river and Construction of third lane of road section from village Belovodica – Mavrovo quarry - Operation Identification Sheet approved on 02.11.2018

²¹ 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.

- Rehabilitation of State road A2 Kumanovo – Stracin, section I (km.0+000 – km.15+195) - Operation Identification Sheet in inter sector consultation

- Priority action 3 Horizontal assistance

- Preparation of project documentation for cycle paths in selected cities (Skopje, Ohrid, Stip and Tetovo) in Macedonia – Operation Identification Sheet approved on by the EUD on 18.07.2017
- Supply of 10 automated railway ticket vending machines-TVMs for the 10 rehabilitated railway stations along rail Corridor X and branch X-d – Operation Identification Sheet rejected by the EUD on 18.07.2017
- Preparation of project documentation for multimodal node Trubarevo - Operation Identification Sheet in inter-sector consultation
- Preparation of project documentation (detailed designs) and works for signalization of the railway level crossings - Operation Identification Sheet in inter-sector consultation
- Technical audit for the Major project Construction of road section Gradsko – Interchange Drenovo as part of road Corridor X-d - Operation Identification Sheet approved on 23.08.2018
- City of Skopje Sustainable Urban Mobility Plan - Operation Identification Sheet in inter sector consultation

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. Therefore, it will be possible to measure, for instance, an improvement of the logistic performance indicator, as proposed by the CSP.

However, the main achievements in the sector are related not only to the implementation of still ongoing major projects under indirect management. Good progress related to adoption by the GoRM of the National transport strategy for the period 2018-2030. 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.

Aside of IPA II, but resulted by the commutative effect of successfully implemented so called “soft” interventions implemented by partners, as increased traffic control and public awareness campaigns for road traffic safety, the number of accidents with casualties in 2018 was decreased ²².

8. Recommendations for further actions

The main recommendations according to the SWGT held on August 24th, 2018 are as follows:

SPP- Transport to be upgraded into in 3 sections:

- On-going projects (in implementation)
- Mature Projects including the ones with closed financial construction (but not still in implementation)
- Non-mature projects,

Additional recommendations from the Monitoring Committee held on July 6th, 2018 are as follows:

- The new IPA II procedure for OIS approval to be speed-up in close coordination with EUD and NIPAC;
- Improve SWGT performance aiming final beneficiaries to provide assistance to MoTC IPA structure. A motivation tool to be considered;
- Further staffing of the IPA structure in the MoTC with additional civil servants (as per WLA);
- Steps to be taken aiming to at institutional strengthening to apply EC Sectoral approach and EU integration processes in order to adapt to the new expectations for fulfilling the work tasks arising from the process of accession of the Republic of Macedonia to the EU. In accordance with the NTS 2018-2030 Monitoring & Evaluation chapter, the existing EU Department-Unit for Negotiation and Integration (UNI, 2 employees since

²² 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.

August 2018) needs to be strengthened and continue to support the sectors in all the programs it administers (Treaty establishing transport community, ERP, SAA, Subcommittee for transport, NPAA, Negotiation Working Groups). This fact could be assessed as a predefined risk for proper implementation of the Sectoral approach (inc. the NTS 2018-2030 implementation). Even more, if no actions would be taken to create a separate unit for NTS monitoring (as defined under the Strategy Monitoring and evaluation chapter) the negative experience with insufficient monitoring of implementation of the NTS 2007-2017 (defined as a lesson learned) will be multiplied.

The main recommendations according to the Monitoring Committee held on November 23rd 2018	Remarks
The representatives from all of the technical sectors within the Ministry of environment and the representatives from the public enterprises involved in IPA implementation in the sector transport to be presented on the regular monthly meetings organized by CFCD and the EU Delegation.	The representatives from the relevant stakeholders in the transport sector are regularly invited at to the monthly meetings organized by the CFCD and the EUD.
Based on the Work Load Analysis (WLA) for the two Programmes the EUD will be informed on the status of the capacities that are currently involved and the also based on the projections how many people are needed and how it will affect the recurrent plans starting from January 2019.	The Ministry of transport and communications has regularly informed EUD submitting WLA for the IPA structure as well as references to the findings of the Audit reports of the IPA Audit Authority referring to the lack of staff.
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.	The level of the SWGT has been raised and the group is now chaired by a high representative of the Ministry.

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

Indicators per programme

Financing Agreement/ Programme reference ²³	Indicator for sector Transport	Source	Baseline	Milestone (2018)	Target (2020)	Final target (Year)	Value (2014)	Value (2015)	Value (2016)	Value (2017)	Value (2018)
CSP Indicator	Logistic Performance Indicator 1 = worst and 5 = best	World Bank	2.56 (2012)				2.50		2.51		2.62
IPA/2014/03 7702.6 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
	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
IPA/2014/03 7702.6 SOPT 2014-2020	Secured level crossings according to international standards and best practices	Ministry of Transport	81 (2016)	0	96	96 (2025)				0	0
IPA/2014/03 7702.5 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
IPA/2014/03 7702.5 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
IPA/2014/03 7702.5 SOPT 2014-2020	Total number of technical audits made for Major Projects	Ministry of Transport	0 (2016)	0	2	2 (2025)				0	0
IPA/2014/03 7702.4 SOPT 2014-	Length (km) of roads reconstructed/rehabilitated/constructed along SEETO Comprehensive Network	Eurostat/National Statistic	(baseline 16 km)	0	98 km	98 (2020)				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

Financing Agreement/ Programme reference²³	Indicator for sector Transport	Source	Baseline	Milestone (2018)	Target (2020)	Final target (Year)	Value (2014)	Value (2015)	Value (2016)	Value (2017)	Value (2018)
2020		Office/P.E State Roads and SEETO MAP									
IPA/2014/03 7702.4 SOPT 2014- 2020	Increased road safety measures/decreased number of black spots along the SEETO comprehensive network	National Statistic Office/Minis- try of Interior			Reduction by 30% of the road safety fatalities, 3 to 6 eliminated black spots		0	0	0	0	0

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. The main features of the proposed Action

Document 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: 4.500.000 EUR

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

Criteria: Strategic Planning	Self-assessment: Most of the targets for 2017 and 2018 have been reached
Criteria: Administrative Capacity	Self-assessment: Most of the targets for, 2017 and 2018 have been reached
Criteria: Coordination	Self-assessment: More than half of the targets for 2017 and 2018 have been reached
Criteria: Performance	Self-assessment: Less than half of the targets for 2017 and 2018 have been reached
Criteria: Budget	Self-assessment: less than half of the targets for 2017 and 2018 have been reached
Remarks: 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 2019, except those related to the criteria Budget. For this criterion, an input from the Ministry of Finance is necessary and this input will be received after the implementation of a Twinning project dealing with this subject.	

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 2018:

PLENARY SESSION		
Date	Number of participants	Discussed topics
22.02.2018	68	This meeting had the purpose to open a discussion about the key challenges the sector is facing, its priorities as well to identify the main intervention areas to be financed under IPA 2019
23.04.2018	29	SWG meeting with donors was held with following conclusions 15 million euros will be available from IPA 2019 (later 14 mi. Euros)
12.07.2018	45	On this meeting the intervention areas/ subsectors have been decided and the indicative financing presented by the DEU representative. Plenary session (IPA Action Document 2019)
THEMATIC SESSIONS		

Date	Number of participants	Discussed topics
16.03.2018	8	Technical meeting for the intervention area: Land consolidation
16.03.2018	10	Technical meeting for the intervention areas: Rural development, Cooperatives, Extension services
19.03.2018	8	Technical meeting for the intervention area: Irrigation and water management
19.03.2018	16	Technical meeting for the intervention area: Marketing and quality of agricultural products -CMOs
19.03.2018	9	Technical meeting for the intervention area: Forestry
26.03.2018	15	Technical meeting for the intervention area: Agency for financial support to agriculture and rural development (IPARD)
26.03.2018	11	Technical meeting for the intervention area: Food and veterinary
26.03.2018	15	Technical meeting for the intervention areas: Phyto-sanitary, Seed
12.04.2018	17	Second technical meeting for the intervention areas: Phyto-sanitary, Seed
16.04.2018	7	Preparatory SWG meeting

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

SWG – ARD

Donors and International Organisations	IFIs	Embassies	CSOs
GTZ	KFW	Greek	Macedonian Ecological Society
GIZ	World Bank	Italian	We Effect
EUD		Dutch	Civil Associations “Rural Development”
UNDP		French	Macedonian Association of Agricultural Cooperatives
USAID		Chinese	Co-operative res Group
Swiss Agency for Development		Swiss	National Federation of Farmers
			EDRM European movement of RM
			MAINLAND
			NAPM
			Association of Agriculture Economists
			Food and Agriculture organisation
			Rural Development Network , RDN
			European Movement -RM
			NFF National Federation of Farmers
			CNVP

At present, 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 \$	Mainland TCP component of FAO -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	64,000 \$	Assessment of the methodology for implementation of national forest inventory -FAO also strengthened the capacities of the Ministry of Agriculture, Forestry and Water Economy to sustainably manage forest resources by carrying out a National Forest Inventory, which will enable reliable information on forest resources for national planning and decision-making.	15/01/2018 31/12/2108
FAO	300,000 \$	Development of a green and competitive broiler sub-sector -The project will contribute to the development of a competitive, green and smallholder inclusive broiler sub-sector in Macedonia based on the recommendations. The expected outcome is creating a unified public and private sector five-year strategy for the broiler subsector, supported by policy reforms, that result in the penetration of domestic market demand for high quality.	05/02/2018 31/08/2019
FAO	72,000 \$	Support to privatization of state-owned land - 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 through the use of state land to catalyze the land consolidation process	15/06/2018 14/06/2019
FAO	355,000 \$	Assessment of Agricultural Production through NAEZ and LRIMS and Scenario Development -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 \$	Support for the management of an effective national coordinative mechanism	01/09/2018

		regarding the GCF-FAO supported the country to access environmental climate from the Green Climate Fund (GCF). The first FAO-implemented project under the GCF Readiness and Preparatory Support Programme was developed and approved by the GCF secretariat.	31/06/2019
FAO	320,000 \$	Strategies for Food Loss and Waste Reduction -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	388,000 \$	Support for the enhancement of national plant pest surveillance and phytosanitary certification systems -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. Particularly in relation to national and international trade of plants and plants products, in that way improving the food security in the country	11/1/2018 31/12/2020
FAO	500,000 \$	African Swine Fever Emergency preparedness in the Balkans -Support the Ministry of Agriculture, Forestry and Water Economy, Food and Veterinary Agency and other partners to enhance country's emergency preparedness (detection, prevention and control) against African Swine Fever-highly contagious, transboundary and often climate-induced, viral disease of pigs.	11/12/2018 31/10/2019
FAO	320,000 \$	Improved data methodology for sustainable management of inland fisheries resources in the West Balkans -Provide support to the fishing communities and local municipalities maintain ecological sustainability of inland fisheries in the country, by providing adequate data collection methodology and development of evidence-based freshwater management plans that increase the production potential and socio-economic value of inland fisheries in the country	11/1/2018 31/07/2020

At present, 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	Project for construction of irrigation system south Vardar Valley - Second phase -The second phase of the project, which includes rehabilitation / modernization and expansion of existing and new irrigation systems.	2018 - 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

<p>Strategic Planning: 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, which has been a continuation of the support for other strategic documents in the country (SPD 2015-2017, IPA AD 2015, OP 2014-2020). In line with the steps and targets of the Roadmap in the strategy criteria for 2017 and 2018, 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. It translates the political priorities, set out in the enlargement policy framework, into key areas where financial assistance is most useful to meet the accession criteria. For all defined outputs are elaborated indicators.</p>
<p>Administrative capacity: 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 under implementation, with the support of IPA, in order to map the processes and redesign the outputs of the functional analysis, as well as some building capacity support for the phytosanitary bodies. 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>Performance: 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”. In 2019 it is expected, in accordance with the Sector Approach Roadmap 2018 targets, 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). Finally, NARDS (National Agriculture and Rural Development Strategy) is in the process of implementation assessment based on the FAO recommendations. From the point of the administrative capacity, there is no specific unit for strategy performance management at horizontal level.</p>
<p>Budget: The new Five-year budget national programme for agriculture and rural development 2018-2022 was adopted in 2018 by Government (Official Gazette 32/2018). The program links the strategic documents, primarily the National Strategy for</p>

Agriculture and Rural Development and multi-annual budgetary planning with the annual operational agricultural and rural policies programs and decrees. The preparation of the program was consulted with the wider stakeholders community including the most relevant policy beneficiaries and experts.

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).

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 2 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 current number of employees in Management Structure (MS) is 17 (seventeen - including NAO). The MS prepared WLA for 2019, indicating needs for additional 3 (three) employees, such as: Assistant Head of Management Structure, one Financial Manager in National Fund Unit and one Effective Functioning of Management and Control System Officers in the NAO Support Unit. These new recruitments are planned to be realized in 2019 and mostly needed for the activities related to the implementation of all IPA programmes.

On 26th October 2018 internal vacancy in MoF was published for promotion of 5 (five) employees from Management Structure, which will enable junior officials in MS to be promoted on higher positions. These promotions are expected to be realised by the end of March 2019.

IPARD Agency

According to the Workload Analysis (WLA) for 2019, the optimal number of employees needed in IPARD Agency for the implementation of the IPARD Program 2014-2020 is 150. The current number of employees within the IPARD structure of the Agency is 110.

In May 2018, 28 new employees were employed on temporary basis until 31.12.2018 out of which 22 directly involved on IPARD and 6 indirectly involved. An extension of their contract is planned to cover the period until 30.04.2019, during which a transformation of their status from temporary to permanent employees shall be carried out. In addition, a Vacancy call was published on 19.10.2018 for employment of 20 new administrative civil servants in the IPARD Agency. It is expected that the new employees shall start with work in February, 2019. Also, a second Vacancy call is planned to be published by the end of April 2019 for employment of additional 20 new administrative civil servants.

At the same time, the IPARD Agency is carrying out a procedure for promotion of 28 administrative civil servants. This procedure is divided in two parts i.e. promotion of 20 administrative civil servants through Internal call and promotion of 8 administrative civil servants through Public vacancy call. The first procedure is already finalised, and the promoted employees started with work on their new work posts on 15th of November, 2018 and the second procedure was completed by the end of 2018 and the promoted employees shall start with work on their new work posts in the first quarter of 2019.

Managing Authority

According to the Workload Analysis (WLA) for 2019 the optimal number of employees needed in Managing Authority is 19. During 2018, 8 (eight) persons were employed and/or transferred to Managing Authority: Head of Managing Authority, Head of Unit for IPARD Programming and Evaluation, two Advisors in Unit for IPARD Monitoring and Reporting, 3 Advisors and Junior Associate in Unit for implementation IPARD Technical assistance. Currently, the number of employees is 17 (including HoMA).

In the table below are presented the data regarding the human capacities in 2018:

Institution	Number of staff on 31.12.2017	Number of staff needed as per WLA 2019	Realized new recruitments by 06.11.2018	Left position the 06.11.2018	Number of current staff 06.11.2018	Occupancy rate	Turnover rate
NAO/NF	17	20	1	1	17	85%	5,9%
IPARD Agency	87	150	23	0	110	73%	0%
Managing Authority	13	19	8	4	17	89,5%	30,8%
Total	117	189	32	5	144	82,5%	12,23%

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

Regarding the first announced public call for submitting applications for benefiting support from the IPARD Program 2014-2020, the Agency has received 1648 applications for the three published measures. The total number of the received applications and the total amount of the requested amount for co-financing is higher than the available budget stated in the financial tables in the Programme.

Sector for project approval has started to evaluate the applications immediately at the moment the public call ended, in the tables below, it is shown the total number of received applications per measure and sector, the total number of requested amount for co-financing, the total number of rejected applications and the numbers of applications which has been sent to the sector for on-the-spot control.

Measure	Sector	Total number of applications	Total requested amount	Number of rejected applications	Contracted projects (decision for allocation of funds is issued)	Total Public Expenditure of the contracted projects	Total Public Expenditure -EU contribution of the contracted projects
1	1	1368	14.889.439,42 €				
1	2	30	2.933.227,64 €				
1	3	4	163.161,79 €				
1	4	2	17.556,15 €				
Total on 26.11.2018		1404	18.003.385,00 €	499	905	11.019.543,00 €	8.264.657,25 €
Measure	Sector	Total number of applications	Total requested amount	Number of rejected applications	Contracted projects (decision for allocation of funds is issued)	Total Public Expenditure (Euros) of the contracted projects	Total Public Expenditure -EU contribution of the contracted projects
3	1	8	683.398,03 €				
3	2	12	3.144.333,53 €				
3	3	21	6.836.976,59 €				
3	4	5	145.896,92 €				
3	5	2	143.098,55 €				
3	6	8	2.074.024,77 €				
3	7	0	0				
Total on 26.11.2018		54	13.027.728,39 €	23	31	6.621.696,00 €	4.966.272,00 €
Measure	Sector	Total number of applications	Total requested amount ((Euros)	Number of rejected applications	Contracted projects (decision for allocation of funds is issued)	Total Public Expenditure (Euros)	Total Public Expenditure -EU contribution of the contracted projects

7	1	39	1.707.838,91				
7	2	20	2.617.842,07				
7	3	35	10.866.666,79				
7	4	5	609.063,15				
7	5	4	62.381,44				
7	6	7	1.628.245,59				
7	7	32	6.871.062,09				
7	8	46	18.195.485,10				
Total on 26.11.2018		187	42.558.585,14	161	0	0	0
TOTAL		1648	73.589.698,54	684	936	17.641.239,00 €	13.230.929,25 €

Regarding the planned payments from the IPARD II Program, it will depend on the dynamics of concluding agreements and realization of the investments from the recipients. The Agency paid a total of around 1.3 million Euros for co-financing, and the rest will be paid during 2019 and 2020 in line with the deadlines for the realization of the investments.

Sector for on-the-spot control has performed in total 1210 on-the-spot controls (OTSC) under the Call for Applications 17/01, out of which:

Prior Approval: Measure 1 - 960 OTSC Measure 3 - 34 OTSC Measure 7 - 23 OTSC
Before payment: Measure 1 - 185 OTSC Measure 3 - 3 OTSC

Sector for on-the-spot control has carried out 5 OTSC for establishing hidden works at investments under Measure 3.

Finally, in 2018, 154 ex-post OTSC at investments under IPARD 1 as well as 3 and on-the-spot controls under measure Technical Assistance were completed.

There are no major problems regarding the organization and performing of OTSC.

AFSARD issued until 31.12.2018 126 authorizations of payments in a total amount of approximately 1.300.000, 00 Euros for co-financing.

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 are no special achievements at sector level to be reported. As pointed out in the previous paragraphs, the programme is in its early implementation phase.

8. Recommendations for further action

IPA 2015

The main recommendations according to the last Monitoring Committee for IPA 2015 held on the 12.12.2018 are as follows:

1. The sector approach is advanced; however, the national authorities are encouraged to further improve the functioning of the established sector working group by ensuring open policy dialogue and fostering trust under this framework.
2. The national authorities shall submit the supporting materials 10 working days before the SMC meeting.
3. The monitoring and reporting system within the sector should be further strengthen, having in mind the participation of international organizations as Implementing bodies and EUD as Contracting Authority.
4. For the next SMC meeting, the Ministry of Agriculture, Forestry and Water Economy should provide information to the SMC members for the measures undertaken to ensure the sustainability of the completed projects.

IPARD Operational Programme

Key conclusions and recommendation on the last IPARD Monitoring Committee Meeting, held on 04.12.2018, related to the IPARD Programme 2014-2020 were as follows:

- IPARD Monitoring Committee welcomed the efforts done by the IPARD Managing Authority under the ongoing (first) modification of the IPARD Programme 2014-2020 to shorten the procedure of processing the applications, and
- IPARD Monitoring Committee commended to IPARD operating structures to start with the preparations for the second modification of the Programme with the view of introducing additional measures in the Programme (Implementation of Local Development Strategies - LEADER Approach; Advisory services and Agri-environment-climate and organic farming).

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

Financing Agreement/P rogramme reference ²⁴	Indicator for sector Agriculture and Rural Development	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value 2016	Value 2017	Value 2018
CSP indicator	Total investment generated via IPA in agri-food sector and rural development – DG AGRI	IPA report		28472442	54181644				
IPA/2015/037-907.03	13. Number of in-depth Market organisation analysis	Project reports	0 (2014)	0	2	2 (2019)		0	0
IPA/2015/037-907.03	12. Number of small scale irrigation systems constructed	Project reports	51 (2015)	0	3	8 (2024)		0	
IPA/2015/037-907.03	11. Number of test performed	Phytosanitary reports	33 (2015)	48	68	70 (2024)		48	52
IPA/2015/037-907.03	10. Number of accredited methods	Accreditation protocols (Institute for accreditation)	34 (2014)	40	50	50 (2024)			141
IPA/2015/037-907.03	9. Established and operational Phytosanitary Information System,	Project reports	0 (2014)	1	1	1 (2020)		0	
IPA/2015/037-907.03	8. Compliance of BIPS with EU requirements	Progress reports	4 (2014)	5	5	5 (2020)		4	5
IPA/2015/037-907.03	7. % of sampled animals immunized against rabies	Monitoring reports	48 (2014)	60	70	70 (2020)		47	71
IPA/2015/037-907.03	6. EU Legislative compliance with chapter 12 in %	Progress reports	85 (2016)	90	95	95 (2020)		0	88
IPA/2015/037-907.03	5. Set of CMO Policy Regulations implemented	Project reports	0 (2014)	0	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)	0	1	1 (2020)		0	
IPA/2015/037-907.03	3. Number of additional cooperatives with an economic objective and market performance created	Project reports	27 (2014)	0	10	10 (2024)		0	
IPA/2015/037-907.03	2. Additional number of hectares irrigated	Irrigation project reports	25476 (2015)	600	1150	1150 (2024)		0	
IPA/2015/037-907.03	1. Number of land consolidation projects (areas)	Land consolidation reports	2 (2014)	10	30	30 (2024)		0	5

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 2018, the IPA Action Document 2019 was drafted. The main features of the proposed 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: 7 meetings of the SWGs in plenary session were organised. Donors, Embassies and CSOs were always part of these meetings. A large number of meetings were chaired by the Minister(s) in charge of the sector. Next to the meetings of the SWGs in plenary sessions, 40 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 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.

Criteria: Strategic Planning	Self-assessment: All the targets for 2017 and 2018 have been reached.
Criteria: Administrative Capacity	Self-assessment: Half of the targets for 2017 and 2018 have been reached.
Criteria: Coordination	Self-assessment: Half of the targets for 2017 and 2018 have been reached.
Criteria: Performance	Self-assessment: Half of the targets for 2017 and 2018 have been reached.
Criteria: Budget	Self-assessment: Half of the targets for 2017 and 2018 have been reached.

Remarks:

Strategic Planning: The Strategy on Competitiveness was adopted in 2016 and its implementation is in advanced stage. Regular monitoring is done through different working groups and annual Reports are prepared.

Administrative Capacity, Coordination and Performance: The establishment of a System (IT platform) for inter-ministerial coordination, monitoring and implementation is ongoing. The activities envisage for 2017 were prolonged as the Government change took place. Also, re-negotiation with the donor partner was conducted. Therefore, the project activities started in 2018 by signing Project Agreement and establishing of a Project Implementation Unit. The PIU has the task to carry out all preparatory activities (mapping and analyses) which should result in tendering procedure by mid-2019 and to established operational IT system for monitoring of a set government documents and budget programmes as well as coordination among involved stakeholders by the end of 2019. In the first step, envisage to end by Q1 2020, the system should be functional covering regional development projects in the country.

For monitoring purposes, in Ministry of Economy, a Monitoring and Evaluation Unit is established for monitoring the strategic documents and programs related to industry development.

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.

Budget: In 2017 and 2018 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.

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

The following meetings of the SWGs in plenary session were organised in 2018:

Date	Number of participants	Discussed topics
08.10.2018	23	Identified possible areas of financing and cooperation with donors on the identified priorities
11.6.2018	23	Prioritisation, CSOs, donor and IFIs feedback
10.5.2018	42	Presentation and discussion of main needs, open issues, priorities and challenges.
28.2.2018	23	Exchange of the stakeholders' views on the needs, priorities and key interventions in the Sector on Competitiveness and Innovation.
21.2.2018	16	Presentation of new project proposals by SWG members.
14.2.2018	17	Consultation and in depth analyses of the project proposals by SWG members.
30.1.2018	25	Current status in the sector Competitiveness and innovation and presentation of the project proposals by SWG members.

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

At present, 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
EUD IPA 2013	EUR 1,7 mil	The grant scheme "Enhancing socio economic development" will contribute to enhancing the economic policy research, diversification of exports and trade and to improving the information sharing, cooperation and alliance building, amongst relevant stakeholders.	2016-2019
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

At present, 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.

Strategic Planning: 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 a participatory approach.
Administrative Capacity: 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.).
Performance: The IPA 2014 and 2016 Programmes are still under implementation. Support is planned to be received for the definition of the monitoring indicators and for the development of a web-based monitoring tool.
Budget: 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.

The IPA 2014 Programme is executed by World Bank

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 12.12.2018 are as follows:

- The sector approach is advanced. Further improvement of the functioning of the sector-working group ensuring open policy dialogue and fostering trust under this framework is encouraged.
- On time preparation and submission of working materials.
- The monitoring and reporting system should be further strengthen, having in mind the participation of international organisations as Implementing bodies and EUD as Contracting Authority.
- The Ministry of Economy and the Agency for promotion and support of tourism are urged to take more proactive role in the activities of the IPA 2014 Project on Local and Regional competitiveness.
- The EBRD is recommended to consider establishment of a regular monitoring and coordination via quarterly meeting involving major stakeholders NIPAC office, EUD, the Cabinet of the DPM in charge of Economic Affairs.
- The Cabinet of the DPM in charge of Economic Affairs as responsible body for the sector Competitiveness and Innovation is advised to establish a monthly review meeting co-chaired by the DPM in-charge of economic affairs involving the EUD, NIPAC office, World Bank, EBRD and the LRCP PIU office.
- The World Bank is advised to consider organizing an event for presentation of the midterm evaluation results upon completion especially relevant for lessons learned deriving from the implementation of the IPA 2014 LRC project.

Additional recommendations are as follows:

- National authorities are recommended to be more transparent on the award of the grants to companies by the Law for Financial Support and carry out a thorough assessment of the law in terms of State Aid Law and for market distortion.

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

Indicators²⁵ per programme

Financing Agreement/Programme reference ²⁶	Indicator for sector Competitiveness and Innovation	Source	Baseline	Milestones (2017)	Target (2020)	Final target (Year)	Value (2014 ²⁷)	Value (2015)	Value (2016)	Value (2017)	Value (2018)
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
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
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
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
IPA 2014/037-706	Municipal revenue tax collection	SSO	100 (2015)	100	102	102 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available
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
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
IPA 2016/039-619/06.03/	7. Leverage effect	EBRD	0 (2016)		480000	4800000 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available
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
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
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
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
IPA 2016/039-619/06.03/	2. Contribution of SMEs to job creation	Eurostat / SSO	76 (2013)		80	80 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available
IPA 2016/039-619/06.03/	1. Contribution of SMEs to GDP (value added)	Eurostat / SSO	67 (2013)		70	70 (2020)	Not Available	Not Available	Not Available	Not Available	Not Available

²⁵ These should be mostly outcome, as well as selected relevant output indicators

²⁶ It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report

²⁷ Number of columns to be adjusted for all years from 2014 up to the year of the reporting period. Values should be cumulative.

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. The first one was co-ordinated by the ministries, while the second one was done in cooperation with the EU Delegation.

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. The main features of the proposed programming Documents are as follows:

Action Document “EU for Inclusion”	Sector Reform Contract “EU for Youth”
Overall Objective: To reduce poverty in the country Specific Objective: To improve social, education and economic inclusion of people belonging to most vulnerable groups Results: Result 1: Improved housing, education, and economic opportunities for Roma and people living in deep poverty Result 2: Improved accessibility of educational facilities for persons with disabilities Result 3: Improved access to community based services for vulnerable groups of people Requested EU Financial Support: 6,500,000 EUR National Contribution: 800,000 EUR	Overall Objective: To enhance the employment of young women and men Specific Objective: 1. Improving the quality, relevance and inclusiveness of the national vocational education and training system. 2. Improving employment opportunities for young women and men. Results: Result 1: Improved offer of accredited VET programmes and providers Result 2: Competences of staff of the regional VET centres aligned with Human Resource management plan and accreditation criteria Result 3: Youth Guarantee implemented Requested EU Financial Support: 16,500,000 EUR National Contribution: N/A

Elaboration procedure: Three meetings of the SWGs in plenary session were organised. Donors, Embassies and CSOs were always part of these meetings. All meetings were chaired by the Ministers in charge of the sector. 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.

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.

Criteria: Strategic Planning	Self-assessment: All the targets for 2017 and 2018 have been reached.
Criteria: Administrative Capacity	Self-assessment: Most of the targets for 2017 and 2018 have been reached.
Criteria: Coordination	Self-assessment: All the targets for 2017 and 2018 have been reached.
Criteria: Performance	Self-assessment: All the targets for 2017 and 2018 have been reached.
Criteria: Budget	Self-assessment: Most of the targets for 2017 and 2018 have been reached.

Remarks: The **Strategic documents** for the sector have been prepared and approved. Annual or periodical reports of sector strategies were prepared and considered by the Government. Follow-up actions were identified. Good progress was noticed in the implementation of the ESRP and Employment Strategy. Moderate progress in implementation of NSAPSE (National Strategy for Alleviation of Poverty and Social Exclusion) was noticed due to its complexity. The NSAPSE was decided to be linked with the priorities of the ESRP and the ERP. No other needs for updates were identified. The first implementation report on the Education Strategy 2018-2025 is expected by the end of February 2019.

The **administrative capacities** are gradually continuously strengthening, though fluctuation of employees is always possible. Several recruitments or internal promotions were implemented in 2018 on key positions of relevance for implementation of the reforms. Capacity building was implemented with assistance of the UN agencies, EU and other donors. The foreseen steps, such as staffing, trainings and initiation of data collection systems improvements, were undertaken. However, further work is needed with regards to introduction of programme budgeting, policy monitoring and gender-sensitive policy making.

A **high-level sector policy** discussion was channeled through the SWG with involvement of stakeholders and donor community. The SWG's functioning was significantly strengthened and with the involvement of the ministers its visibility has been increased. The line ministries introduced a tool for gathering core information about the donors' intervention. Yet systematic collection of data on donors' interventions could be further improved and should be coordinated on NIPAC level for all sectors in the country.

The **Sector-based Performance Assessment** will be released in 2019, developed with the support of the EU in the frame of the IPA project "Support for the Management of the EU Funds" and structured around a set of objectives, result and impact indicators and targets. As noted, sectoral monitoring reports were prepared. Activities for improvement of data collection are under way or in preparatory phase. Targeted capacity building activities will follow in 2019 onwards.

The Government has launched a wide-scale **PFM Reform programme**, 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.

The governmental commitment to the sectoral reforms is reflected in the increase of the total budgets of the line ministries and institutions, as well as in the specific budgetary programmes within their budgets. Annual reports on implementation of sub-sector strategies were prepared, but not all of them provide a complete overview of the budgetary execution (the only exception being the annual report for implementation of the Operational Plan for Active Employment Measures and Services.). The execution of the budget programmes following the budget classification is published on the web site of the ministries. Nevertheless, there is need for improving the reporting of the budgetary execution.

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

The following meetings of the SWG/Donors' Coordination were organised in 2018:

Date	Number of participants	Discussed topics
1.3.2018	86	Key challenges, priorities and planned reforms in the EESP sector, gaps and opportunities for investment in the sector reforms and donors' interventions in the EESP sector
11.4.2018	53	IPA 2019 programming: potential priority areas of IPA 2019 interventions
12.6.2018	19	IPA 2019 programming: formulation of priority interventions
12.7.2019	68	IPA 2019 programming: rationale for IPA II 2019 programming, problem and stakeholder analysis, activities and performance measurement
04.10.2018	40	IPA 2019 programming with focus on the VET subsector – Regional VET Centres and ETF presentation on their support
8.10.2018	24	Open issues for projects of the Action Program for 2017 and further steps in IPA 2019 programming
16.10.2018	22	Streamlining the interventions to be funded as a Sector Budget Support (IPA 2019) in light of the feedback provided by the DG NEAR in October 2018

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

Donors and International Organisations	IFIs	Embassies	CSOs
EUD	KFW	UK	Foundation Open Society Macedonia
ETF	WB	Swiss	IPA 2 Mechanism
IOM		Austrian	Gender Equality Platform
GIZ		US	National Network to End Violence Against Women and Domestic Violence
UNDD			Coalition Sexual and Health Rights of marginalized Communities

UNDP			CSO Reactor
UNHCR			Fridrich Ebert Stiftung Macedonia
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
British Council			European Training Foundation
			Resource Centre for Parents of Children with Special Needs
			Progress Institute for Social Democracy

At present, 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
UNICEF	619,800 €	UNICEF Country programme: Support to the social protection reforms; Deinstitutionalisation; Early Childhood Education	2018 - 2019
UNFPA/ UNPRPD	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
UNHCR	142,422 €	2018 Project Partnership Agreements: Prevention and reduction of statelessness, sustainable protection within the asylum system, persons without IDs and gender based violence	2018
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/ Women	480,586 €	Support of gender based violence	2018 - 2019
SDC/ Women	2,949,867 €	Support of gender responsive budgeting	2018 -2020
Swiss Development Cooperation (SDC) ²⁸	4,260,622 €	Fostering employability of hard to employee people	2017 - 2020
USA Government	1.185.851,45 €	Enhancing Capacities and Mechanisms to Identify and Protect Vulnerable Migrants in the Western Balkans	2016 - 2018
USAID29	1.085.400,00 €	Strengthening interethnic interaction among children	2017 - 2021
USAID	1.394.935,02 €	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

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

²⁸ SDC Country Cooperation Strategy 2017-2020: https://www.eda.admin.ch/dam/countries/countries-content/macedonia/en/Cooperation-Strategy-Macedonia-2017-2020_en.pdf

²⁹ More information: <https://www.usaid.gov/macedonia/social-cohesion>

IFI	Value of the support	Addressed issues	Implementation period
WB-IBRD	33.4 million \$	Social Service Improvement Project ³⁰ (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	26.2 million \$	Conditional Cash Transfers Project ³¹ (Development loan) Its overall goal was to strengthen the effectiveness and efficiency of social security net through: the introduction of conditional cash transfers and improvements in the administration, oversight, monitoring and evaluation of social assistance transfers	June 2009 – August 2018
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 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.

Strategic Planning: IPA II supported the strategic planning in a couple of priority areas of the EESP sector. First, the MLSP and national stakeholders were assisted with the preparation of the National Strategy on Deinstitutionalisation 2018-2027, which provides a clear plan of action for completion of this process and promotion of community-based living. Second, the social mapping of Roma will enable evidence-based policy making and targeted policy responses for inclusion of the Roma community, regardless of the source of funding. Third, the leading ministries received technical assistance to complete the programming documents for IPA 2019, whereby the sector budget support modality is clearly linked with the national strategic planning framework. Within this TA (“Support for the Management of the EU Funds”), feasibility study on the adaptation of school and faculty buildings for accessibility for persons with special needs was conducted, which sets the path towards improving the schools facilities for inclusion of students with special educational needs.

Administrative Capacity: IPA II is in early phase of implementation in the EESP sector. Nevertheless, it is worth mentioning the capacity building provided to residential social protection institute “Demir Kapija”, as well as to the relevant authorities in order to undertake immediate improvements to the conditions for residents/clients living in the larger institutions. The Ministry of Labour and Social Policy was advised on findings and further use of gathered data from the social mapping of Roma. Finally, the two line ministries were supported to prepare the programming documents for IPA 2019.

Performance: In the first half of 2018, the SWG considered the consistency in the definition and measurement of the indicators of the Action document 2017, as well as relevant indicators of the Employment and Social Reform Programme (ESRP), which would be used for monitoring and reporting on the AP progress and sector reforms. The First Annual Report on the implementation of the ESRP for 2017 was prepared by the Ministry of Labour and Social Policy, on the basis of the information and contributions of the relevant institutions. The report was adopted by the Government in July 2018. The results are presented in line with the ESRP Matrix of objectives, measures, indicators and targets, incorporating the updated values of the defined set of indicators and the data on the activities and results for each measure planned under the Programme and its Action plan.

The First Annual Report on the implementation of the Education Strategy for 2018 is expected to be finalised by the end of February 2019.

With the support of the IPA project “Support for the Management of the EU Funds”, indicators are being improved and a Performance Assessment Framework for all sectors will be established in 2019.

³⁰ More information for the project: <http://projects.worldbank.org/P162246?lang=en>

³¹ More information for the project: <http://projects.worldbank.org/P103974/conditional-cash-transfers-project?lang=en&tab=overview>

Budget: The 2018 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 (for employment of new pre-school staff, construction of kindergartens, increase of salaries of the pre-school staff), employment policy (for piloting of the youth guarantee, financing of other active labour market measures, staffing of ESA etc.), deinstitutionalisation (which is a new budget items earmarking funds for delivery of community-based services, etc.). 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 donor coordination at the level of the SWG has contributed to better match the funds from various sources with the sector priorities, where the IPA will be used to finance mid-term reform processes.

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. There were five staff (IPA Coordinator and monitoring officers; there are no officers in charge for programming and technical implementation) at the end of 2018, while according to the workload analysis the optimal number would be eight. Due to high turnover with the IPA structure in the MLSP in the first half of 2018, the staff had to manage significant workload, simultaneously closing IPA 2007-2013 programme, preparing the AP 2017 tenders and programming of the IPA 2019.

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 2018 IPA Structure left with only 2 employees and no IPA Coordinator. In September two more positions were filled in, so the total number of IPA Structure at the end of the 2018 amounts to 4. 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.

Out of 9 contracts, four were planned to be launched in 2018, three in 2019, one in 2020 and one in 2021. Two (out of three) services tenders planned in 2018 were launched by the end of the year with a 2-month delay. The direct award procedure to the Employment Service Agency was postponed for January 2019, since it took time to agree with the EUD on the concept and activities of the project. On the other hand, although planned for a later stage, the MLSP advanced the preparatory activities for the works contract on pre-school with the intention to launch it in 2019.

To accommodate the delays, the procurement plan was revised at the end of December 2018.

7. Main achievements in the sector

Contracts under indirect management under the responsibility of the RoM are not yet under implementation. Hence no results could be reported.

8. Recommendations for further actions

The IPA 2017 is still in an early implementation phase. The main recommendations for further actions are as follows:

- 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 after its enactment by the Parliament. The monitoring also 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.

- Regarding the project for construction of kindergartens (Activity 2.2 of the EESP Action, AP 2017), there is a need to address three issues: 1) Prepare a quality tender documentation with technical assistance of the project "Support for the Management of EU funds, 2) Introduce of a contract for supervision of the works contract under Result 2 of the EESP Action, AP 2017 (the supervision could be financed from the outstanding amounts after completion of procurement procedures) 3) Coordinate the supply contract with the works.
- 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.
- The ministries should devise proposal how to absorb funds that remain unused during procurement stage (e.g. for introduction of supervision of the works or building a third kindergarten, etc.).

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

Indicators³² per programme

Financing Agreement/ Programme reference ³³	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
IPA 2017/04020 0.04.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)
IPA 2017/04020 0.04.EU	Employment rate 15-64 years, total %	Eurostat	43.52% (2010)	50.8%	> 53% (2022)	50.52 %	51,9 % (Q3 2018)
IPA 2017/04020 0.04.EU	Unemployment rate (15+) Total %	State Statistical Office	32.0% (2010)	21.5%	< 19% (2022)	22,4 %	20.8% (Q3, 2018)
IPA 2017/04020 0.04.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	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	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	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.

³² These should be mostly outcome, as well as selected relevant output indicators

³³ 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 ³³	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
			<p>mathematics on 43 place, and in science knowledge it was ranked on 52 places. (2011)</p> <p>PISA – out of 72 participating countries, the Republic of North Macedonia in literacy and science was ranked on 69 place and in mathematics it was ranked on 68 places. (2015)</p>	<p>results (closer to the OECD average) in science, reading and mathematics since last participation in PISA</p>	<p>Improved level results (closer to the OECD average) in science, reading and mathematics since last participation in PISA</p>	December 2019.	
IPA 2017/04020 0.04.EU	<p>Number of persons in employment, including self-employment 6 months upon benefiting from employment programmes or services of this Action</p> <p>Segregation of data by gender and age group</p>	ESA database; ESA/MLSP reports;	<p>Minimum 1000 women - 60% young people (18-29) - 70%</p>	<p>Minimum 1500 women - 50% young people (18-29) - 30%</p>	<p>Minimum 1500 women - 50% young people (18-29) - 30%</p>	n/a	n/a
IPA 2017/04020 0.04.EU	Percentage of early leavers from education and training: percentage of population aged 18-24 with at most	State Statistical Office	11,3 % (2015)	10,5%	9,5%	8,5%	Not published yet

Financing Agreement/ Programme reference ³³	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
	a lower secondary education and not in further education and training						
IPA 2017/04020 0.04.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 ³⁴	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 2017/04020 0.04.EU	Number of persons benefiting from non-institutional (alternative) community based social services - 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	MLSP database on social protection institutions, State Statistical Office reports	Total:811 611 ³⁵ (2016) beneficiaries in day-care centres 200 ³⁶ beneficiaries of home-care 0 beneficiaries	1250	1600		Total: 894 500 ³⁷ (2018) beneficiaries in day-care centres 326 beneficiaries of home-care 68 ³⁸ beneficiaries of other support social services

³⁴ 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.

³⁵ Day-care centers for persons with disabilities could cater for 815 users, but the average number of daily users was 611

³⁶ 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

³⁷ 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

³⁸ The figure refers to the personal assistance service, which was introduced for the first time as a publicly funded programme in 2018

Financing Agreement/ Programme reference ³³	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
			of other support social services				
IPA 2017/04020 0.04.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% ³⁹	Trade Union Density rate 22% Employers organisations density rate 26%
IPA 2017/04020 0.04.EU	No of labour market analysis prepared	MLSP and ESA reports; Governmental information; intervention reports	0	1	2	0	1 ⁴⁰
IPA 2017/04020 0.04.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 2017/04020 0.04.EU	Percentage of persons (students/unemployed/employed/adult learners) covered by statistics	MLSP and ESA reports	0	50%	75%		
IPA 2017/04020 0.04.EU	No of beneficiaries with improved skills for data collection and data analysis and forecast skills	Intervention's report	5	15	20	/	/
IPA 2017/04020 0.04.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% ⁴¹	100% ⁴²
IPA 2017/04020	Number of local employment pacts concluded	LESC meeting minutes	0	3	4		/

³⁹ Source ESRP Annual Report for 2017

⁴⁰ The Labour Market Units in the MLSP produced one analysis by using the existing HERMAK model for long-term-forecasting

⁴¹ All 7 recommendations provided by NESC were integrated in the documents adopted by the Government

⁴² All 19 recommendations provided by NESC were integrated in the documents adopted by the Government

Financing Agreement/ Programme reference ³³	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
0.04.EU							
IPA 2017/04020 0.04.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) ⁴³	590	590		1415
IPA 2017/04020 0.04.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 2017/04020 0.04.EU	% of school staff in primary schools are trained for early recognition and support of pupils with special educational needs	MoES database					
IPA 2017/04020 0.04.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 2017/04020 0.04.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)
IPA 2017/04020 0.04.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
IPA 2017/04020 0.04.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 2017/04020 0.04.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	472018 women - 60% young people (18-29) - 70% Roma - 32	5000 women - 50% young people (18-29) - 30%	5000 women - 50% young people (18-29) - 30%	/	/

⁴³ There were 96 institutions for child care and education which enrolled 34.386 children aged 0-6 years

Financing Agreement/ Programme reference ³³	Indicator for sector EESP	Source	Baseline	Target (2020)	Final target (Year)	Value (2017)	Value (2018)
		they are issued); evaluation reports.		Roma - 200	Roma - 200		

Cross-Border Cooperation

1. Involvement in programming as appropriate

The programming process was carried through a vast programming exercise that lasted approximately 12 months. The programming exercise for the financial perspective 2014-2020 began in late 2013 with establishing of 6 Joint Task Force Groups representing the 5 CBC programmes and 1 transnational programme the Republic of Macedonia participates in. Consultative questionnaires' for each cooperation programme were prepared and sent to over 7000 entities in all the countries involved and reply was received back from 78% of them. 24 consultative events were organized in the eligible territories where all the relevant stakeholders were invited (municipalities, representatives of regions, NGOs, trade unions, academic institutions, representatives of national institutions from regional and local branch offices...) and their opinion was consulted in the process of defining the programme priorities and draft versions of the operational programmes. The final version of the OPs, before final approval/adoption, were circulated among the relevant ministries in the respective countries and for the OPs managed through 'shared management' Environmental Impact Assessments were conducted by the relevant national institutions. Once approved, the OPs for the cooperation programmes are relevant for the whole 7-year period.

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)

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
I Call for Project Proposals	216 (of which 3 after deadline)	48
Priority Axes		
1. Environment		14
2. Tourism		17
3. Competitiveness		17
II Call for Project Proposals	162	17
Priority Axes		
1. Environment		6
2. Tourism		8
3. Competitiveness		3

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
I Call for Project Proposals	96	9
Priority Axes		
1. Environment	2	
2. Tourism	2	
3. Competitiveness	5	
II Call for Project Proposals		
Priority Axes		
1. Environment		
2. Tourism		
3. Competitiveness		

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
I Call for Project Proposals		
	149	40
Priority Axes		

Development and Support of Local Economy	87	18
Protection of Environment - Transportation	62	22

Cooperation Programme name	INTERREG Cross Border Cooperation programme between R. of North Macedonia and R. of Kosovo 2014- 2020	
	No. of applications received	No. of actions selected for funding
I Call for Project Proposals		
Total available budget: 2.040.000,00 Euros	52 application in total 23 pre-selected for full application	8 projects (Initially 9 projects signed but 1 project cancelled by CA immediately in the first month of implementation)
II Call for Project Proposals		
Total available budget: 350.000,00 Euros (leftovers from the 1st Call for Proposals)	15 application	1 project
Priority Axes 1. Environment – Not included in the 1st and 2nd Call for proposals 2. Tourism –3. Competitiveness –	7 projects 2 projects	Tourism 7 projects Competitiveness 2 projects

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

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

Each cooperation programme, in line with its programme implementation dynamics, organizes its monitoring plan:

INTERREG CBC Programme between R. of Bulgaria and the R. of North Macedonia

In the period between January and December 2018, 1 ad-hoc and 44 final monitoring on the spot missions to the projects funded under the First Call were conducted. Two projects financed under the First Call are still in execution, which are expected to be implemented by the end of 2019.

INTERREG CBC Programme between R. of Greece and the R. of North Macedonia

In the period between May and December 2018, the staff of the Program agencies carried out 26 different types of monitoring actions, such as organization and participation in 32 technical and kick-off meetings and 8 on-the-spot visits of the project partners. The first contracts were signed in April 2018, so the real implementation started from August 2018. It were also organized 3 technical meetings with partners from the reserve list regarding budget clearance. These 3 projects are going to be signed in 2019.

IPA CBC Programme between R. of North Macedonia and the R. of Albania

During the reporting period, in both countries were performed a total of 17 monitoring visits to the Lead Applicant (GBs) premises divided as follows: in MK – 11 monitoring visits and in AL – 6 monitoring visits.

IPA CBC Programme between R. of Kosovo and the R. of North Macedonia

For the period January–December 2018, the JTS in cooperation with the OS and the CA organized three rounds of monitoring visits on both sides of the border. In total, 43 monitoring and site visits were realized during 2018. The projects are in the first year of implementation and the interim narrative and financial report is due in March-April

2019. 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 initial phase of implementation.

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 countries. 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.

Under indirect management the following information should also be included

Not applicable for MoLSG

II a. Performance indicators in Cross Border Cooperation Programmes

Indicators per programme

Financing Agreement/Programme reference ⁴⁴	Indicator for sector Agriculture and Rural Development	Source	Baseline	Milestone (2017)	Target (2020)	Final target (Year)	Value (2016)	Value (2017)	Value (2018)
IPA/2014/037624/2014 CBC	9. Number of Stakeholders involved in activities	Monitoring System	1465 (2013)	1465	1611	1611 (2022)			
IPA/2014/037624/2014 CBC	8. No. of visitors in cultural heritage establishment s	SSO	100 (2014)	107	115	115 (2022)			
IPA/2014/037624/2014 CBC	7. Average length of tourist stay (overnights)	SSO	2.8 (2013)	2.8	3.8	3.8 (2022)		2.78	2.82
IPA/2014/037624/2014 CBC	6. No. of tourists using new/improved services	Monitoring System	0 (2014)	2000	5000	5000 (2022)			
IPA/2014/037624/2014 CBC	5. New digitised collections/library funds created	Monitoring System	0 (2014)	2	5	5 (2022)			
IPA/2014/037624/2014 CBC	4. No. of cultural events organised	Monitoring System	0 (2017)	10	20	20 (2022)			
IPA/2014/037624/2014 CBC	3. No. of cultural heritage sites improved	Monitoring System	0 (2014)	2	4	4 (2022)			
IPA/2014/037624/2014 CBC	2. Number of trainees	Monitoring System	0 (2014)	50	500	500 (2022)			
IPA/2014/037624/2014 CBC	1. No. of new/improved services/products	Monitoring System	0 (2014)	0	10	10 (2022)			

⁴⁴ It has to be consistent with the way of programming (annual, multi-annual with or without split commitments) and with the NAO report