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SUSTAINABLE DEVELOPMENT GOALS

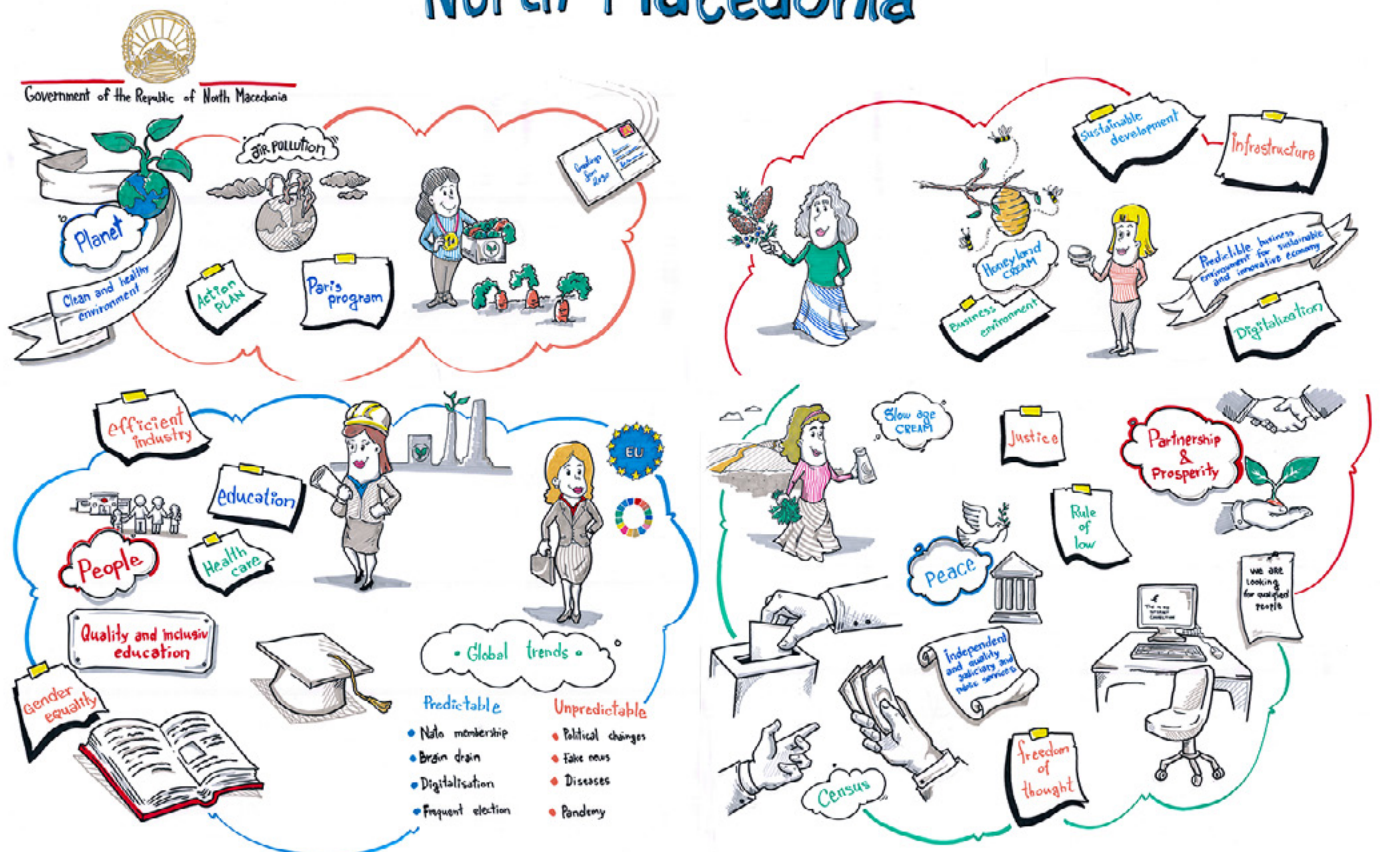


VOLUNTARY NATIONAL REVIEW

July 2020

North Macedonia

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Table of Contents

Acknowledgments	1
Forward	6
Key Messages	7
Introduction	9
Process for the Development of the Voluntary National Review	10
Policy and Enabling Environment	12
Rapid Integrated Assessment	16
SDG 1 – No Poverty	20
SDG 2 – Zero Hunger	24
SDG 3 – Good Health and Well-Being	27
SDG 4 – Quality Education	31
SDG 5 – Gender Equality	36
SDG 6 – Clean Water and Sanitation	41
SDG 7 – Affordable and Clean Energy	45
SDG 8 – Decent Work and Economic Growth	49
SDG 9 – Industry, Innovation and Infrastructure	56
SDG 10 – Reduced Inequality	61
SDG 11 – Sustainable Cities and Communities	65
SDG 12 – Responsible Consumption and Production	70
SDG 13 – Climate Action	74
SDG 15 – Life on Land	78
SDG 16 – Peace, Justice and Strong Institutions	82
SDG 17 – Partnerships for the Goals	89
Means of Implementation	93
Youth on the Road to Agenda 2030 and the SDGs	100
Voices of Civil Society Organizations	105
Voices from the Business Sector	112
North Macedonia’s Response to the COVID-19 Crisis	117
Looking Forward	119
Statistical Annex	120
Multiple Indicator Cluster Survey 2018/2019	140

Figures

Figure 1: People, planet, partnership, peace and prosperity	13
Figure 2: Overall alignment with national SDGs and Agenda 2030 profile in North Macedonia	16
Figure 3: Alignment of national policies and international obligations (combined) with Agenda 2030	17
Figure 4: Alignment with Agenda 2030 and SDGs of over 800 projects implemented by 13 key development donors in North Macedonia	18
Figure 5: North Macedonia: Shares of potential SDG finance from all sources (annual averages, 2008-2017)	18
Figure 6: North Macedonia: Potential per-capita SDG finance (2008-2030)	18
Figure 7: ODA by 13 development partners (total for 2016-2020)	19
Figure 8: Percent of population living below the national poverty line (percent)	20
Figure 9: Percent of employed persons at risk of poverty (18 years of age and older)	22
Figure 10: Area under organic farming (percent of utilised agricultural area)	24
Figure 11: Mortality rate for non-communicable diseases per 100,000 individuals	28
Figure 12: Participation rate in organized learning one year before official primary entry age (percent)	31
Figure 13: Employment rate of recent graduates (percent)	32
Figure 14: Gender employment gap for ages 20 to 64 (percent)	37
Figure 15: Inactive population due to caring responsibilities (percent of inactive population aged 20 to 64)	39
Figure 16: River basins and river basin districts	41
Figure 17: River basin districts by percent of total basin area	41
Figure 18: Waste water treatment plants by population equivalent	42
Figure 19: Renewable energy share in total final energy consumption (percent)	45
Figure 20: Energy dependence (percent of imports in total energy consumption)	47
Figure 21: GDP per capita in Euros (at current exchange rate)	49
Figure 22: Unemployment rate for those ages 15 to 74 (percent)	49
Figure 23: Structure of employment by sector (percent)	50
Figure 24: Structure of employment by sector and gender (percent)	50
Figure 25: Proportion of informal employment in total employment (percent)	51
Figure 26: Percent of youth not in education, employment or training (ages 15 to 29)	52
Figure 27: Manufacturing value added as a proportion of GDP (percent)	56
Figure 28: Research and development expenditure as a proportion of GDP (percent)	56
Figure 29: Fund for innovation and technology development: Number of beneficiaries per support instrument	60

Figure 30: Proportion of people living below 50 per cent of median income (percent)	62
Figure 31: Percent of population living in a dwelling with a leaking roof, damp walls, floors or foundation or rot in window frames of floor (by median income)	65
Figure 32: Annual mean levels of fine particulate matter in cities ($\mu\text{g}/\text{m}^3$)	65
Figure 33: Hazardous waste generated per capita and proportion of hazardous waste treated (KG per capita)	71
Figure 34: GHG emissions in energy sector, by category (in Gg CO ₂ -eq)	74
Figure 35: GHG emissions in energy sector, by gas (in Gg of CO ₂ -eq)	75
Figure 36: Forest area as a proportion of total land area (percent)	79
Figure 37: Number of victims of intentional homicide per 100,000 individuals	83
Figure 38: Corruption perceptions index (score between 0-100)	84
Figure 39: Foreign direct investment (in Million Euros)	89
Figure 40: Percentage share of financing of the CSO sector from the state budget	90
Figure 41: Estimated Likelihood of Achieving SDGs by 2030 (based on data for 2018)	93
Figure 42: Policy Interventions in Reform Package #1 (Governance)	94
Figure 43: Policy Interventions in Reform Package #2 (Economic Governance)	95
Figure 44: Policy Interventions in Reform Package #3 (Human Capital)	95
Figure 45: Policy Interventions in Reform Package #4 (Green Energy)	96
Figure 46: Impact on Key Outcome Variables until 2035	97
Figure 47: Impact on Key Outcome Variables until 2050	97
Figure 48: The impact of different reform packages on GDP per capita (2019-2035)	98
Figure 49: Income Convergence with EU28 as a Moving Target (In thousand U.S. dollars, 2019-2050)	98
Figure 50: Income Convergence with EU28 and Western Balkans in 2035	99
Figure 51: The impact of different reform packages on the progress of North Macedonia in achieving the sustainable development goals (cumulative improvement in percent, 2019-2035)	99

Boxes

Box 1: Alignment of Key Strategic Documents	14
Box 2: The Social Financial Assistance and Guaranteed Minimum Assistance Programs	21
Box 3: Success Story: A Challenge for Innovative Solutions to Provide #MealsforAll	25
Box 4: Success Story - Sustainable Development School by CSO "Eco Logic"	34
Box 5: Success Story - The Kocani Wastewater Treatment Plant	43
Box 6: Success Story: "Face to face" Initiative	54
Box 7: Success Story - Generation Unlimited	59
Box 8: Success Story - Skopje Lab	68
Box 9: Success Story: Composting of Biodegradable Waste	72
Box 10: Success Story - MY VAT	92

Tables

Table 1: Vaccination Rates (percent)	30
Table 2: Summary of feedback provided by civil society organizations in North Macedonia	106

Abbreviations

ACMIS	Court Case Management System
ADKOM	Association of Providers of Public Services
CDM	Clean Development Mechanism
CEFTA	Central European Free Trade Agreement
CFSP	Common Foreign and Security Policy
CMS	Case Management System
CPF	Country Partnership Framework
CSO	Civil Society Organizations
DES	Directorate for Execution of Sanctions
EA	Energy Agency
EADRCC	Euro-Atlantic Disaster Response Coordination Centre
EBRD	European Bank for Development and Reconstruction
EC	European Commission
ECOSOC	Socio-Economic Council
EFTA	European Free Trade Association
EPR	Environmental Performance Review
ERC	Energy Regulatory Commission
ERI SEE	Education Reform Initiative of South Eastern Europe
ESA	Employment Service Agency
ESRP	Employment and Social Reform Programme
EU	European Union
EUROJUST	Eurojust Cooperation Agreement
FAO	Food and Agriculture Organization of United Nations
FDI	Foreign Direct Investments
FITD	Fund for Innovation and Technology Development
FRA	Fundamental Rights Agency
GDP	Gross Domestic Product
GenU	Generation Unlimited
GFATM	Global Fund for HIV/AIDS, Tuberculosis and Malaria
GHG	Greenhouse gas
GII	Global Innovation Index
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GMA	Guaranteed Minimum Assistance
GNI	Gross national income
GPA	Government Procurement Agreement
GRECO	Group of States against Corruption
HDI	Human Development Index
ICSID	Convention on the Settlement of Investment Disputes between States and Nationals of Other States
ILO	International Labour Organization
IMF	International Monetary Fund
IMWMB	Inter-Municipal Waste Management Boards
INDC	Intended Nationally Determined Contributions for Climate Change
IPA	Instrument for the Pre-Accession Assistance
ITS	Intelligent Transport System
IUCN	International Union for Conservation of Nature
LNOB	Leave No One Behind
LRCP	Local and Regional Competitiveness Project
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MARRI	Migration, Asylum, Refugees Regional Initiative
MIGA	Convention Establishing the Multilateral Investment Guarantee Agency
MoEPP	Ministry of Environment and Physical Planning
MoES	Ministry of Education and Science
MoH	Ministry of Health
MoLSP	Ministry of Labor and Social Policy
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
MW	Megawatt
NAP	National Assessment Programme
NAPE	National Employment Action Plan
NATO	North Atlantic Treaty Organization
NCTF	National Committee on Trade Facilitation
NEET	Not in Education Employment or Training
NPAA	National Programme for Adoption of the Acquis Communautaire
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
OGP	Open Government Partnership
OSH	Occupational Safety and Health
PaCT	Preventing and Combating Trafficking in Human Beings in the Western Balkans
PCEs	Public Communal Enterprises
PEA	Public Expenditures in Agriculture
PFM	Public Finance Management
PHEIC	Public health emergency of international concern

PISA	Programme for International Student Assessment
PPP	Public-Private Partnerships
PSD	Partnership for Sustainable Development
RBMPs	River Basin Management Plans
RCC	Regional Cooperation Council
REA	Regional Economic Area
RIA	Rapid Integrated Assessment
RYCO	Regional Youth Cooperation Office
SAA	Stabilization and Association Process
SCD	Systematic Country Diagnostic
SDGs	Sustainable Development Goals
SFA	Social Financial Assistance
SFF	Strengthening region migration governance
SIDA	Swedish International Development Cooperation Agency
SMEs	Small and Medium-Sized Enterprises
TIDZs	Technological Industrial Development Zones
UNDAF	United Nations Development Assistance Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNGP	UN Guiding Principles on Business and Human Rights
UNICEF	United Nations International Children's Emergency Fund
VAW	Violence against women
VET	Vocational Education Training
VNR	Voluntary National Review
WEEE	Waste from Electrical and Electronic Equipment
WHO	World Health Organization
YEAP	Youth Employment Action Plan
ZELS	Union of Municipalities

Forward

H.E. Ms. Mila CAROVSKA

Deputy President of the Government in Charge for Economic Affairs and Coordination of Economic Departments
Chairwoman of the National Council for Sustainable Development



The recent (COVID19) outbreak has demonstrated that we live in a world of changes so profound and rapid that no country can stand alone. The world is at the crossroads, and, therefore, we are in need of a stronger United Nations to stand for and deliver for all and leave no one behind. International order based on rules, effective multilateralism, with the central role of the strong and action-oriented United Nations, is necessary in a world of everyday uncertainties. The 2030 Agenda for Sustainable Development recognises this and provides a useful universal framework to strengthen collective action towards our common goals and challenges shared prosperity and the fulfilment of our intergenerational responsibilities that can only be achieved through collaborative partnership involving all countries and all stakeholders.

In 2018, the Government of the Republic of Macedonia, through the National Council for Sustainable Development, reaffirmed the commitment to implement the United Nations Agenda 2030 and by identifying five Prioritized Sustainable Development Goals (SDG 1, SDG4, SDG8, SDG

13 and SDG16), based on the priority activities and measures defined in the Government Programme for 2017-2020 and the five pillars on the basis of which the current United Nations Development Assistance Framework (UNDAF) for the period 2016-2020.

The first Voluntary National Review for North Macedonia is an important document prepared with joint effort and fruitful collaboration of multiple stakeholders, it evaluates the performance of the country in terms of the Agenda 2030, but in the same time makes reflection on our achievements and challenges and identification of the next steps that need to be taken in the implementation of the Sustainable Development Goals.

Our main commitment is to fight poverty, inequality and social exclusion. Our leading motto is “leave no one behind”. That is why we pursue policies that will help those in need and those who have been long left on the margins of society; that is why we completely reformed the social protection system. We are strongly determined to reduce child poverty and to enable each child to have equal chance of success in life.

The reason we are doing this is to return the dignified life to people by providing support for employment and their inclusion on the labor market. Young people are the future of this country. Therefore, it is the responsibility of each one of us to invest in them, in their education and to provide conditions for progress. The Republic of North Macedonia is the only non-EU country that has introduced the Youth Guarantee.

Gender equality is of fundamental importance for any democratic and socially just society. There is no equality in a society if there is no equality between men and women. We ratified the Istanbul Convention and adopted new Law on termination of pregnancy, thus restoring the woman’s right to decide on her own body and her own health.

We should recall that the Sustainable Development Goals are not just an additional plan for the world. They are the shared vision of a world and they remain within reach if we embrace transformation and accelerate implementation. The Agenda 2030 is our promise to the children and youth of today so that they may achieve their full human potential. It is on our determination to move forward!

Everyone’s contributions inspire hope.

July 2020

Key Messages

North Macedonia is fully committed to the 2030 Agenda for Sustainable Development and the European Union (EU) integration process. This endeavor is demonstrated through the national reform agenda that focuses on key development objectives targeting all citizens. In line with these objectives, the National Council for Sustainable Development has identified SDG 1, SDG4, SDG8, SDG 13 and SDG16 as five priority goals for the period 2018-2020. A 2019 Rapid Integrated Assessment of the alignment of the national policy framework with the Sustainable Development Goals (SDGs) indicated a level of alignment of 83 percent, showing that North Macedonia's existing policy framework addresses key aspects of sustainable development.



This Voluntary National Review (VNR) was prepared through a participatory approach involving a range of stakeholders. The following is a brief overview of North Macedonia's main achievements and challenges in each of the five areas of the 2030 Agenda. Each will be discussed in more detail in the following sections of this report.

People

North Macedonia has experienced a continued reduction of poverty among the poorest sections of the society, with the current poverty rate standing at 21.9 percent. The Gini coefficient had decreased from 37 percent in 2013 to 31.9 % in 2018. In December 2019, the average paid financial assistance per household was increased by 142 %. Following the de-institutionalization process, all children under the age of 18 who were previously in care institutions have been resettled in community homes.

The country faces serious challenges dealing with non-communicable diseases, and in particular, a high mortality rate from cardiovascular diseases and cancer. The outmigration of medical personnel remains a severe challenge for the health sector. On a positive note, the negative trend of infant mortality decreased from 11.9 % in 2016 to 5.7 % in 2018.

North Macedonia aims at creating a stimulating environment for inclusive education. The country's Programme for International Student Assessment (PISA) ranking showed improvement in 2019, especially in the area of science. However, the score remains low, which makes the investments in education a key priority for the Government.

Prosperity

Before the COVID-19 crisis, active employment measures put in place through the **Operational Plan for Employment** had led to the lowest unemployment rate ever (16.6 percent). Weak contract enforcement, a large informal economy and a mismatch of skills in the labour market continue to pose challenges for the business environment.

North Macedonia is a small economy strongly integrated with the EU and Central European Free Trade

Agreement (CEFTA) markets. Through the **Plan for Economic Growth**, the Government is attracting foreign investments and diversifying exports towards higher-value products. Energy policy and legislation are fully aligned with the **EU Energy Community**, prioritizing energy efficiency and renewable energy. However, coal still accounts for 60 percent of electricity production.

Planet

The country is highly vulnerable to climate-induced natural disasters, including earthquakes, floods, heat waves and forest fires. At the 2015 Paris Climate Summit, North Macedonia committed to reducing greenhouse gas emissions by as much as 36 percent by 2030 compared to the baseline scenario. As for nature protection, the Government has identified nine sites for potential designation as NATURA 2000 sites - an obligation of the EU integration process.

Partnership

As a generational commitment, North Macedonia's priorities have focused on **North Atlantic Treaty Organization** (NATO) and EU membership and being a responsible member of the United Nations. This year has witnessed the accomplishment of two key foreign policy objectives - in March, the **EU** opened accession negotiations, whereas the NATO admitted North Macedonia as its 30th member.

Peace

North Macedonia's legal framework for the protection of human rights is mostly in line with European standards. The principle of gender equality is enshrined in the national legislation, although implementation remains a challenge. The climate for freedom of expression and media has improved as a result of amendments to the **Law on Audio and Audio-visual Media Services**. The Government has made significant progress in enhancing the regulatory framework to address corruption and ensure the impartiality and efficiency of the judiciary.

* * *

To achieve the 2030 Agenda and address challenges such as COVID-19 in the coming years, the Government of the Republic of North Macedonia will continue to strengthen its institutions and partnerships, thus creating the enabling conditions for prosperity and sustainability for the present and future generations.



Introduction

North Macedonia (before 2019 **Macedonia** and now officially the **Republic of North Macedonia**) is a country in the Balkan Peninsula in Southeast Europe (geopolitically labelled as Western Balkans). North Macedonia gained its independence peacefully from Yugoslavia in 1991 under the name of "Macedonia." Greek objection to the new country's name stalled the country's movement toward Euro-Atlantic integration and blocked Macedonian efforts to gain UN membership if the name "Macedonia" was used. The country was eventually admitted to the UN in 1993 as "**The former Yugoslav Republic of Macedonia**," and at the same time it agreed to UN-sponsored negotiations on the name dispute that was resolved after 27 years in 2018 with the Prespa Agreement.

North Macedonia shares borders with Kosovo to the northwest, Serbia to the northeast, Bulgaria to the east, Greece to the south, and Albania to the west. The last population census was held in 2002 and the capital and largest city – Skopje – is home to roughly a quarter of the country's estimated 2.06 million inhabitants. The majority of the residents are Macedonians, while Albanians form a significant minority, followed by Turks, Romani, Serbs and Bosniaks.

The Republic of North Macedonia, based on its area of 25,713 km², has a very diverse nature, represented by various elements of geo diversity, biodiversity and landscape. The geological and geomorphologic forms, natural habitats and wild species are characterized with uniqueness and diversity and their significance not only on a national level but also regionally and worldwide.

North Macedonia is economically considered as a transition economy. In terms of political proximity to the EU, it is classified as an EU candidate country from 2005 onward. With its Gross Domestic Product (GDP) per capita (Purchasing Power Parity, PPP) of 11,600 Euro in 2018, North Macedonia stood at 37.8 percent of the corresponding EU28 average and ranked third among WB6 countries.

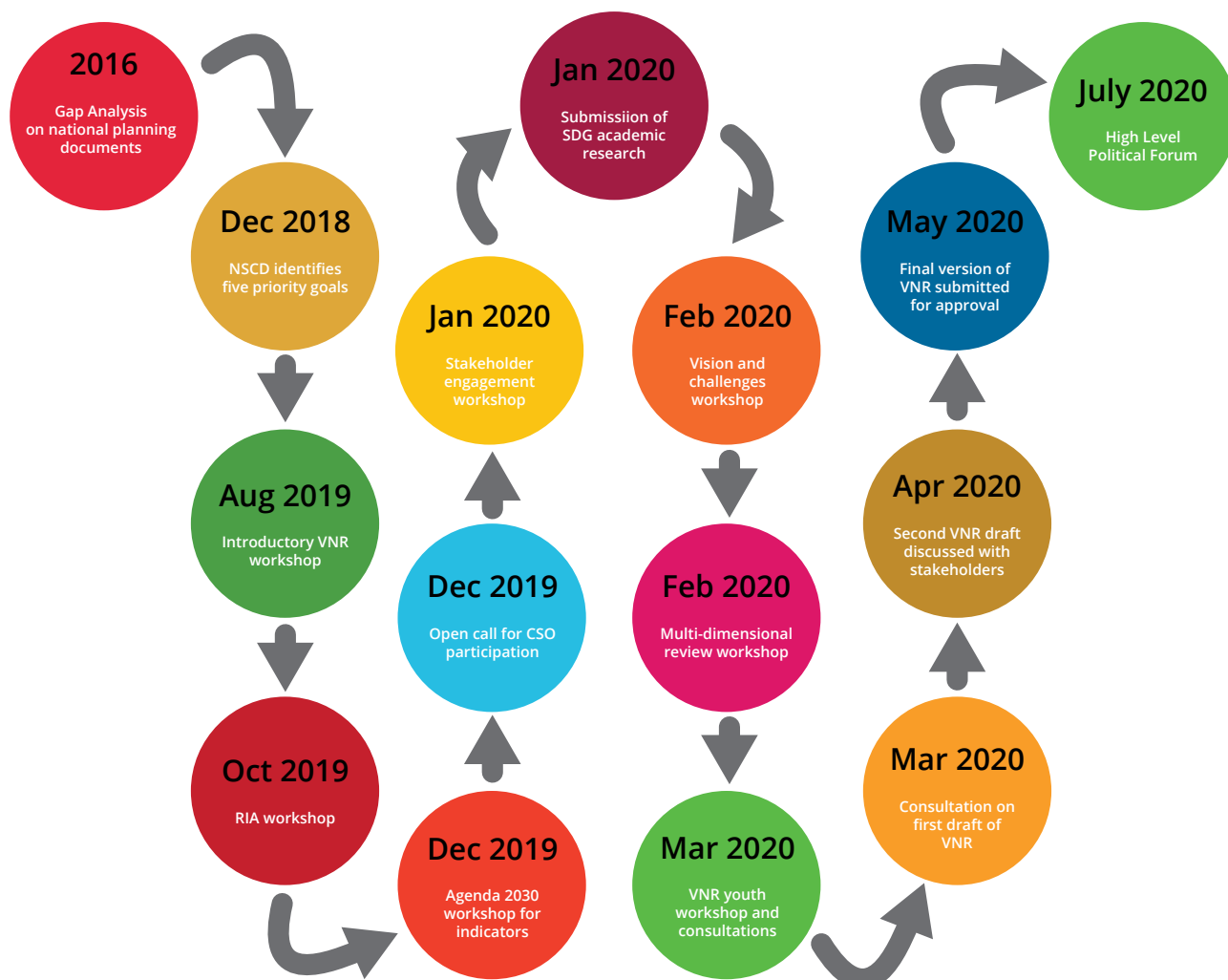
The accession of North Macedonia to the EU has been on the current agenda for future enlargement of the EU since 2005, when it became a candidate for accession. The Prespa Agreement, along with the Treaty of Friendship with Bulgaria, has facilitated accession to NATO and has helped to start accession talks with the EU in March 2020.

The policies for accelerated, inclusive and sustainable growth of North Macedonia are compatible with the **EU accession process** and the **2030 Agenda for Sustainable Development**.



Process for the Development of the Voluntary National Review

Since its independence in 1991, the Republic of North Macedonia has made significant progress towards sustainable development and the rational use of natural resources. This process was guided by the fundamental values enshrined in its Constitution, legal framework and strategic policy documents such as the National Development Plan 2007-2009, National Strategy for Sustainable Development 2009-2030, Strategy for Regional Development 2009-2019, etc. In 2015, the Government reaffirmed its commitment to sustainable development by pledging “to leave no one behind” and agreeing to implement the 2030 Agenda.



The following are the major milestones in North Macedonia’s journey towards the achievement of the SDGs (see figure below).

- In 2016, a **Gap Analysis** was conducted to assess the degree to which SDGs are incorporated into national planning documents for sustainable development.
- In December 2018, the **National Council for Sustainable Development** identified SDG 1, SDG4, SDG8, SDG 13 and SDG16 as five priority goals for the period 2018-2020, based on priority activities and measures defined in the **Government Programme** (2017-2020) and the five pillars of the UNDAF for the period 2016-2020.
- In August 2019, an **Initial workshop National Voluntary Review** was organized by the UNDP for the technical working group to be introduced with the process of National Voluntary review.
- In October 2019, a **Preparatory workshop Rapid Integrated Assessment** was held for the experts from the central and local government

- In December 2019, an **“Agenda 2030 Indicator Framework”** workshop was organized by the **UN Resident Coordinator Office** with the participation of 80 representatives from government and UN agencies. Participants and the State Statistical Office endorsed the proposed indicator framework of 100 indicators.
- In December 2019, an open call was launched for **Civil Society Organizations** (CSO) to apply for participation in the VNR process. About 30 CSOs applied and expressed their view on challenges and potential solutions related to the country’s sustainable development.
- In January 2020, a two-day **“Stakeholder engagement”** workshop was organized by **“Partners for Review”** and the **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH** on the VNR process. About 40 representatives from academia, chambers of commerce, civil society and Government attended.
- In January 2020, a call was launched for **academia** to submit publications and research projects related to SDGs.
- In February 2020, a workshop was organized jointly with the **Organization for Economic Cooperation and Development** and the **Swedish Embassy** to present and discuss North Macedonia’s **“Multi-dimensional Review”**.
- In March 2020, a two-day **consultation process for the first draft of the VNR report** was organized.
- In March 2020, a **Youth Forum/Consultation** was organized on the VNR.
- In April 2020, the **second draft of the VNR report** was broadly consulted with stakeholders.
- In May 2020, the **final version of the VNR report** was completed and was submitted for Government approval.
- In July 2020, **North Macedonia’s VNR report** is presented to the UN High Level Political Forum.

Policy and Enabling Environment

North Macedonia's adoption of the 2030 Agenda in 2015 took place in the context of a protracted political crisis, which was resolved with snap elections at the end of 2016. The new Government, elected in mid-2017, focused on resolving the impediments to the country's Euro-Atlantic integration. Following the signing of the **Friendship Agreement with Bulgaria** in 2017, the historic **Prespa Agreement with Greece** in 2018 resolved the decades-long name dispute. These agreements and progress in key reform areas unlocked **the Euro-Atlantic process**, with NATO membership and the beginning of EU accession negotiations taking place in early 2020. Another critical objective the country has pursued has been the development of **good regional relations** as a cornerstone of peace, stability and economic development.

The Government has embraced **the 2030 Agenda** as *"a universal framework for strengthening collective action towards common goals and challenges"*, making *"reduced inequality"* and *"leave-no-one-behind"* key principles underpinning its activities. The policy and regulatory environment are largely defined by the Euro-Atlantic accession process, which has been a strategic priority of every government since independence in 1991. This process is consistent with the 2030 Agenda, as highlighted by the Joint Study of the Secretariat for European Affairs of the Government of North Macedonia and the United Nations Development Programme (UNDP) **'The European Pathway of the Republic of North Macedonia – Achieving Faster, more Inclusive and Sustainable Growth'**.

"Policies for accelerated, inclusive and sustainable growth are fully compatible with the EU integration agenda and the 2030 Agenda for Sustainable Development. Since the latter two policy agendas can serve as powerful catalysts for growth and development, the authorities should strive to capitalize on their transformative power."

The EU accession process rests on three pillars - **democracy and institutions, rule of law**, including fundamental rights and fight against corruption, and **economic development and competitiveness**. These priority areas underpin vital aspects of the reform and development agenda and, as such, are reflected in the Government's strategic priorities and programmes. In line with this, the **National Council for Sustainable Development** has identified SDG 1 (No poverty), SDG4 (Quality Education), SDG8 (Decent Work and Economic Growth), SDG 13 (Climate Action) and SDG16 (Peace, Justice and Strong Institutions), as five priority SDGs for the period 2018-2020.

Developed through an inclusive, whole-of-government and whole-of-society approach, and grounded in data and evidence, this first **VNR** sets the baseline for the development of North Macedonia's sustainable development plan for the Decade of Action 2020-2030. At the same time, work on localizing the 2030 Agenda will continue by nationalizing the SDG indicators and streamlining them into national strategies. A number of instruments, such as the regional **OECD led Multi-Dimensional Review** and the new **UN Sustainable Development Cooperation Framework 2021-2025**, will inform policy initiatives for sustainable development.

Matching the Three Dimensions of Sustainable and Inclusive Development

Sustainable development requires the integration of economic, social and environmental aspects into public policies and the social narrative. All three dimensions are streamlined within the **Government Programme 2017-2020**, which rests on four pillars: (1) economic development; (2) politics/ rule of law; (3) human capital and (4) foreign policy. The programme is underpinned by the five core principles of the SDGs – *"people, planet, partnerships, peace and prosperity"* (shown in the figure below).

¹ The European Pathway of the Republic of North Macedonia – Achieving Faster, more Inclusive and Sustainable Growth, Secretariat for European Affairs of the Government of North Macedonia and UNDP North Macedonia.

Figure 1: People, planet, partnership, peace and prosperity



Good Governance for Sustainable and Inclusive Economic Development

Despite recent improvement, economic growth is insufficient for delivering faster convergence with EU levels of income per capita. Key challenges include:

- Unemployment, in particular among youth, persisting gender and ethnic disparities, a stark mismatch between education/training and skills offered and required in the labour market and emigration, including brain-drain;
- Insufficient productivity and low competitiveness;
- Informal economy;
- Regional disparities of physical to human capital.

To address these challenges, the Government has developed the **Economic Reform Programme (ERP)**, mandatory for all EU accession countries and updated every year, which sets out priority measures in the area of macro-economic and fiscal policy, as well as structural reforms in energy and transport, agriculture, industry and services, business environment, R&D, innovation and digital economy, trade, education and skills, employment and labor markets, and social protection and inclusion. ERP's total financing for the structural reforms is 268 million Euro, 60 percent of which is covered by the central budget, 12 percent by the EU's **Instrument for the Pre-Accession Assistance (IPA)**, 2 percent by other funds and 26

percent through project loans. Another policy document that provides a framework for accelerated economic growth is the **Plan for Economic Growth**, which identifies key obstacles to competitiveness and inclusive growth and introduces an ambitious subsidy programme to incentivize investments in modern technology and innovation and increase competitiveness, FDI, exports and job creation. Another cross-sector strategy being implemented by the Government is the **National Programme for Adoption of the Acquis Communautaire** (NPAA).

Another essential component of the country's strategic policy framework is the partnerships with international partners. The key documents that underpin this partnership are summarized in the box below.

Box 1: Alignment of Key Strategic Documents

Partnership for Sustainable Development

In 2016, the Government and the United Nations agreed on the Partnership for Sustainable Development, a strategy aimed at promoting equitable and sustainable development and supporting the country's integration into the EU. This year the partnership has been renewed based on a new agreement.

UNDP's vision is outlined in its Strategic Plan, 2018-2021, which assists the country to achieve sustainable development and eradicate poverty in all its forms and dimensions, accelerate structural transformation for sustainable development and build resilience to crises and shocks.

The European Commission (EC) Document on North Macedonia (EC, 2019) outlines the requirements for the fulfillment of political criteria, reform of its public administration system, judicial reforms, fight against corruption and organized crime, progress in the protection of fundamental rights, freedom of expression, regional cooperation, and in particular, the fulfilment of economic criteria for prospective EU membership. The overall conclusion is that North Macedonia has made some progress and is at an adequate level of preparation in developing a functioning market economy.

Systematic Country Diagnostic (SCD)

The SCD conducted by the World Bank Group identifies policy actions for faster, more inclusive and sustainable growth. The SCD outlines ten important areas for reform that comprise three mutually reinforcing (complementary) pathways for achieving these goals: (1) fostering a more dynamic and competitive private sector; (2) developing competitive and adaptive human capital and closing opportunity gaps, and (3) achieving sustainability through effective governance, fiscal prudence, and enhanced environmental management and resilience to natural hazards (SCD, 2018). The priorities identified by SCD are also addressed in, and consistent with the new Country Partnership Framework (CPF) 2019-23.

IMF's Article IV Consultation Reports (2018 and 2020)

The International Monetary Fund (IMF) underscored the need for a more cautious Public Finance Management (PFM) process in order to reduce the public debt level. The report also highlights the necessary reforms to strengthen the financial stability framework further, increase fiscal transparency and implement a multi-pronged strategy to address labor market weaknesses that hinder growth. The list of medium- and long-term priorities encompasses strengthening governance, reducing corruption, and ensuring an effective rule of law.

Leave No One Behind (LNOB)

The principles of *reducing inequalities* and *leaving no one behind* are at the core of public policies. An LNOB analysis is currently being carried out with the assistance of the UN and is expected to inform policy development. Based on the assessment of the most pronounced disparities and key factors of discrimination such as identity (e.g., age, sex, ethnicity, religion, and disability), geographical location, vulnerability to shocks, adverse governance effects and specific socio-economic status (facing multidimensional poverty and inequality), most vulnerable groups in North Macedonia include:

- Youth who are Not in Education Employment or Training (NEET)
- Women and Girls
- Roma Community
- Children
- People with Disabilities
- Refugees / Migrants / Asylum Seekers / Internally Displaced Persons / Stateless Persons
- LGBTI
- People Living in Rural Areas / Small Farmers
- Elderly Persons

People from rural areas and certain ethnic groups are more exposed to poverty and exclusion. The Roma are one group that remains the furthest behind, followed by migrants. A major reform undertaken by the Government in this area is the reform of the social system, which will be described in more detail further in this report.

Key strategies that lay out the policy framework in support of the most vulnerable groups include:

- **National Plan to Operationalize the Istanbul Convention** focused on preventing violence against women and domestic violence;
- **National Action Plan for Gender Equality (2018-2020)** with measures to prevent gender inequality and raise awareness of discriminatory practices;
- **National Strategy on Deinstitutionalization (2018-27)** which aims to ensure that by 2020 there are no children under the age of three who are institutionalized;
- **Roma Inclusion Strategy (2014-2020)** which lays out actions in the areas of education, employment, housing, and health;
- **Strategy for One Society for All** aimed at fostering unity and ensuring social inclusion for all;
- **National Strategy for Equality and Non-Discrimination (2016-2020)**, accompanied with amended legislation on the protection of the LGBT community;
- **National Strategy for Combating Trafficking in Human Beings and Illegal Migration (2017 – 2020)** with measures on the prevention and protection of victims of trafficking and prosecution of perpetrators of human trafficking.

Securing Environmental Sustainability

According to the **Third Environmental Performance Review** (EPR) of North Macedonia conducted by the United Nations Economic Commission for Europe in November 2019, over the past eight years the country has taken important steps to improve its environmental performance. It has reduced its dependence on fossil fuels for the generation of electricity in favor of renewables and improved the management of waste and chemicals. However, several challenges remain to be addressed, such as greening the economy, environmental monitoring, public participation and education for sustainable development. Improving air quality and waste management remain two areas of pressing concern for the country.

In this area, the policy framework includes:

- **Strategy for Energy Development 2040** which is fully in line with the **Third Energy Package** and includes a **Strategy for Energy Efficiency**;
- **National Strategy for Waste Management (2008-2030)**
- **National Waste Management Plan (2020-2026)** aimed at improving the collection and management of waste and enhancing the institutional set-up for waste management;
- **National Strategy for Nature Protection (2017– 2027)** aimed at protecting the country's biodiversity and geological heritage;
- **Clean Air National Plan/s for Air Pollution Reduction**;
- **Climate Action Law and Strategy**.

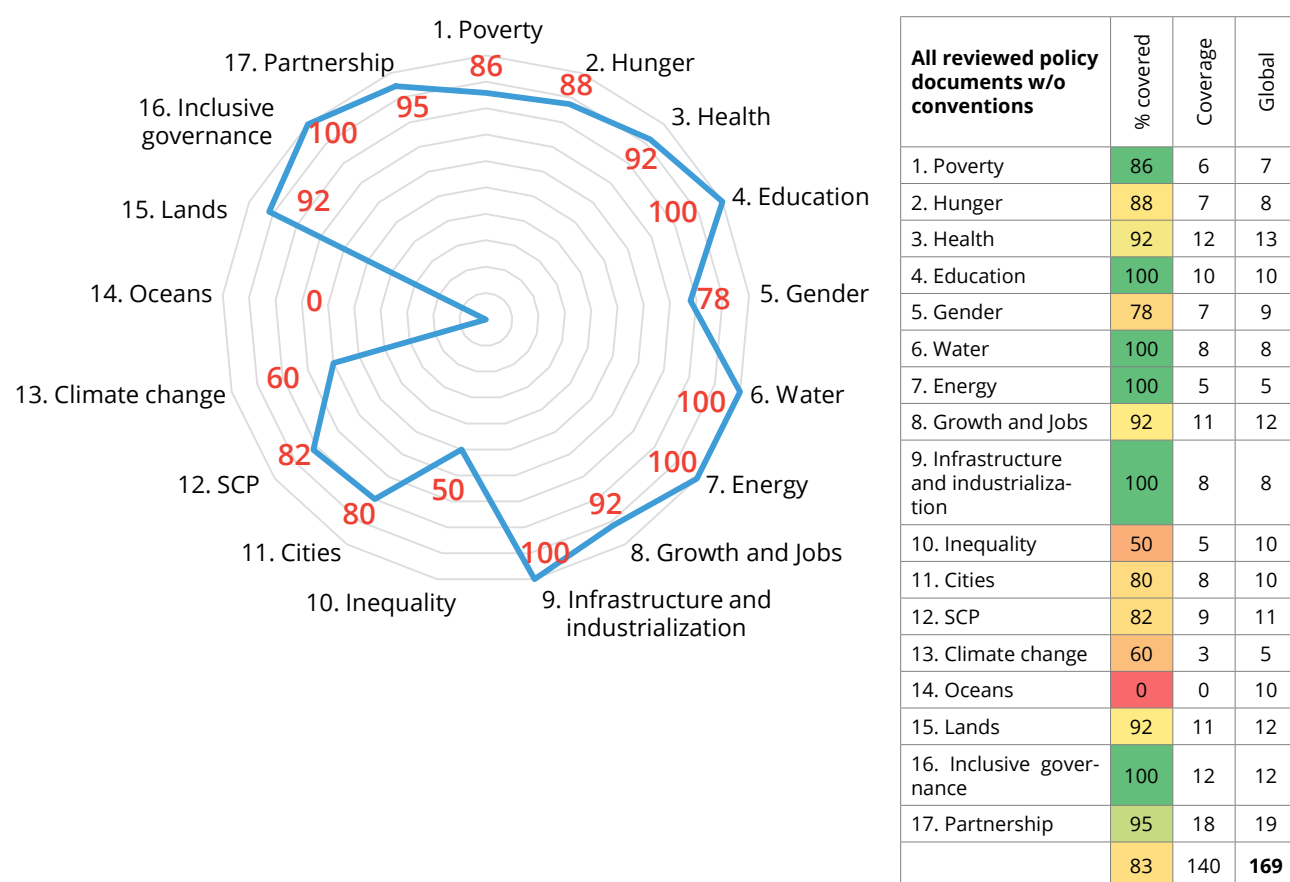
Key priorities in this area include the strengthening of national capacities for environmental impact assessments, integrating environmental requirements into sectoral policies and enhancing reporting on implementation.

Rapid Integrated Assessment

As a preliminary step to the development of the Voluntary National Review, a Rapid Integrated Assessment (RIA) of development planning documents and legislation against the SDGs, reviewed the role of state institutions in strategic policy planning through the lens of SDGs, assessed EU Acquis requirements through the lens of alignment with SDGs and estimated donor financial contributions for the SDGs between 2016 and 2020.

RIA found that about 83 percent of planning documents were aligned with the SDGs (see charts below). Full compliance was found for goals 4 (Education), 6 (Water), 7 (Energy), 9 (Infrastructure and Industrialization) and 16 (Inclusive governance). The least degree of alignment – about 50 percent - was found for Goal 10 (Inequalities between and within countries).

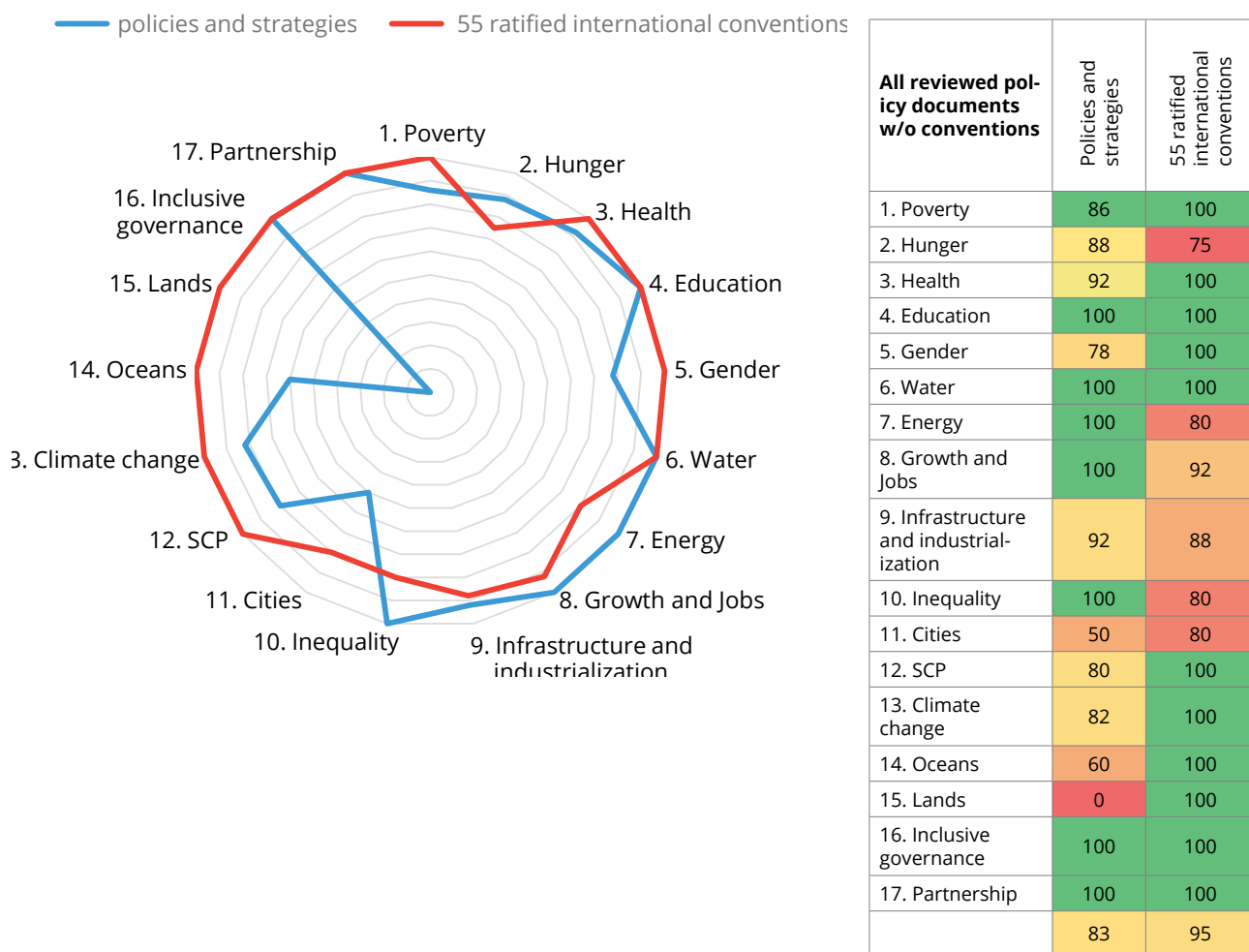
Figure 2: Overall alignment with national SDGs and Agenda 2030 profile in North Macedonia



Source: RIA working matrix, summary of alignment

Another finding was that if when taking into account the implementation of the country's 55 ratified international conventions,² the level of alignment with the SDGs reaches 98 percent (see Figure 2).

Figure 3: Alignment of national policies and international obligations (combined) with Agenda 2030



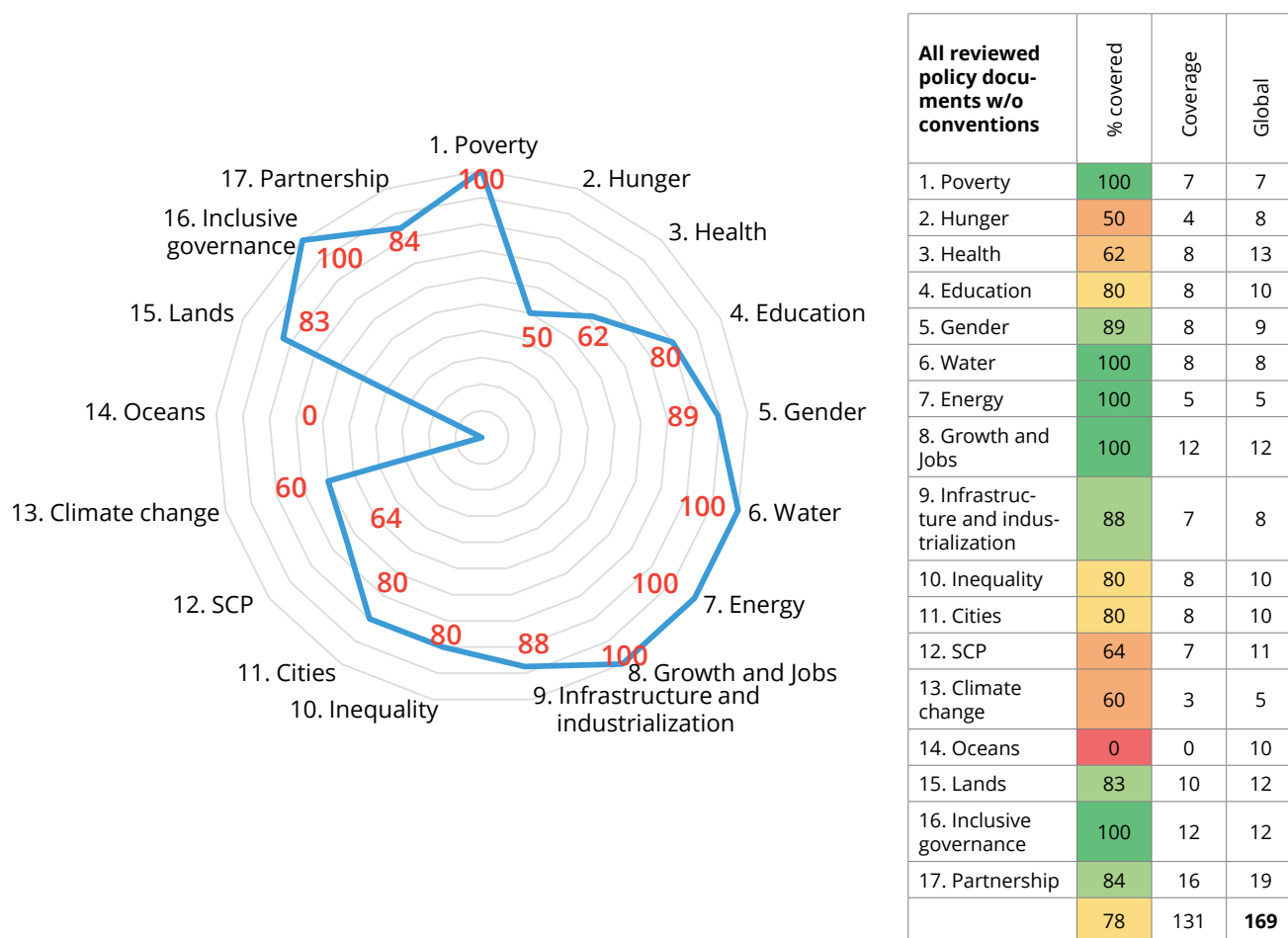
Source: RIA working matrix, summary of alignment

The review of over 800 projects implemented by 13 development partners operating in the country suggested that policy and programming support and financial investments were rendered for 131 out of 169 global targets (78 percent) in the context of North Macedonia. The **EU Delegation** and the **UN system** are the main providers of development assistance, followed by the **Swiss Agency for Development and Cooperation** (Swiss Agency), **Swedish International Development Cooperation Agency** (SIDA) and the **GIZ**. (see Figure 3).

RIA also estimated that SDG-related financing in North Macedonia during 2008-2017 was dominated by flows from the state budget, which comprised 54 percent of the total amount (Figure 10). Remittances and foreign direct investments (FDI) each accounted for 13 percent, with bank credits from abroad providing another 9 percent and Official Development Assistance (ODA) 6 percent (Figure 11).

² Some of the SDG targets are regulated by international conventions. For example, 3.a. by the Tobacco Control Convention, whereas 13.a. by the UN Framework Convention on Climate Change.

Figure 4: Alignment with Agenda 2030 and SDGs of over 800 projects implemented by 13 key development donors in North Macedonia



Source: RIA working matrix, summary of alignment

Figure 5: North Macedonia: Shares of potential SDG finance from all sources (annual averages, 2008-2017)

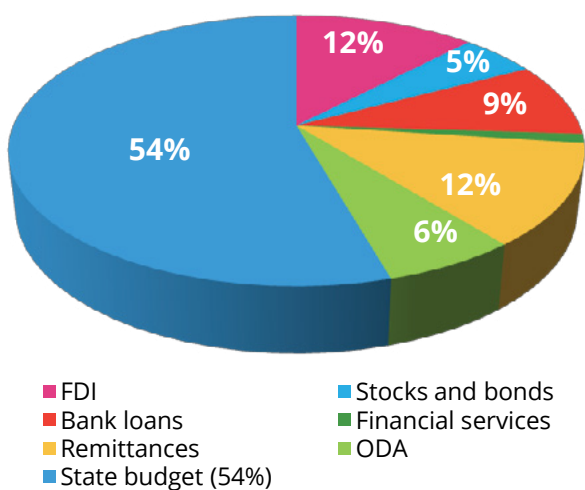
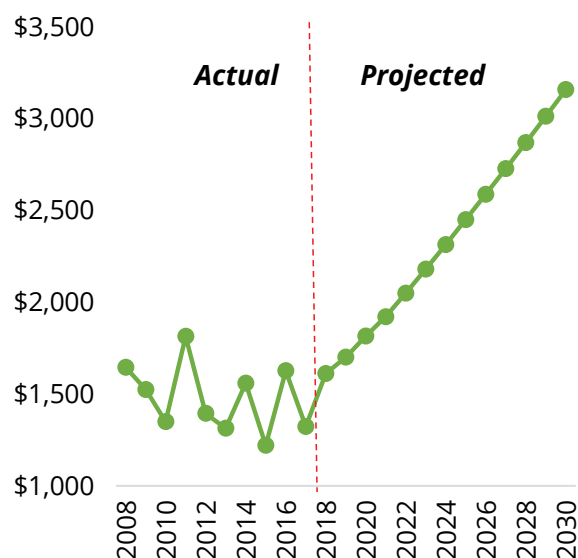


Figure 6: North Macedonia: Potential per-capita SDG finance (2008-2030)

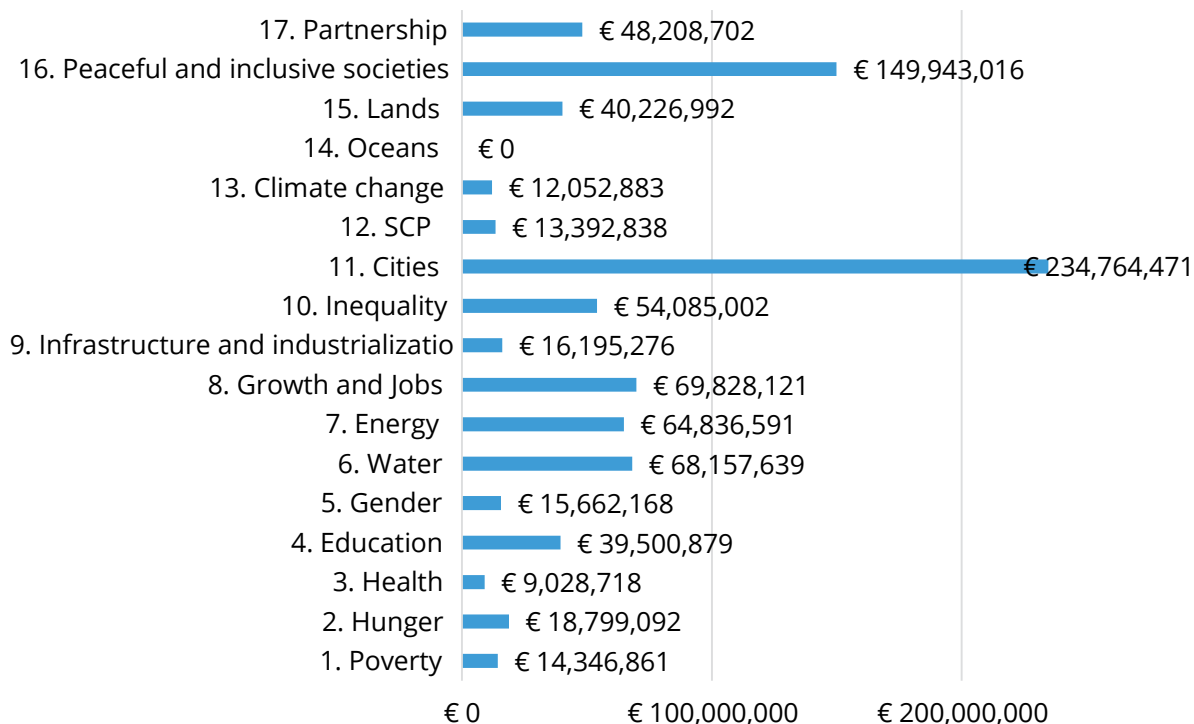


UNDP calculations, based on central bank, IMF, and World Bank data and forecasts.

Source: RIA working matrix, summary of alignment

Total funding for 800 projects by development partners since 2015 has been 869,029,248 Euro, with most of the financing going to SDG 11 (Sustainable Urbanization) and SDG 16 (Inclusive Governance). In the 2016-2020 period, the EU has allocated over 193 million Euro, with almost 70 million Euro going to SDG 16 (Peaceful and Inclusive Societies). UN agencies have collectively allocated some 106.5 million Euro between 2016 and 2020, with SDG 8 (Growth and Jobs) receiving almost 24 million Euro.

Figure 7: ODA by 13 development partners (total for 2016-2020)

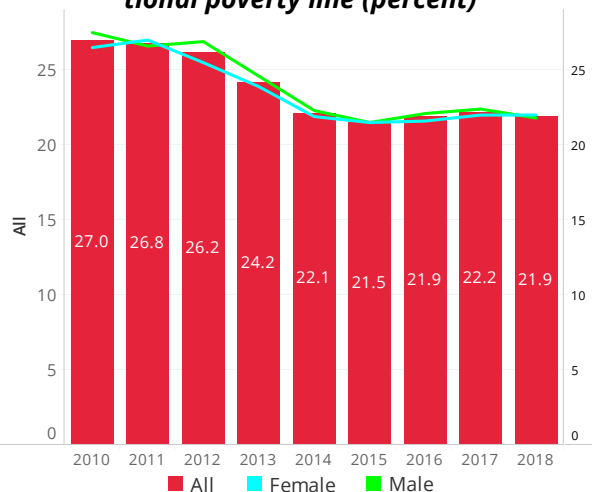


Source: RIA working matrix, summary of alignment



General Situation

Figure 8: Percent of population living below the national poverty line (percent)



Source: EU Statistics on Income and Living Conditions Survey Annual

North Macedonia's poverty has been on a decreasing trend over the last decade. The poverty rate declined from 27 percent in 2010 and 24 percent in 2013 to 22 percent in 2017, whereas the Gini coefficient³ has decreased from 37 percent in 2013 to 32 percent in 2018.⁴ Increased employment, salaries and access to pensions have reduced poverty levels. The unemployment rate for those over 15 has decreased from 32 percent in 2010 to 29 percent in 2013, and further down to 17 percent in 2019.⁵ Pension reform has contributed to 25 percent of the reduction in poverty between 2009 and 2015, as benefit rates increased.⁶ Employment grew from 38 percent to 47 percent between 2010 and 2019, driven primarily by the service, construction and manufacturing sectors. During this period, these three sectors have accounted for 55 percent of poverty reduction. In rural areas, agriculture and construction have contributed to 33 percent of poverty reduction. Despite reductions in poverty and income inequality, these remain higher than in the EU and countries in the region with similar development levels. Poverty is concentrated among vulnerable groups. Every fifth citizen and every third household with children are poor. The impact of social transfers on poverty reduction (without considering pensions as income) has been limited (lowering the poverty rate from 4.6 percent in 2013 to 3.7 percent in 2017), unlike the impact in the EU where the difference between poverty rates with and without social transfers (but with pensions included) ranges from 10 percent to 15 percent over the same period. The impact of pensions is much larger. If social transfers and pensions were eliminated, the poverty rate would be 40 percent. There is a need for significant reforms, especially of the social security cash benefits for vulnerable groups.

Legislative and Strategic Initiatives

In 2019, the parliament adopted three key laws under the social protection reform agenda - **Law on Social Protection**, **Law on Social Security for the Elderly** and amended **Law on Child Protection**. The figure below shows other key components of the policy and legislative framework in this area.

³ Measure of inequality in income distribution.

⁴ http://www.stat.gov.mk/PrikaziSooopstenie_en.aspx?rbtxt=115

⁵ http://www.stat.gov.mk/OblastOpsto_en.aspx?id=14

⁶ Pension reform contributed to 30 percent of overall poverty reduction in urban areas and 13 percent in rural areas (World Bank Group, Country Partnership Framework for The Republic of North Macedonia 2019 – 2023, pages 7-8).

LAW AND STRATEGIES FOR POVERTY REDUCTION AND EMPLOYMENT

			
National Strategy for Poverty Reduction and Social Exclusion 2010-2020	National Employment Strategy of the Republic of North Macedonia 2016-2020	Law on Mandatory Fully Funded Pension Insurance/ Law on Voluntary Fully Funded Pension Insurance	National Strategy for Deinstitutionalization in the Republic of North Macedonia 2018–2027 “Timjanik”
			
National Strategy for the Elderly 2010-2020	Social Protection Development Programme 2011-2021	Law on Social Protection	Law on Social Security of the Elderly
			
Law on Pension and Disability Insurance	Law on Prevention and Protection against Discrimination	Law on Minimum Wage in the Republic of North Macedonia	Strategy for Roma in the Republic of North Macedonia 2014-2020

Ongoing Initiatives

In the last few years, the focus of the social protection system has been on social services for vulnerable groups – both at home and in the community. Several measures have been implemented, including the establishment of daily and temporary residence services, respite family care, halfway houses, home assistance/ home care, and personal assistance. Their aim has been to better match care to the needs of beneficiaries –including the elderly, people with disabilities, and the homeless, victims of domestic violence, street children, and drug abusers. The **Ministry of Labor and Social Policy** (MoLSP), with support from the **UN**, is introducing the practice of case management in social protection and social welfare, which is expected to enhance further the country’s efforts to eliminate poverty. The 2019 reform, which started with the adoption of the **Law on Social Protection**, the **Law on Social Security for the Elderly** and the amendment of the **Law on Child Protection**, has streamlined and expanded social assistance programmes (see box below for details).

Box 2: The Social Financial Assistance and Guaranteed Minimum Assistance Programs

Before the 2019 reform, a key programme in support of the poor was the Social Financial Assistance (SFA) programme. The reform replaced it with the Guaranteed Minimum Assistance (GMA) programme. Under SFA, recipients were eligible for benefits if they earned less than 47 Euro per month. This increased to 65 Euro under GMA. GMA also replaced the SFA provision where benefits would be reduced by 50 percent after three years of programme usage. Additionally, GMA doubled the amount that a four-person household receives monthly under SFA from 49 Euro to 110 Euro. In addition, each GMA household receives an additional 16 Euro per month to cover heating costs in the six months of the heating season. So far, this measure has been used only minimally (3,163 beneficiaries) due to administrative difficulties.

The Government has also simplified access to child benefits by removing the requirement that one parent should be employed and extending the right to low-income families. Following these changes, the number of children benefiting from the subsidy increased from 6,960 to 21,591 within the first year of implementation.

In the past eight years, MoLSP has implemented the **Conditional Cash Allowance Programme** through which it has allocated 12,000 MKD (195 Euro) annually for children from SFA-receiving households. This programme has led to an increase in the rate of children attending high school, especially girls. Encouraged by these results, the Government has expanded it to primary school students as well. Overall, 2,398 high-school students were supported by the **Conditional Cash Allowance Programme** in May 2019 and 8,861 primary-school students benefited from its expansion. In May 2019, the **Law on Child Protection** was amended to allow for the introduction of an “*educational children cash allowance*” for children from low-income households enrolled in primary and secondary education. Further, as part of the reform of the child protection system, one-off financial support of 20,000 MKD (325 Euro) for the second child was introduced in 2019.

MoLSP has introduced measures tailored to the needs of vulnerable groups, including the socially deprived and poor. Since 2007, an annual **Operational Plan** for active employment programmes and measures has been formulated at the national level as the main tool to decrease the unemployment rate and improve the labour market participation of vulnerable groups. It combines efforts in support of self-employment, employment of young people, those who are unemployed long-term, women, persons with disabilities, and those who require improved labor market skills. Special attention in the last few years has been given to measures to support the most disadvantaged groups, including social assistance beneficiaries, in order to improve their skills, employability and inclusion in the labour market.

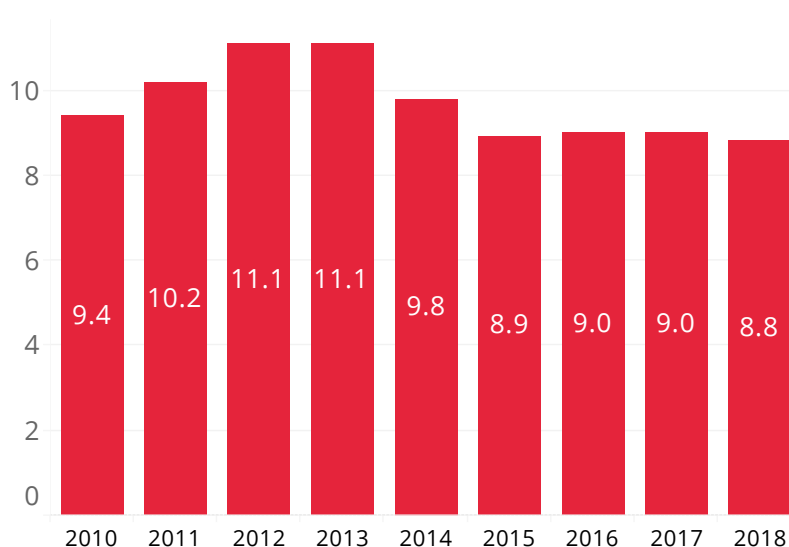
Key Challenges

The country has a high youth unemployment rate and one of the largest gender gaps in workforce participation among European and Central Asian countries.⁷ These two factors contribute to high levels of youth emigration – including youth with high skill sets – which is a significant impediment to economic development. The country is implementing measures to improve living conditions to contain the emigration of skilled people.

Although the percentage of employed who are at risk of poverty has been decreasing– falling from 11 percent in 2012 to 9 percent in 2018 – the Government aims to strengthen this trend. The improvement of labour productivity and economic competitiveness remains a serious challenge, which is related to the human capital available in the country. The size of the informal economy remains significant. Moreover, there is a mismatch between skill sets demanded by the labour market and the skills of students graduating from secondary schools and universities, which is a reflection of the need for further reforms in the education sector.

There is a lack of detailed poverty data, which hampers effective policy analysis and evidence-based decision-making. Additionally, several key strategic frameworks are about to expire (including the **National Strategy for Poverty Reduction and Social Exclusion 2010-2020**).

Figure 9: Percent of employed persons at risk of poverty (18 years of age and older)



⁷ NATO Parliamentary Assembly, The Republic of North Macedonia: Political Change, NATO Accession and Economic Transition, page 4.

Next Steps

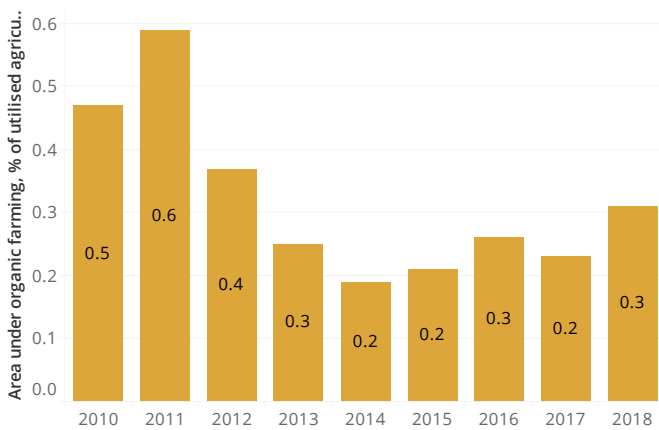
Key areas of focus for the Government are:

- Implementing the newly adopted laws, including the **Law on Social Protection** and the **Law on Social Security for the Elderly**;
- Supporting the employment of vulnerable people through measures envisaged in the **National Employment Strategy** and the **Strategy for Informal Economy and Operational plans for active programs and measures for employment and services on the labor market**;
- Proceeding with **Public Administration Reform**;
- Developing the **Law on Balanced Regional Development**, which presents opportunities for accelerated growth;
- Developing the **National Strategy for Integration of Refugees and Foreigners**, which will provide an effective mechanism for refugee inclusion.



General Situation

Figure 10: Area under organic farming (percent of utilised agricultural area)



Source: State Statistical Office

Agriculture and food industry sectors are important contributors to GDP, employment, trade and rural economy. Agriculture is the third largest sector after services and industry, contributing to around 10 percent of GDP and 20 percent of employment. Agro-processing contributes another 6 percent to GDP. Another significant contributor the export of agricultural products, especially value-added products such as wine, fruits, and vegetables. Agriculture is moving towards these high value-added products, whose rate of exports has been on the rise. Still, agriculture has yet to achieve its full potential. Even though the annual growth of agricultural value-added has averaged 2.6 percent in the past decade, the sector's contribution could be much higher. It is estimated that about 30 percent of arable land is not cultivated,

while only one-fifth of the area with irrigation facilities is actually irrigated.

With support from the EU, North Macedonia's food safety standards have improved. Food safety and veterinary standards are being rapidly harmonized with the **EU Acquis**. However, inspections are not always carried out according to EU standards. Although the implementation of the phytosanitary information system has started, the capacity of the **Phytosanitary Directorate** to analyze collected data and develop corresponding programmes for pest control and eradication remains limited. The agro-processing industry operates at only 40 percent of its capacity. Inadequate input supplies are one of the obstacles hampering it from reaching full capacity. The area under organic farming has fluctuated over the past eight years – from as high as 60 percent in 2011, to 20 percent in 2014. In 2018, the overall agricultural area used for organic farming was 30 percent.

While the share of people with limited access to nutritious food has been on the rise, large quantities of food are lost or wasted along the production and supply chains. Food loss and waste have significant implications for food security and the economy, resulting in a reduction of availability of micronutrient-rich foods and incomes of smallholders and other actors in the value chain, as well as an increase in food prices affecting urban consumers.

Box 3: Success Story: A Challenge for Innovative Solutions to Provide #MealsforAll

The Fund for Innovation and Technological Development in cooperation with MoLSP organized a Call for Financing Social Entrepreneurship Projects titled “A Challenge for Innovative Solutions to provide #MealsforAll”. The purpose of this challenge was to identify a systematic and sustainable food security solution for homeless people and families in need. The winner of the challenge was the association “Let’s do it North Macedonia”. This association has built a national network called “Everyone Fed”, consisting of CSOs businesses and volunteers who work together to save food surpluses and provide them to people in need. As part of this project, a model for food surplus redistribution was established for vulnerable people in Skopje, Kumanovo and Prilep. Volunteers distributed hot meals twice a week to people lacking mobility and the elderly.

The project has contributed to strengthening social cohesion and generating social value, with the community benefiting from entrepreneurial activities. From April 2018 to April 2020, “Everyone Fed” provided more than 550,000 meals. Instead of being thrown away, this food was turned into tasty meals for more than 10,000 people in need of social support.

Legislative and Strategic Initiatives

The **National Strategy for Agriculture and Rural Development 2014-2020** outlines measures and reforms aimed at increasing food production, supporting young farmers and rural women, restoring agricultural machinery and growing livestock. The adoption of the **EU’s Agriculture Acquis** is at the core of all of **Ministry of Agriculture, Forestry and Water Economy (MAFWE)** sector and sub-sector development initiatives. In 2012, the Government adopted the **National Strategy for Consolidation of Agricultural Land** for the period 2012-2020, which paved the way for the operationalization of the **National Programme for Land Consolidation**. The **Law on Agriculture and Rural Development** determines the key objectives of the national agricultural policy. A new **Programme and Action Plan for Irrigation Development** was adopted in 2015 for the period 2015-2020 and envisaged total investments of 323 million Euro for the rehabilitation and upgrading of the existing irrigation system. The 2006 **Strategy for the Sustainable Development of Forestry** aims at increasing forestry’s contribution to the national economy and rural development through sustainable forest management, use of renewable resources and the protection of the environment. The Government has started the preparation of a **Law on Food Donation**, which will be incorporated into a comprehensive **National Strategy for Food Loss and Waste Reduction**.

Ongoing Initiatives

With support from the EU and FAO, the implementation of the **National Strategy for Land Consolidation** is currently underway and envisages the implementation of more complex land consolidation projects, including infrastructure investments. Furthermore, with support from the UN, the Government is improving the **Land Tenure Governance Framework**, which includes reforms in the legal framework to promote women’s access to ownership and control over land as a crucial resource for poverty reduction, food security and rural development. Other key activities in the agriculture sector include support for young farmers, restoring machinery, support for women in rural areas, investing in rural infrastructure, sewerage, water networks, green markets and restoring cultural landmarks in rural areas. In addition, considerable funds are being allocated for the rehabilitation and construction of dams and irrigation systems, thus expanding the coverage of irrigation.

Another ongoing initiative is the operation of 50 public kitchens that serve about 4,000 people. The state budget allocates annual funds in their support, but due to limited resources about 90 percent of the people in need of support defined as vulnerable groups in the **Law on Social Protection** are not covered by this law.

Key Challenges

A major impediment to agricultural development is the excessive fragmentation of agricultural land and the small size of farms. Farm structure is dominated by smallholders and family farms covering about two-thirds of the country’s arable land. The average farm size of 1.6 ha is fragmented into around 7 parcels, often 0.5 to 2 km apart, and in many cases located in different cadastral municipalities. Such land structure, where the average farmed plot is smaller than 0.3 ha, makes agricultural activities inefficient,

increases transport and production costs, limits investment and restricts the utilization of advanced technologies and mechanization.⁸ This adversely affects productivity, competitiveness and efficiency of farming and leads to abandonment of arable land and depopulation of rural areas. To address this problem, the Government has adopted the **National Strategy for Agricultural Land Consolidation** (2012-2020), which introduces measures for the consolidation of agricultural land and investment in modern technologies.

Another major barrier to agricultural development is the structure of **Public Expenditures in Agriculture** (PEA), which are excessively tilted toward subsidy payments (i.e., direct payments). These payments have increased substantially over the past decade, from 0.8 percent of country's nominal GDP and 8.4 percent of country's nominal agricultural GDP (forestry and fisheries included) in 2007, to 1.63 percent and 19.1 percent respectively in 2018. Thus, over a relatively short time PEA was doubled, which is a somewhat positive development. Given North Macedonia's commitment to join the EU, it will be necessary to further reform the direct payment scheme and align it with the EU Common Agricultural Policy regulations.⁹

The subsidization in the agricultural sector needs to be reformed by transforming direct support to investment support in order to improve agricultural productivity and its contribution to GDP. Further, farmers face challenges in accessing supply chains and markets for export-oriented food packaging and processing. Thus, investing in smallholders and enhancing farmers' productivity and competitiveness is critical to raising incomes of the rural population, reducing poverty and increasing food security and nutrition for the poorest. Further, the country lacks a developed **Geographical Indications** system in various subsectors (i.e. processed food, wine, fruit and vegetables farming and processing), which would support the growth and export of agribusiness products that lack international recognition outside the Balkans region.

Climate change is projected to have a significant impact on irrigation and crop yields. Farmers are vulnerable due to the low adaptive capacity caused by a set of factors, including limited awareness of ongoing and future impacts, lack of funding for testing and demonstration of adaptive practices, underdeveloped irrigation systems in terms of capacity and water-saving techniques, and so on. Detailed information on post-disaster damages, losses and needs disaggregated by sex, age and other social determinants are often lacking or inadequate. Small-scale farmers, even under current agro-climatic conditions, use suboptimal seeds and production methods which limit their adaptation capacity. Besides, there is no standardized system for managing information on land resources and land suitability that could better inform policymakers. Therefore, there is a need to strengthen the collection, analysis, and dissemination of information on crop and land resources management and land suitability.

There is also a gap concerning strategies and policies regulating the production and marketing of unhealthy foods and diets for children and engaging the broader community in healthy eating and the promotion of improved nutrition. The **National Food and Nutrition Action Plan** will be a useful initiative to take forward to address nutrition challenges holistically.

Next Steps

The Government will focus on measures to improve the structure of agricultural land as a prerequisite for the development and competitiveness of the sector, improving living and working conditions in rural areas and ensuring access to knowledge and investment in human capital through reformed extension and education services for farmers. Strengthening national capacities for integrated community development will be another key priority, including income diversification for women, men and youth in rural areas, thus enhancing job creation and reducing rural migration. Sustainable agricultural productivity and protection of food security through adaptation to climate change remain a priority.

The Government will expand rural development investments in rural infrastructure, grants for youth and women and investments in water management facilities. In cooperation with the World Bank, the Government will start a project for the establishment of three purchasing centers for the settlement of agricultural products. In addition, with an 80 million Euro loan from the German bank KfW, the Government will initiate large capital investments in water management, which in the long run will alleviate the problem of irrigation. Rural development policies will aim at incentivizing people, especially young ones, to return to rural areas and engage in agricultural production.

⁸ This farm structure is far behind European standards, where the average farm holding is 14.2 ha/farm.

⁹ Currently, 0.43 percent equivalent of the EU's GDP is dedicated to fund the Common Agricultural Policy (CAP). However, the agriculture sector contributes only 1.5 percent to the EU's GDP, and employs 5 percent of the workforce.



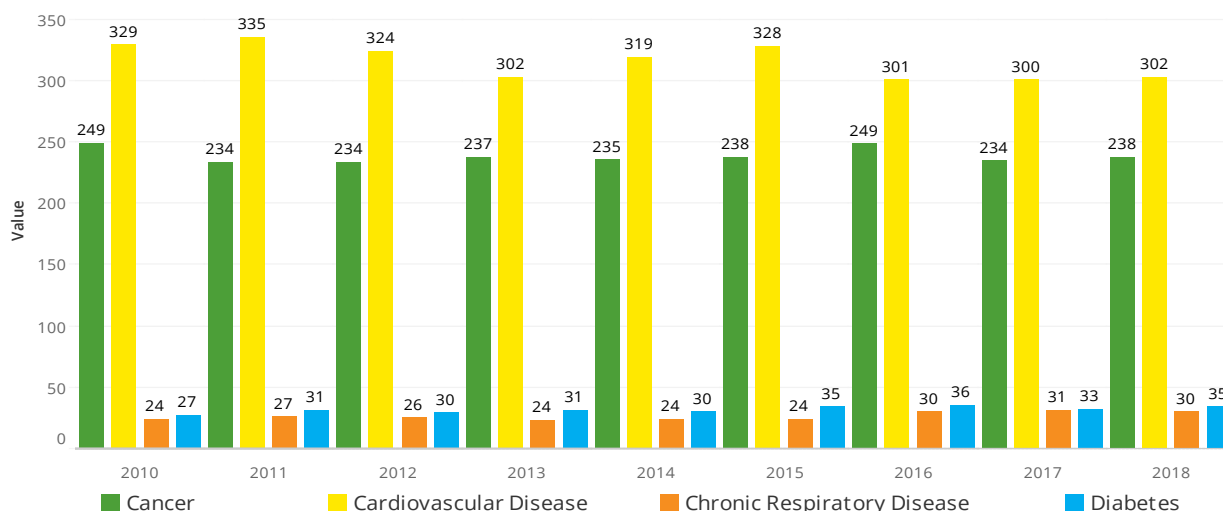
SDG 3 – Good Health and Well-Being

General Situation

Recognizing health as a fundamental human right, North Macedonia is committed to developing an affordable and sustainable healthcare system that provides quality care to all citizens in a non-discriminatory manner. **Health Strategy 2020** sets a range of priorities, including but not limited to managing the burden of non-communicable disease, preparedness and responses to communicable diseases, health systems and resources, and other public health initiatives. Significant investments have been made to improve infrastructure and equipment, including personnel and medicine available at health facilities. So far, 30 health facilities have been refurbished across the country and over 27 million Euro worth of sophisticated medical equipment have been procured. To retain health professionals in the public sector, salaries and incentives have been raised, state financing for specialization has been increased and additional training has been made available. The **Ministry of Health (MoH)** has introduced "**Moj Termin**" as an instrument for the integration of all health data, including national registries of diseases, prescriptions, and healthcare referrals. To better monitor the prevalence of rare diseases, an electronic registry is now used to track patients with rare diseases. Six new medicines have been made available at public hospitals to improve the quality of care.

Significant improvements have been achieved with regard to infant mortality. Both the mortality of premature babies and infant mortality have decreased by at least 50 percent. The mortality of premature babies decreased from 7.5 percent in 2016 to 3.4 percent in 2018. Similarly, infant mortality decreased from 11.9 percent in 2016 to 5.7 percent in 2018. Perinatal mortality also fell from 16 percent in 2016 to 10.4 percent in 2018. The immunization coverage for all vaccines is below the recommended 95 percent with a decreasing trend over the previous five-year period. Life expectancy in the period 2016-2018 has been on average 74 years of age for males and 78 years of age for females. Nevertheless, non-communicable diseases remain the largest burden of diseases. Cardiovascular diseases account for more than 50 percent of total mortality, followed by cancer at 18 percent. New therapies and medicines have been made available to improve the quality of health care.

Figure 11: Mortality rate for non-communicable deceases per 100,000 individuals



Source: State Statistical Office

The prevalence of HIV remains low, thanks also to the continuous partnership between MoH, CSOs and funding agencies such as the Global Fund for HIV/AIDS, Tuberculosis and Malaria (GFATM). Even without GFATM, the Government has continued financing and implementing its HIV/AIDS prevention programmes targeting the at-risk populations. It has established a system where CSOs are providing HIV services. As a result of activities financed by GFATM, the absolute number of newly registered patients with TB has dropped from 285 in 2014 (13.8 / 100,000) to 220 in 2017 (10.6/100,000). The incidence rate, as well as the prevalence rate, shows a downward trend.

Work on sexual and reproductive health is governed by the **National Strategy for Sexual and Reproductive Health (2010-2020)**, **National Strategy for Safe Motherhood (2010-2015)**, and a set of quality standards for sexual and reproductive health services. A cost-benefit analysis of contraceptive use was conducted to inform the introduction of contraception, particularly for vulnerable groups.

The **Action Plan for the Promotion of Health Care for Children and Persons with Disabilities** ensures the rights of children and people with disabilities. These measures include awareness-raising activities for rights and needs for health services, as well as specific measures to reduce barriers, prejudice and stereotypes. MoH, with support from United Nations International Children's Emergency Fund (UNICEF) and other UN agencies, has organized training for health professionals on the timely detection of disabilities in children. MoH is also collaborating with other ministries in promoting the integration of children with disabilities in society. Home visit programmes have been introduced for individuals who are chronically ill, elderly or disabled. They also cover vulnerable populations in rural areas, including Roma people. Financial assistance is now available for qualified vulnerable people, including retirees and children of families relying on assistance programmes.

Obesity represents a new challenge. In 2017, the obesity rate¹⁰ was 55.7 percent, compared to an average of 54.8 percent in the EU and EU candidate countries. The majority of obesity cases consists of pre-obese individuals. Given the adverse impact of obesity on health – including “*type 2 diabetes*”, high blood pressure, and sleep disorders – the Government is seeking to reduce its rate.

According to the general population survey on the use of tobacco, alcohol and other substances (2017), 46 percent of the population aged 15 to 64 (54 percent male and 33 percent female) were smoking tobacco. The study on health behaviours among children (2018) indicated that 12 percent of boys and 15 percent of girls aged 11 to 15 had smoked at least once in their life. Ten counselling centers for cessation of smoking were opened under the Centers for Public Health, as well as one center operating in the framework of the Institute for lung diseases and tuberculosis in Skopje. The Institute for public health together with the Centers for public health are providing education on healthy lifestyles for children in primary and secondary schools.

¹⁰ Obesity rate by body mass index (BMI) (sdg_02_10), Eurostat, available from <https://ec.europa.eu/eurostat/web/sdi/zero-hunger>

Strategic and Legal Framework

The main strategic framework in this area is the **Health Strategy and Action Plan 2020**, which outlines priorities and responsibilities for health issues. The Government has also adopted the following strategic and legal initiatives:

- **National Strategy (and Action Plan) on Sexual and Reproductive Health 2010-2020** (2009) contributes towards the reduction of perinatal and infant mortality rates.
- **Immunization Strategy** (2012) aimed at increasing overall vaccinations.¹¹
- Amendment to the **Law on Termination of Pregnancy** (2019) has streamlined the process of seeking authorization for termination of pregnancies, eliminated the unnecessary barriers and improved access to safe procedures, and offered the right of choice to women and girls.
- **Mental Health Strategy** (2019) has promoted better mental health.
- **National Strategy on Rare Diseases** is under preparation and will provide the framework for timely diagnosis and provision of continuous and quality care.
- **Action Plan for Strengthening the Capacities of the National System for Monitoring, Prevention and Control of Communicable Diseases** (2019), as well as the **National Strategy for Control of Antimicrobial Resistance and Action Plan 2019-2023**, ensure the country's preparedness to a potential outbreak.
- **Law on Protection of Patients' Rights** was amended in 2019 to remove discriminatory terms and ensure the provision of appropriate accommodations for persons with disabilities.¹²
- **National Strategy for Drugs 2014-2020** is being implemented and a new one is under preparation.

Ongoing Initiatives

- Additional investments in public health facilities are planned, as well as the procurement of sophisticated medical equipment.
- MoH is committed to e-Health and further upgrades of the "**Moj Termin**" system. Further development of e-health is ongoing through the preparation of the National e-Health Strategy.
- Although communicable diseases contribute to a smaller portion of the overall burden of diseases, activities are ongoing to prevent, manage and respond to any outbreaks.
- Measures are being taken to improve cancer screening. The **National Cancer Registry** will be established and the **Strategy for Malignant Diseases** will be prepared.
- Preparation of key strategic documents is ongoing – **National Health Strategy 2030** and **National Master Plan for Perinatal Care**.
- The Government is planning to expand the **home-visit programme** for vulnerable populations which is currently operating in two cities.
- Programme targeting the **Roma people** are being implemented, especially through Roma health media to reworking in nine municipalities with predominant Roma populations.¹³
- The Government has increased funding for **rare diseases** from 3,455,989 Euro in 2017 to 8,550,734 Euro in 2020. Three new medicines were procured for the treatment of Gaucher's disease, idiopathic pulmonary fibrosis and spinal muscular atrophy.
- MoH continues to support the multi-sector initiative to develop a **standardized assessment model** to evaluate children and youth with disabilities based on the WHO's International Classification of Functioning, Disability and Health (ICF).

¹¹ Two new vaccines were made available for children (pneumococcal and rotavirus) and free influenza vaccines were offered to vulnerable populations (children aged 2 or older, pregnant women, elderly aged 65 or above and healthcare professionals).

¹² Furthermore, two action plans were prepared and implemented: Action Plan for Promotion of Healthcare for Children and Persons with Disabilities and Action Plan of the National Coordination Body for Implementation of the UN Convention on the Rights of Persons with Disabilities.

¹³ Assistance is provided to Roma populations in the realization of the right to health insurance, the right to choose one's own doctor/ gynaecologist /dentist, and conduct an educational consultation on healthy lifestyles and assist in discovering unvaccinated or irregularly vaccinated children that are referred to relevant services.

Key Challenges

Key challenges in the area of health include:

- Improvement of infrastructure (construction of new facilities, improvement of existing infrastructure and equipment, especially for cancer treatment);
- Modernization of the health system through the establishment of an integrated **National Health E-system**;
- Development of new strategies and policies such as community-based palliative care, community-oriented psychiatric services for children and adolescents and development of daycare centers.

Other challenges that the health sector is facing include reducing the infant mortality rate, reducing non-communicable diseases, improvement of the diagnosis of rare diseases, reductions in out-of-pocket payments, and full implementation of tobacco control policies. Additionally, in recent years the vaccination rates for certain communicable diseases have decreased– including vaccinations for measles and polio.

Table 1: Vaccination Rates (percent)

Year	DPT	Polio	Measles	Tuberculosis	Hepatitis B	HiB
2010	96.8	94.8	95.4	99.2	90.4	88.8
2011	96.0	97.0	97.0	93.2	95.6	96.1
2012	94.7	96.9	96.1	92.0	98.1	94.7
2013	98.2	97.9	96.1	96.9	96.5	97.1
2014	95.4	95.9	93.3	98.8	96.6	93.6
2015	91.3	92.1	88.8	94.2	91.8	88.6
2016	95.3	95.3	82.1	98.2	93.8	94.0
2017	91.1	91.1	82.6	96.8	91.3	91.1
2018	92.5	92.5	74.8	93.4	92.3	
Average	94.6	94.8	89.6	95.9	94.0	93.0

Source: Institute for Public Health of the Republic of North Macedonia

At the institutional level, the Government has identified the retention of health professionals as one of the key challenges. Investments in human resource development will continue and future programmes to better incentivize health professionals to work in the public sector are anticipated.

Environmental health challenges, mainly air pollution, are a major cause of several diseases and represent a serious challenge. The development of national inter-sector policy to address air pollution is a key priority.

Next Steps

Ministry of Health will continue the implementation of initiatives and activities outlined in the strategic documents and action plans and will start the preparation of the new **National Health Strategy** for the period up to 2030. The strategy will provide direction for reforms of the health care system at all levels. Investments in infrastructure will continue, as well as the provision of medical equipment, especially for diagnostics and treatments of malignant diseases, gynecology, obstetrics and neonatology. The **National Perinatal Care Master Plan 2020-2030** will be developed to provide a stratified model of obstetric and newborn care for the next ten years and through remodelling the services for perinatal health care will accelerate progress in this area. With respect to modernizing the Health Care System and improving its functionality, an integrated health e-system will be established, including further investments for the training of medical professionals. Specific measures will be implemented to retain health professionals in the public sector. Also, efforts will be made to modernize emergency health services and establish an efficient health preparedness system able to cope with crises and emergencies.

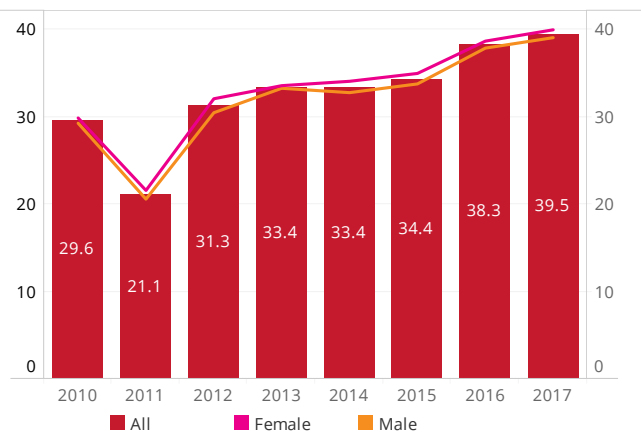


SDG 4 – Quality Education

General Situation

The Government considers education, training, research and innovation to be key determinants of the health of the national economy and wellbeing of citizens. Towards this end, the Government has made progress in strengthening institutional capacities in recent years. All children are able to access primary and secondary education, which are mandatory and free for everyone. Preschool is not free and not yet compulsory. However, enrolment in preschool education has been growing in recent years. Between 2011 and 2017, the participation rate in organized learning (one year before official primary entry age) grew from 21 percent to 40 percent. In 2019, the Government intensified efforts to include a larger number of children in preschool education. Thus, in 2019, about 40 percent of children aged 3 to 6 were included in some form of preschool education, an increase of about 10 percent compared to 2017. Access to pre-school is especially low in rural areas.

Figure 12: Participation rate in organized learning one year before official primary entry age (percent)

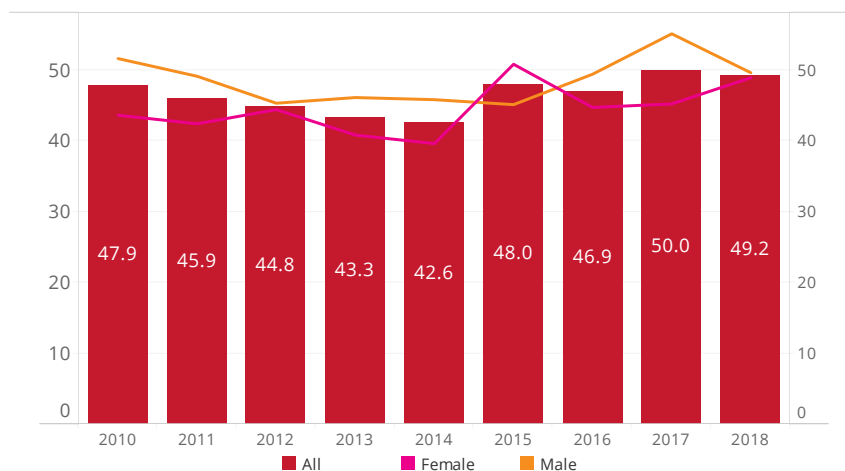


Source: Annual Education Statistics

Organization for Economic Co-operation and Development's (OECD) PISA shows a slight improvement in test scores for students over the last few years, but they remain low. In 2015, North Macedonia was ranked among the bottom five countries in PISA scores in the areas of mathematics, science and reading. In 2018, the country's ranking improved (67 out of 77) in mathematics and reading, as well as nine positions (63 out of 77) in science. In accordance with Article 133 of the Law on Primary Education, a Working Group on the Development of the Concept for National Assessment (National Testing) has been established to improve data quality for better educational planning. The teacher to student ratio has increased over the past 12 years. Since 2007, the number of students has decreased by 10 percent, while the number of teachers has increased by the same percentage.

With regard to physical infrastructure in education, during the 2018/2019 school year a new elementary school was built, and two new primary schools were under construction. Construction upgrades were completed for 18 primary and secondary schools across the country, in addition to ten school sports buildings and 15 new sports halls.

Figure 13: Employment rate of recent graduates (percent)



Source: Labor Force Survey

Higher education is conducted at three levels: undergraduate, masters and doctoral studies. There are six state universities in the country (two of them lecture in the Albanian language), one private-public university, nine private universities and two professional high schools. Enrolment in tertiary education has increased over the past 10 years, but graduates have 50 percent less chances for employment than their peers in OECD countries. The Ministry of Education and Science (MoES) has been providing undergraduate, master and doctoral students with scholarships to study abroad.¹⁴ The employment rate of graduates has increased from 43 percent in 2014 to 49 percent in 2018. Vocational Education Training (VET) reforms were introduced in 2019/2020 at the national level after the piloting of a new module-based learning system for 52 qualifications. These modules have been developed in collaboration with the business community.¹⁵ With the new system, there has been a shift in focus from subject-based teaching to a new “outcome and assessment-based” model. The modular approach is introducing work-based learning in the 3rd and 4th years of training as an integral element of the technical education system.

To strengthen inclusive education, the Government has developed a **Concept for Inclusive Education**, which lays out methods for learning/teaching and serves as the basis for the preparation of curricula. In the academic year 2019/2020, there were 327 educational and personal assistants for students with disabilities in primary and secondary education. The Government has also piloted the **Comprehensive Sexuality Education** programme in formal education aimed at increasing knowledge and information on sexual education based on international best practices.

Strategic and Legislative Framework

The **Education Strategy 2018-2025** and its **Action Plan** outline the Government’s vision for a comprehensive, inclusive, integrated, learner-focused education system that will provide students with the knowledge, skills and competencies to meet the needs of the globalized technology-based economy and participate in a multicultural democratic society. The strategy is supplemented by the **Law on Primary Education**¹⁶ and **Law on Teachers and Associates in Primary and Secondary Schools**. The figure below shows the principles promoted by the **Law on Higher Education**.

¹⁴ Specifically, those accepted in the first 100 universities from the Shanghai list in the areas of law, technical sciences, architecture, civic engineering, mathematics, economics and finances, physics, biology, chemistry, and genetics.

¹⁵ There are now opportunities to obtain credits in the modules through on-the-job work experience.

¹⁶ The new Law on Primary Education sets the first legal basis for inclusion of children with disabilities into mainstream schools and transforming “special” schools into resource centers. To support this process UNICEF supported the Bureau for the Development of Education (BDE) in drafting a National Concept paper on Inclusive Education and delivering tailored trainings to teachers within their schools.

PRINCIPLES OF THE LAW ON HIGHER EDUCATION



Autonomy and academic freedom



Unity of the teaching, scientific and research activities



Openness towards citizens and the public



Academic mobility for teaching staff and students



Supports for lifelong learning



Respect for the humanistic, democratic and cultural values of North Macedonia and Europe



Participation of students in decision-making processes



Aspiration for universal knowledge, science, freedom and truth



Respect for human rights and freedoms, as well as equality and non-discrimination



Provision of quality and efficiency in the scholarship

Further, amendments have been made to the **Law on Adult Education** to change the validation system for informal and non-formal learning, in particular the competencies required for validation. Currently, the **Center for Adult Education** is piloting validation systems for façade workers and waiters and the results will be implemented this year.

Ongoing Initiatives

A variety of initiatives are underway to improve the quality of education.

- Any students who are in a hospital or experiencing illness that requires them to be home-bound for more than three weeks will have access to educational resources. Additionally, teams are being set up in schools to promote and manage multi-culturalism and inter-ethnic integration activities. Further, school boards are being reformed to eliminate political interference in appointments.
- The Government is paying particular attention to the social inclusion of the Roma population, especially in the education sector. To this end, the Government has developed a strategy and action plans for reforms. Over 7,000 scholarships have been awarded to Roma students since 2010, and 40 percent of Roma students in secondary education currently receive scholarships. This is a significant achievement given that the drop-out rate among Roma students who receive these scholarships is less than 1 percent. There are also new mentoring and tutoring programmes provided to Roma students as a means of improving high school graduation rates and learning outcomes. Since 2015/2016, over 200 scholarships have been awarded to Roma in public and private higher education institutions and the completion rate among these students is 100 percent. At the same time, additional support has been provided to Roma students in primary education, with a focus on scholarships, collaboration between families and schools, and creation of an inclusive learning environment where diversity is respected and all children feel welcome and equally stimulated to succeed.



Box 4: Success Story - Sustainable Development School by CSO “Eco Logic”

The “Sustainable Development School” promotes learning about the SDGs, with high school students taking part in sustainability camps and learning about the 2030 Agenda through numerous activities, interactive tools, educational games and modules. The main goal is to educate and motivate students to contribute with solutions to various socio-economic and environmental problems in their community.

Key Challenges

The following are key challenges in the area of education:

- Poor quality of education, which requires the reform of curricula, textbooks and pre-service and in-service teacher training;
- Lack of didactical materials, equipment and school libraries;
- Lack of textbooks, especially in the languages of smaller ethnic communities;
- Lack of resources for inclusive education and unequal access to education for children with disabilities (physical barriers, lack of teaching aids and trained teachers to work with children with disabilities, etc.);
- Inability of asylum-seeking children to obtain a diploma (Certificate of Completion) without a personal identification number, which is only issued once the international protection is granted;

Limitations in evidence-based decision making, with analysis often missing and no actionable insights generated to inform policy.¹⁷

¹⁷ Recognizing this challenge, the Government has developed a National Assessment Programme (NAP) in primary education which is expected to provide an accurate snapshot of standards achieved by learners in the primary phase of education and establish a reliable baseline against which to measure future progress.

Additional key challenges that the Government is tackling include:

- Enrolment rate in licensed early childhood education was 30 percent in 2019/2020, and the Government aims to bring it closer to the **EU Education and Training 2020** target of 95 percent in the coming years;
- Approximately 10 percent of Roma children do not attend primary school regularly and their drop-out rates are higher than those of other children;
- Enrollment rate in higher education was 40 percent in 2018/2019, whereas the overall completion rate remains below the EU average.

Next Steps

The Government's commitment to increase enrolment in early childhood education by 50 percent by the end of 2024 will go hand in hand with efforts to improve the quality of early childhood education programmes and classroom environments to give every child a strong start. Another area of focus will be the development of a comprehensive evidence-based programme on social and emotional learning centred on safe spaces where children can learn about relationships, empathy, critical thinking, resilience, perspective, compassion, creativity, and empowerment. Additionally, the Government will implement programmes for merit-based career development for teachers, as well as initiatives to strengthen the selection criteria for teachers' training.

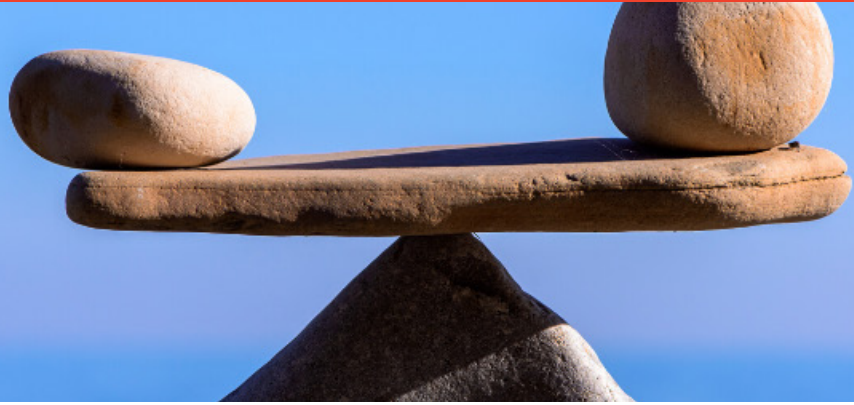
The Government will prepare a **Law on Secondary Education** and a **Law on Vocational Education and Training** aimed at improving opportunities for lifelong learning and professional development. It will also continue to improve the quality of higher education through newly introduced legislation on the **National Council for Higher Education** and the **Agency in charge for quality assurance in the Higher Education**.

The Government will also focus on the following objectives:

- Increase enrollment opportunities in preschools and kindergartens, as well as provide high-quality training for educators;
- Identify priority areas to increase quality within the education sector;
- Implement the **Concept for National Assessment** in primary education;
- Implement the **Career Advancement System** which was introduced in the new **Law on Teachers and School Support Staff**;
- Improve access to quality education for children with disabilities and Roma children;
- Increase the retention rate among Roma students, and decreasing their drop-out rate in the primary and secondary levels;
- Increase the number of scholarships available for Roma youth through the **Roma Strategy and Action Plans**;
- Upgrade the **VET programmes**, including postsecondary education and adult education;
- Establish **Regional VET Centers** for harmonization between education and labour market needs and revise the VET curricula to fit market needs;
- Introduce climate change and media literacy at all educational levels.



SDG 5 – Gender Equality



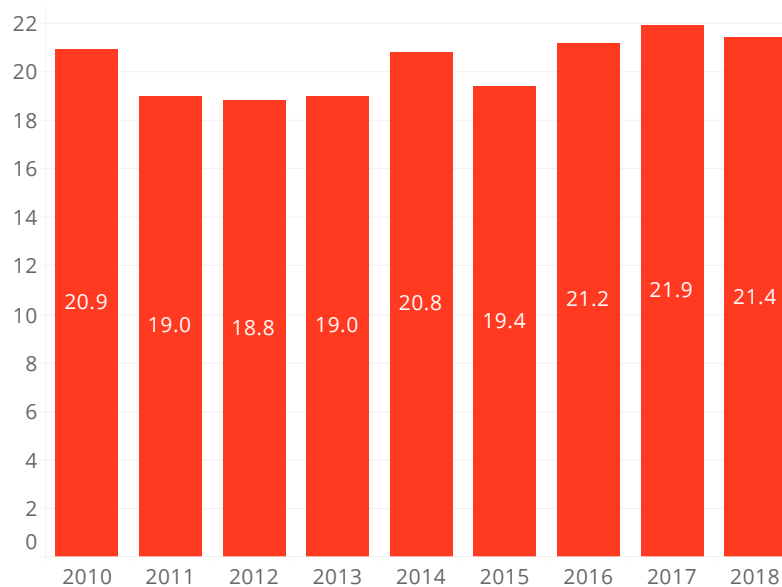
General Situation

North Macedonia is committed to continuously improving gender equality. This is evident in the **Government's Work Programme 2017-2020**, which emphasizes the rights of women and their participation in political, economic and public life as a key policy objective.

Gender inequality manifests itself across different dimensions and is particularly pronounced in rural areas. The poverty rate in 2018 was 21.8 percent for men and 22 percent for women. About 6 percent of women living in poverty are employed and 35 percent are not employed. The **Agency of Employment** has reported that 48 percent of all unemployed in December 2019 were women. About 55 percent of unemployed women were without any education or had only primary education. Women's participation in overall employment has been increasing in recent years. In 2014, the employment rate for women aged 15 to 64 was 37percent, whereas in 2018, this rate increased to 40percent. By contrast, employment rates for men in 2014 and 2018 were 57percent and 61percent, respectively. In large private sector companies, 21percent of management positions are occupied by women, compared to 79percent by men.

The gender gap remains substantial in employment. In the first quarter of 2020, women's employment rate was 18,8 percent lower than men's for 15–64- year-olds and was driven by the gap in labor force participation, which was 26 percent lower for women. The gap narrowed slightly to 15.1 percent in 2012 and then halved to 8.8 percent in 2018. Although female participation in overall employment has increased recently, the gender employment gap was still about 22 percent in 2018 for this same age group, whereas the gender pay gap was about 17 percent. The latter is highest among those with secondary education, and almost inexistent among those with higher education. The increase of the minimum wage up to 14,500 denars (235 Euro) in the last two years and the equalization of the minimum wage in the textile and leather industry with the national minimum wage, has resulted in a reduction of the gender wage gap.

Figure 14: Gender employment gap for ages 20 to 64 (percent)



Source: Labour Force Survey

Data from 2019 show that women are actively participating in the active measures for the employment program. Women constitute about 34 percent of those included in the measure “support for self-employment” (entrepreneurship) and about 46 percent of those included in the measure “support for job creation.”

There is currently a high level of participation of women in the public sector. The **Public Sector Employee Registry (2018)** indicates that 54 percent of employees are women and 46 percent men. In general, women are overrepresented in almost all types of institutions, and especially in judicial institutions. By contrast, men have a high level of representation in the security sector, public enterprises and transportation sector. About 36 percent of managerial positions in the public sector are held by women.

With regard to political representation, there has been an increase in the number of women in decision-making positions. As a legal requirement, every third candidate in party lists for parliamentary seats is required to be female. At the writing of this report, five women ministers were covering the key portfolios of Labour, Finance, Justice, Defence and Foreign Investment. However, at the local level the situation is less balanced. Only 15 women ran in the 2017 local elections out of 260 mayoral candidates, and only six were elected as mayors. Out of 1,388 local councillors, 415 were women.

With regard to educational achievements, women outperform men. Most recent data indicate that 17 percent of women are graduates of tertiary education, compared to 15 percent of men. Additionally, 40 percent of women participate in formal or informal education and training, compared to 23 percent for men.

Violence against women (VAW) continues to occur at high rates. According to an OSCE-led study, nearly half (45 percent) of women in North Macedonia have experienced some form of intimate partner violence (physical, sexual, and/or psychological) since the age of 15, while almost 1 in 3 women (30 percent) have experienced sexual harassment. Recent data shows that 82 percent of the victims of domestic violence are women. Women’s attitudes and perceptions of VAW contribute to low disclosure and reporting rates – compared to women in the rest of the EU, women in North Macedonia are three times as likely to consider domestic violence to be a private matter to be handled within the family.¹⁸ The government has shown strong political will to eliminate all forms of violence against women by ratifying in 2017 the Council of Europe **Convention on the Prevention and Combating Violence against Women including Domestic Violence** (Istanbul Convention) and adopting the Action Plan for the implementation of the Convention. Under this Action Plan, MoLSP has launched activities to establish specialized services for victims of domestic violence. Also, in 2019, MoLSP concluded four agreements with CSOs selected through a public call to finance the delivery of specialized services against domestic violence. In 2019, the number of newly registered cases of domestic violence in accordance with the Law on Prevention, Prevention and Protection against Domestic Violence saw an increase, reaching 1,554 victims, of whom 1,134 were women, 247 men and 173 children.

¹⁸ OSCE (2019). OSCE-led survey on violence against women: North Macedonia, p. iii. Available at: <https://www.osce.org/secretariat/419264?download=true>

GENDER FIGURES



17% unadjusted gender wage gap



4% of women in rural areas are owners of homes



12% of women in rural areas own land



90% of men in agricultural households make decisions related to land



27% of women have unmet needs for medical examinations



64% of men have unmet needs for medical examinations



39% of women dedicate time on a daily basis to care for and educate children or grandchildren



30% of men dedicate time on a daily basis to care for and educate their children or grandchildren

Strategic and Legislative Framework

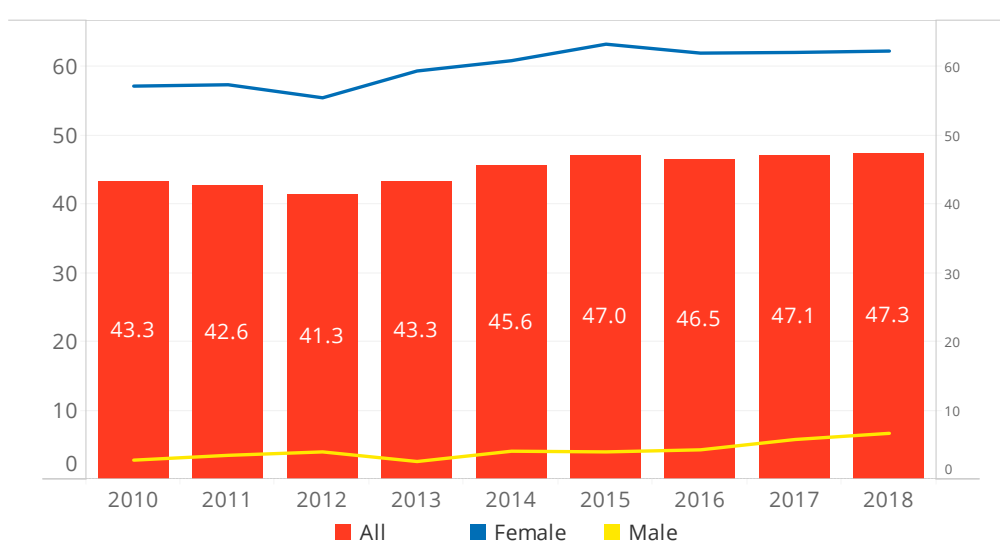
The Government's **National Action Plan for Gender Equality 2018-2020** prioritizes a range of measures, including efforts to strengthen institutions in support of victims of gender-based violence, harmonization of EU legislation with international standards, gender-responsive budgeting when designing new policies and programmes, and raising of awareness concerning gender-based violence. Over the past two years, the Government has adopted the following legal and strategic initiatives to help promote gender equality:

- The **Law on Equal Opportunities for Women and Men**, adopted in 2006, established several mechanisms in support of the goal of the creation of equal opportunities for women and men. In line with the provisions of this law, the Assembly of the Republic of North Macedonia established a **Commission for Equal Opportunities for Women and Men**.
- In 2019, a completely new **Law on Social Protection** was adopted, aimed at reforming the entire social protection system. The reform aims to match more effectively benefit needs of citizens.
- In 2019, the Government adopted the **Strategy for Female Entrepreneurship 2019-2023**.
- The **Minimum Wage Act** (2017) ensures equal wages for men and women in the textile, leather and footwear industries.
- The **Law on Termination of Pregnancy** (2019) ensures that women have timely access to health care providers.
- The **Law on Audio Visual Services** (2018) ensures that women have equal participation in media-related decision-making bodies and prevents discrimination on the basis of gender or sexual orientation in media outlets.
- The **Law on Gender-based Violence** (2019) defines both gender-based violence and domestic violence as specific forms of violence.

Ongoing Initiatives

MoLSP and the **Employment Service Agency** (ESA) have developed services to increase the competitiveness of the workforce, with a special focus on the equal participation of men and women. The **Operational Plan for Active Employment Programmes and Measures** (2019) comprises a package of employment programmes and measures in support of unemployed citizens, including women. The participation of women in active employment programmes and measures and services has been increasing. In 2007, 50 percent of programme participants were women, whereas in 2016, this figure was 57 percent. As an example, the **Self-employment Programme** has helped reduce female unemployment. In 2018, 2,227 unemployed persons applied for the programme, 791 of whom were women (36 percent). About 676 women received entrepreneurship and business training and 72 received jobs (out of a total of 151 people). The Ministry of Economy is implementing the **Strategy for Women's Entrepreneurship** (2019-2023), which promotes the economic empowerment of women by creating a favourable business environment and supporting their entrepreneurial potential. In 2019, about 2.3 million denars were disbursed to a total of 21 women.

Figure 15: Inactive population due to caring responsibilities
(percent of inactive population aged 20 to 64)



Source: EU Statistics on Income and Living Conditions Survey

To improve women's work-life balance and increase participation in the labour market, MoLSP has expanded national capacities for pre-school childcare and education. A total of 24 kindergartens were opened in 2018. Another 27 were built, adapted and expanded in 2019, representing a capacity increase of about 1,700 children. MoLSP is planning to expand the network of public preschools further and expand existing capacities, especially in municipalities without access to institutional forms of care. Coverage is expected to increase by 50 percent in the next four years, with a direct effect on women's employment opportunities. To improve the work-life balance of parents of children with disabilities, MoLSP has developed special social programmes aligned with the working hours of parents. MoLSP has also extended the service hours of kindergartens in support of parents who work on evenings and weekends.

Existing laws around domestic violence use gender-neutral language, although 93 percent of those committing acts of domestic violence are men and 82 percent of victims are women. Consequently, there are initiatives underway to reframe the legislation to improve the definitions of gender-based violence and domestic violence. In line with the standards and provisions set in the Istanbul Convention, for the first time, a rape crisis center was established in Skopje, while three Sexual Assault Referral Centers were established in hospitals in Tetovo, Skopje and Kumanovo. They provide services in response to violence against women and training of professionals from health, social, justice and police sectors, as well as NGO service providers. With support from **UN Women** and the **European Institute for Gender Equality**, North Macedonia has developed its first **Gender Equality Index**, a tool that shows progress achieved towards gender equality in the EU. Among EU states, North Macedonia is currently ranked 15th on the index concerning gender equality. Progress has also been made in mainstreaming gender into the public financial management system.¹⁹

¹⁹ In 2018, the Ministry of Finance issued a specific gender budget template annexed to the Budget Circular to all central budget users as a requirement for the 2019 annual budgets. In addition, amendments were made in the budget Circular for Local Self-Government Units, requiring LSGUs to include specific budget line for gender equality. In 2018, the General Secretariat of the Government included gender-specific provisions within the new Government Strategic Planning Methodology which requires state administration bodies to include gender perspective in the triennial Strategic Plans.

Key Challenges

The Government is addressing the representation of women in leadership positions at the central and local level, private sector and management positions in the public sector. As has been noted, there have been improvements in recent years. However, further progress is necessary. Another key challenge is related to traditional gender roles, as women are much more likely to engage in unpaid work at home in comparison with men.²⁰

Balancing gender roles in the family will require additional incentives and behaviour changing interventions.

The Government is also aiming to increase supports for women experiencing gender-based violence. Currently, the country has four state shelters that provide accommodation for up to six months and two crisis centers managed by civil society organizations. These services do not cover the entire territory, leaving many victims without effective protection from domestic violence – particularly in rural areas. Early marriages remain a challenge, especially in the case of informal unions. Recent efforts have resulted in the inclusion of early marriage in the Criminal Code. However, its implementation and alignment with the Family Law remains to be addressed. Another challenge is the strengthening of the data collection, especially with regards to cases of violence against women with disabilities, convictions and imposed sentences on perpetrators.

Due to the Decision of the Constitutional Court, the new Law on Prevention and Protection against Discrimination was repealed, because it was not adapted with the required constitutional majority. With this the protection of human rights and equality of citizens, especially the marginalized groups of citizens, has been disabled.

Next Steps

One of the country's key priorities in the coming years will continue to be the improvement in employment opportunities for women. Several initiatives are planned or underway as a means of achieving this objective. To enable fathers to access paternity leave and allow mothers to return to the labor market faster, the Government will amend the **Labor Law** in line with the EU Directive on Parental Leave that applies to equal application of parental leave for both parents. Additionally, MoLSP is pursuing a programme with the World Bank to expand access to public preschools, which will result in additional enrolment capacities of approximately 50 percent above current levels.

Additional priority initiatives that the Government will pursue include:

- Amendments to the **Labor Law** to provide additional protections for pregnant women;
- Establishing the **Center for Gender Responsive Budgeting and Gender Policies**;
- Amending the **Law on Equal Opportunities of Man and Women** to improve employment opportunities for women.

After the election of the new members of the Parliament, the Law on Prevention and Protection of Discrimination should be on one of the priorities of the Parliament in order to re-vote the Law and adopt it.

²⁰ On average, 39 percent of women who are 18 years of age or older provide care for children or grandchildren on a daily basis, whereas for men this ratio is 30 percent. Data also shows that 71 percent of women 18 years of age or older engage in domestic activities such as cooking on a daily basis, compared to 10 percent of men.



SDG 6 – Clean Water and Sanitation



General Situation

North Macedonia's surface waters cover an area of 477 km², representing about 2 percent of the territory. The country contains 35 rivers, 53 natural and artificial lakes and 1,100 larger sources of water. The rivers flow into three river basins: the Aegean, the Adriatic and the Black Sea. The Aegean basin district is the largest, covering 87 percent of the territory, or 22,075 km², and is divided on Vardar River Basin and Strumica River Basin. The Adriatic river basin district is the second largest with its main river being the Black Drin. It covers an area of about 3,359 km² or 13 percent of the territory. The smallest is the Danube river basin district, covering only 44 km² or 0.14 percent of the territory. In this small part of the country is located the source of the river Binachka Morava, a tributary of the main river Morava.

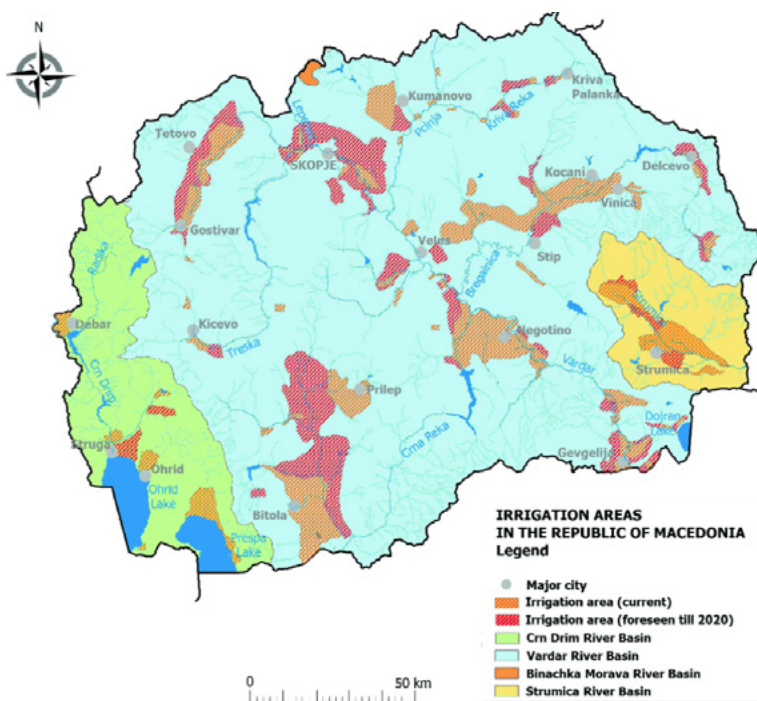
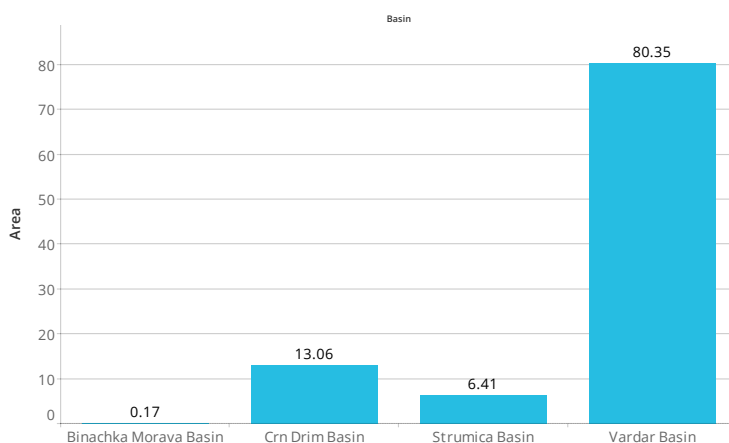


Figure 16: River basins and river basin districts

There is nearly complete coverage of the population with water supply. The main source of water for drinking, cooking and bathing for 99 percent of the population is the public water supply network.

Figure 17: River basin districts by percent of total basin area



Coverage issues exist in some of the rural areas and remote locations. Most households are connected to the sewerage system, whereas the rest use septic tanks, which are common in rural areas. Sewage networks exist in settlements, with high population density. The largest generator of wastewater is the Skopje Region with 40 million m³ annually; the Northeast Region is the smallest generator with 5 million m³ per year. It is estimated that existing wastewater treatment plants process about 9 percent of total wastewater, or approximately 7.5 million m³ per year. The Northeast Region has the highest percentage of treated wastewater (51 percent). High rates of wastewater treatment are also observed in the South-west Region with 36 percent and East Region with 11 percent.

Strategic and Legislative Framework

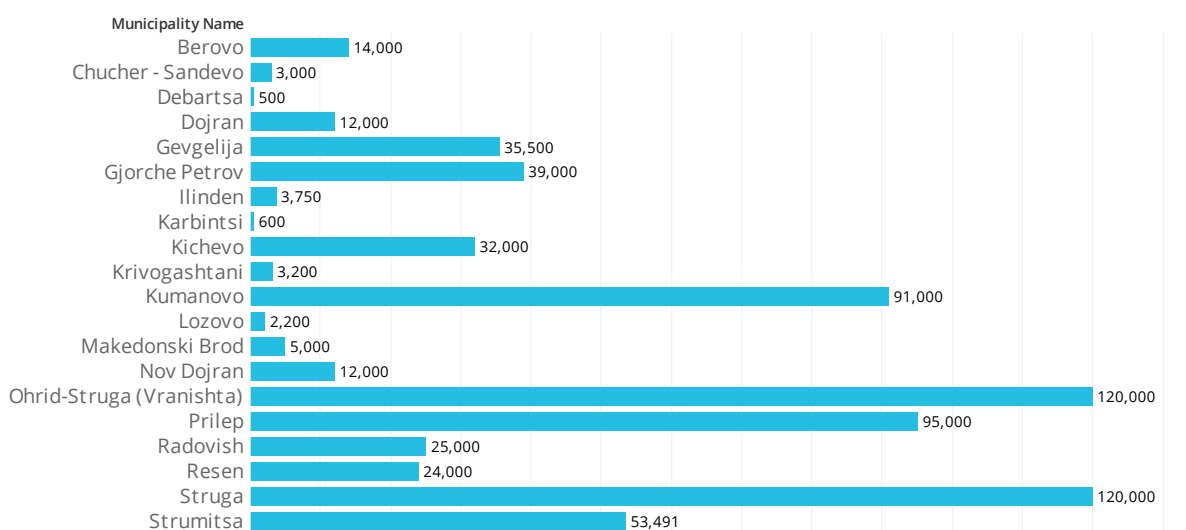
The main legislation in the area of water consists of the **Law on Water**, **Law on Environment** and **Law on Nature Protection**. The **Law on Water** has transposed the requirements of many EU directives in the domain of water resource management.²¹ It provides the legal basis for water protection and management and regulates the use and exploitation of water resources, protection against harmful effects of water, protection of water against exhaustive extraction and pollution, water resources management, financing of water management activities, trans boundary water resources, and other issues related to water use regime. The **Law on Water** specifies the development of the National Water Strategy for 30 years, Water Management Basis for 20 years and River Basin Management Plans every ten years. In 2012, a **Water Strategy** was adopted. It analyzes in detail the status of surface and groundwater and identifies key goals and measures.²²

A new approach to water management set out in the Water Framework Directive and the Flood Directive requires that waters be assessed and managed at river basin level, rather than geographically or politically. The Government has defined the boundaries of the river basin districts. River Basin Management Plans (RBMPs) have been prepared for the Vardar River Watershed and the Strumica River Watershed. The RBMP for Black Drin Watershed is under development. All RBMPs have been prepared with the support of international partners.

Ongoing Initiatives

Major investment programmes and advanced planning are required for the effective management of wastewater and for improving the quality of drinking water. The implementation of the **Water Framework Directive** requires heavy preparatory work and a robust institutional set-up. A number of initiatives to improve the wastewater supply and wastewater system have been launched. The chart below shows already functioning collecting systems and treatment plants.

Figure 18: Waste water treatment plants by population equivalent



²¹ This includes the Urban Waste Water Directive, Nitrate Directive, Bathing Water Directive, Dangerous Substances to Water Directive and other directives dealing with specific discharges in waters.

²² Three key aspects are addressed: state of water use, state of education regarding water and protection against harmful effects of water and state of water and ecosystem quality.

Box 5: Success Story – The Kocani Wastewater Treatment Plant

In June 2019, the WWTP Kocani with a capacity of 65,000 population equivalent was put into operation. The WWTP at the moment serves the municipality of Kocani, but it's planned to connect city of Vinica and five neighbouring villages to treat their wastewater too. The biogas from the sludge stabilization is used for combined power and heat production. In addition, the WWTP is the first one in the country that comprises a photovoltaic power plant Together with the power produced by co-generation of biogas, up to 60% of the plant's electricity consumption can be covered by renewable energy which significantly reduces the operation costs. The production of renewable energy as well as the composting of the sewage sludge also allows for a considerable reduction of the greenhouse gas emissions, notably by decreasing the emissions of carbon dioxide and methane. In that way, beside ensuring good quality of the water of the River Bregalnica downstream of Kocani, the plant contributes significantly to climate change mitigation and sets the state-of-the-art of wastewater treatment in the region.

Preparatory work is underway to join the Protocol on Water and Health and a working group under the Ministry of Health and the Ministry of Environment and Physical Planning deal with the technical aspects. In 2016, the country prepared a report on the assessment of equitable access to water and sanitation in the framework of the protocol. North Macedonia is also coordinating with other countries the management of trans boundary water resources. In 2011, the Governments of Albania, Republic of North Macedonia, Greece, Kosovo and Montenegro signed a **(MOU) for the Management of the Extended Transboundary Drin Basin**.²³ Since then, the Drin Core Group, which includes the designated implementation agencies, has achieved the following:

- Transboundary Diagnostic Analysis, which analyzed the significance and challenges related to the management of the Drin Basin, including socio-economic development, biodiversity, institutional and legal settings, hydrology/hydrogeology and pollution;
- Strategic Action Program, which outlines structural measures (including legislation) and implementation plans for each country;
- Information Management System, which serves as a platform for joint data collection, storage and sharing;
- Lake Ohrid Watershed Management Plan, which outlines the surveillance monitoring plan and a set of measures to manage water usage and quality in Lake Ohrid sustainably.²⁴

The project “*Strumica River Basin – Implementation of the Strumica River Basin Management Plan*” will introduce measures that will help restore Strumica River Basin’s socio-ecological functions and its overall resilience against the complex pressures resulting from human activities and global changes.²⁵

²³ https://www.unece.org/fileadmin/DAM/oes/MOU/MOU_Drin_Strategic_Shared_vision_Final.pdf

²⁴ The programme of measures was developed for two implementation periods: 2020-2025 and 2026-2031.

²⁵ Aligned with the key principles of the EU Water Framework and Floods Directives and the underlying concept of Integrated Water Resources Management, this project aims at addressing the main types of pressures in the Basin (point source and diffuse pollution, as well as hydro-morphological modifications), maximizing at the same time the possibilities for mitigating flooding risk.

WATER AND SANITATION FIGURES

UWWTPs 24.5%



99% of the total population has access to drinking water



100% of the urban population has access to drinking water



97% of the rural population has access to drinking water



77% of the total population is connected to sewerage



66% of the urban population is connected to sewerage



11% of the rural population is connected to sewerage

Key Challenges

- Administrative capacities in the water sector are weak. Significant efforts are still needed to further align the legislation with the *EU acquis* in this sector.
- The water sector needs large investments. The 2012 National Water Strategy estimated investment needs for post-2011 at 15.2 billion denars (0.24 billion Euro), of which 12.9 billion denars (0.21 billion Euro) is required for wastewater treatment.
- The country is active in transboundary water cooperation, especially on shared transboundary lakes. However, the effectiveness of existing agreements needs to be strengthened.²⁶
- Water quality remains a significant problem for many Roma households. Children in Roma settlements are at particular risk from untreated water and lack of waste management facilities. There are also concerns for untreated mining, municipal and industrial waste entering water systems, affecting the drinking water.
- Another challenge is for all schools to adapt at least one toilet to manage menstrual health, create incentives for investment improvements in menstrual health (tax incentives) and provide free menstrual health management packages to all girls involved in regular education.

Next Steps

The following are the main steps prioritized by the Government for the coming years.

NEXT STEPS



Establishing a system for flood assessment, protection and preparedness, handling and developing flood risk management plans



Increasing the level of investments in terms of GDP by building wastewater collection and treatment systems



Providing healthy drinking water to the population, through modern water supply systems on the basis of the "user pays" principle



Establishment of river basin management and improvement of the state of the environment, as well as preservation of human health by improving water quality



Complete transposition of legislation



Establishment of a comprehensive water monitoring system



Completion of river basin management plans

²⁶ For instance, there are no regular meetings of the Greek-Macedonian permanent commission on transboundary freshwater issues. Bilateral agreements exist with Bulgaria on Strumica River Basin and Greece with regards to the Vardar River Basin, but cooperation has to be re-established.

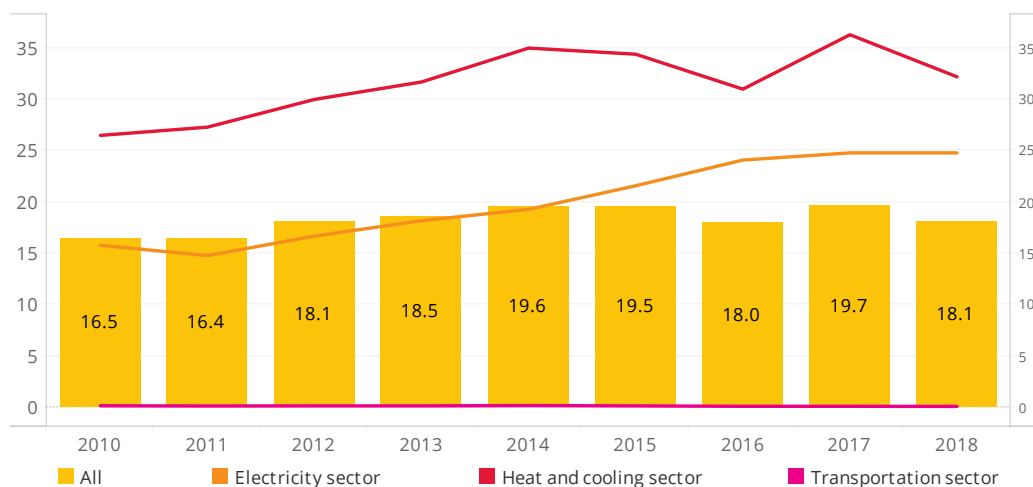


SDG 7 – Affordable and Clean Energy

General Situation

The energy sector accounted for about 74 percent of greenhouse gas (GHG) emissions in 2016. Electricity supply is primarily generated through coal, hydro and renewable sources. Coal accounts for 60 percent of the electricity, with parts of the country experiencing poor air quality as a result of it. Hydro accounts for about 20 percent of electricity; however, there will be limitations in the availability of hydroelectric power in the coming years due to climate change. The other source of electrical power is renewable energy, which accounts for approximately 7 percent electricity production, and 18 percent of final energy consumption.

Figure 19: Renewable energy share in total final energy consumption (percent)

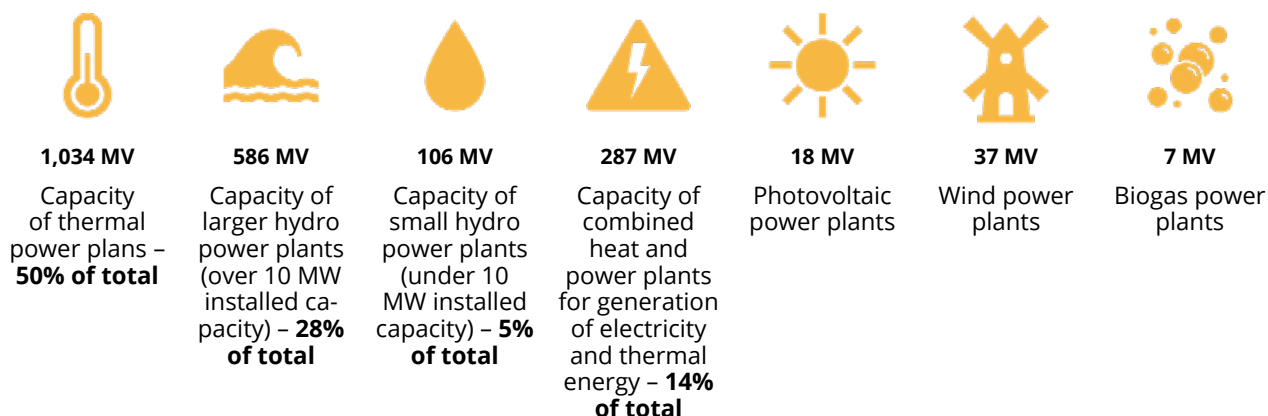


Source: State Statistical Office

Auctions for 62 Megawatt (MW) solar power plants on state-owned and private land have been concluded. Another auction for up to 100 MW PV plant in Oslomej is underway. These projects are supported by the European Bank for Development and Reconstruction (EBRD) and represent a major development in the energy sector and a significant action toward the decarbonisation of the energy sector.

In 2017 and 2018, CHP-TETO accounted for about 15 percent of domestic electricity production. About 80 percent of natural gas at the national level is consumed by TETO. Currently, there is little gas consumed by households due to an under-developed pipeline network (although plans are underway to develop a country-wide natural gas pipeline). Additionally, a new gas line with Greece is in the design phase and the tender for gas distribution has been published. The total installed capacity of electricity generation plants is 2,076 MW.

SOURCES OF ELECTRICITY GENERATION AND OTHER SMALLER SOURCES



Over the past ten years, the Government has taken measures to produce clean, affordable and secure energy. During this time, there has been increased use of solar energy and reduced dependence on fossil fuels. The Government has also implemented a series of GHG reduction initiatives - including a subsidy Programme for renewable energy sources, as well as a programme to improve household energy efficiency.

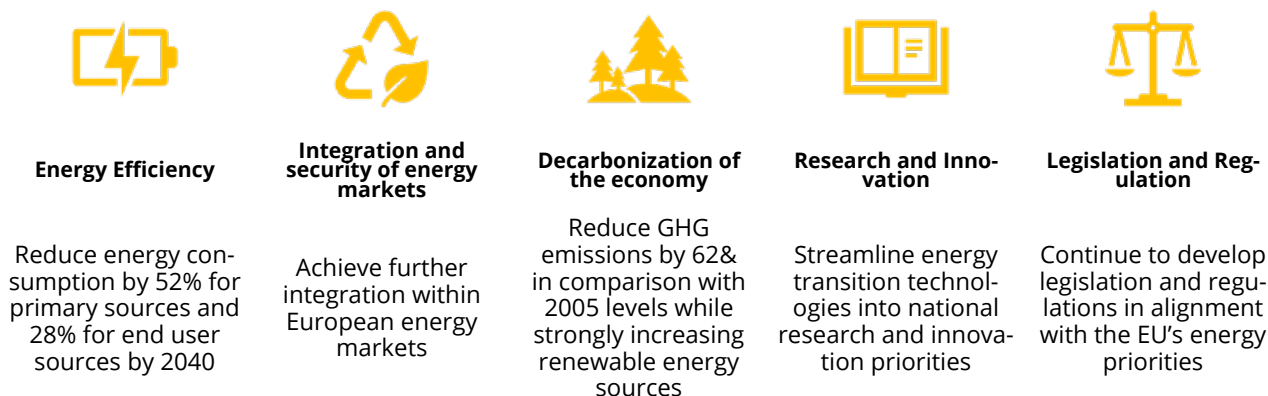
Legislative and Strategic Initiatives

The **Ministry of the Economy** oversees energy policy, including measures to improve energy efficiency and renewable energy. Two additional institutions that support these initiatives are the **Energy Agency** (EA) and **Energy Regulatory Commission** (ERC). The **Energy Agency** is responsible for awareness campaigns, programme development, planning, training and coordinating financial resources to support clean energy initiatives. The **Energy Regulatory Commission** oversees prices and tariffs for electricity, gas, water services and heating.

The 2018 **Law on Energy** addresses energy policy objectives, rules for the construction of new energy facilities, electricity regulation and guidelines, natural gas, thermal energy and renewable energy. It provides support measures for producers of renewable energy.

The **Strategy for Energy Development of the Republic of North Macedonia 2040** is one of the central strategies for guiding energy initiatives in the coming years. It integrates the energy and climate sectors, making North Macedonia the first Energy Community Party that has prepared a strategy in line with the integrated approach for national energy and climate plans. The strategy is aligned with the **Energy Law**, as well as the EU's **Energy Union Strategy**.

OBJECTIVES OF THE STRATEGY FOR ENERGY DEVELOPMENT



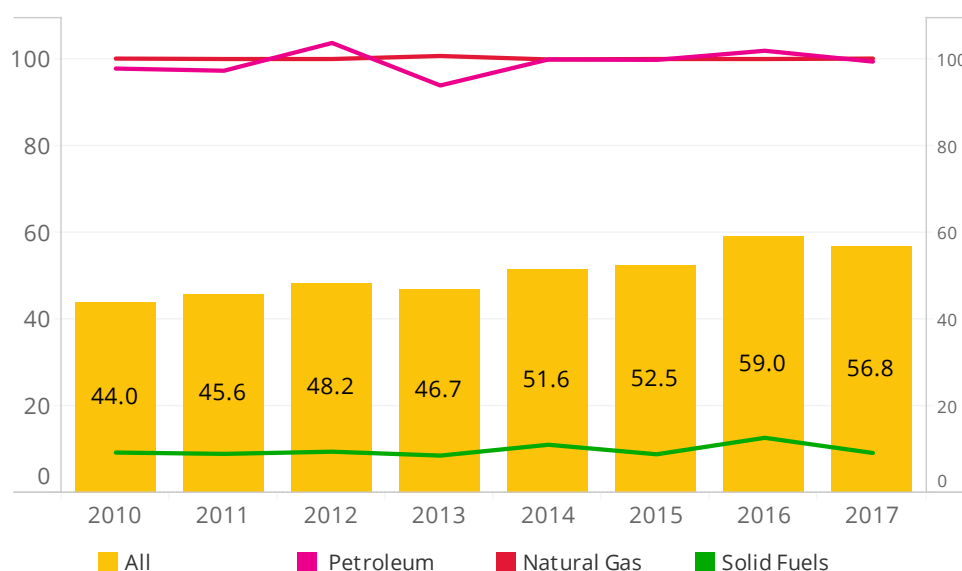
Ongoing Initiatives

Energy initiatives are closely linked to the EU framework through the **Energy Community**, which includes EU member states and Southeastern European countries. As of 2018, the percentage of electricity consumption accessed through open markets was 47 percent.

Based on a 2016 recommendation from the **Ministerial Council of the Energy Community** to monitor and report GHG levels, steps have been taken to address climate change. This is important given that the energy sector is responsible for the largest share of GHG emissions. The Government is currently revising the **Nationally Determined Contribution on Climate Change** and is developing a new **Strategy on Climate Action**.

Currently, excise taxes are levied on energy products such as engine fuels and heating fuels. In 2018, the tax rate on gasoline as a heating fuel was doubled, and during this same time, the Government used excise taxes to steer consumption away from unleaded petrol and toward diesel as a cleaner alternative. The excise rates on unleaded petrol are close to the EU minimum rates, however, rates on other motor fuels need to be increased as a means of aligning with EU standards. Concerning heating fuels, the excise rates in many cases are above the EU prescribed minimum rates.

Figure 20: Energy dependence (percent of imports in total energy consumption)



Source: State Statistical Office

Since 2014, the Government has operated a 50 million denars subsidy programme in support of renewable energy and energy efficiency, which reimburses expenses for solar panels, new window frame technology and upgraded home furnaces. Over time, this programme is expected to help reduce imports of natural gas and other fuels.

Key Challenges

North Macedonia has a high level of air pollution, especially in the capital city of Skopje. Road traffic, industry, energy production, and residential heating account for over 90 percent of emissions. As a result of air pollution, the population is susceptible to a variety of health risks.

Other key challenges include:

- Natural gas enters through a single-entry point at the border with Bulgaria. It is estimated that the country is one of the five most vulnerable in Europe to shortages from the **Trans Balkan** pipeline.
- Prices paid on natural gas are some of the highest in Europe, putting a financial strain on consumers, and placing large industrial consumers at a market disadvantage.
- The country is not applying a holistic energy-water-food nexus approach based on principles of sustainable resources management. The energy-water-food nexus approach aims to support more sustainable renewable energy deployment by building synergies, increasing efficiency, and

reducing trade-offs and improving governance among the sectors.

- The social and economic impact of the energy transition will be a severe challenge in the coming years.
- Investments in low carbon technologies are insufficient and improvement of energy efficiency, particularly in the industry sector, is still a challenge.
- There is also a need to discourage households from using highly polluting but cheap sources of heat like biomass and heavy oil and provide viable support for electrification and gasification.

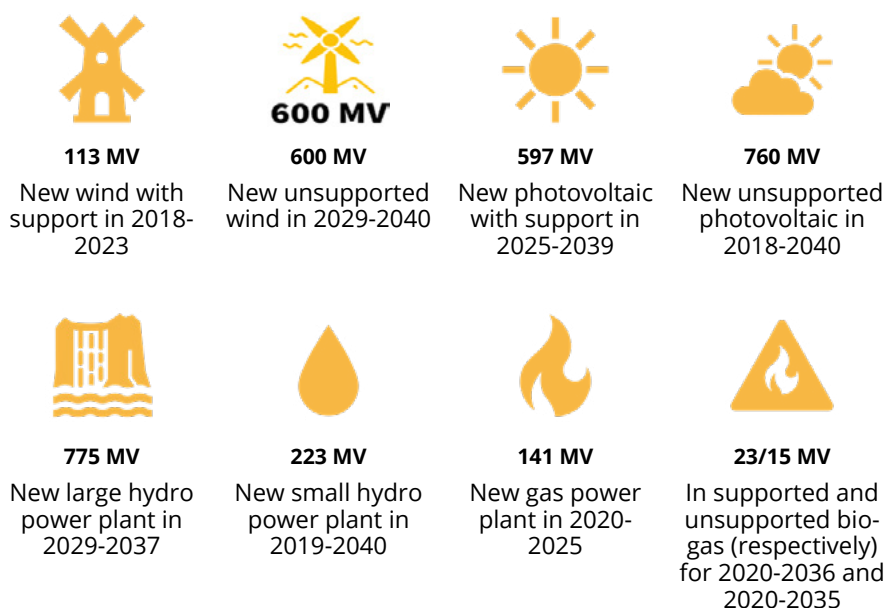
Next Steps

A main objective in the coming years is the reduction of GHG emissions by strengthening the enforcement of environmental regulations. Also, measures for energy efficiency of residential buildings and measures that will contribute to reduce pollution from vehicles will be taken. The Government will also work to reduce dependence on coal and promote renewable sources of energy. The Government plans to establish an energy efficiency fund to save energy, create jobs, preserve natural resources and reduce environmental pollution. One of the main aims of the fund will be to invest in public infrastructures – such as schools, hospitals and municipal buildings – to achieve greater energy efficiency outcomes. It is estimated that 6,200 jobs will be created by 2035 by implementing energy efficient measures in the building sector.

Additional steps that will be undertaken include:

- Support for large scale photovoltaic and wind projects to facilitate the development of renewable energy. In Sveti Nikole and Makedonski Brod will be build photovoltaic power plants with a total installed power of 35 MW;
- Support for households to switch to gas once the distribution infrastructure is in place;
- Invest in the transmission network to accommodate renewable energy sources;
- Rollout smart meters across the entire electricity distribution network;
- “Just Transition” support to be put in place for the Kicevo and Bitola regions.

FIRST GENERATION INVESTMENTS (2018-2040)





SDG 8 – Decent Work and Economic Growth

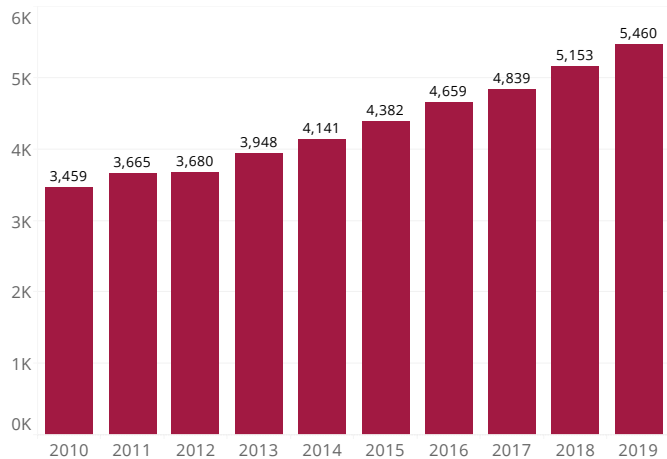
General Situation

North Macedonia is committed to promoting inclusive economic growth and productive employment for all citizens. Despite the prolonged effects of the global economic slowdown and domestic political crisis in 2016, which further stagnated the economy, the country has successfully kick-started economic growth—as of the first half of 2019, the economy was growing at a rate of 3.6 percent. Additionally, between 2010 and 2019, GDP per capita grew from 3,459 to 5,460. Growth acceleration is attributed to stable consumption and low inflation, as well as growth in both domestic and foreign investment following the political crisis.

Following the implementation of various strategic and legislative measures, including the **National Employment Strategy 2016-2020** and **Employment and Social Reform Programme (ESRP)**, North Macedonia has successfully reduced the unemployment rate (for individuals aged 15-64) from 36 percent in 2005 to 16.6 percent in the last quarter of 2019—a historically low rate. The net nominal salary increased by 7 percent in 2018. As of the first half of 2019, the average monthly salary is approximately 25,200 denars (about 408 Euro). North Macedonia has ratified all key conventions of the International Labour Organization (ILO), including three new conventions ratified last year.

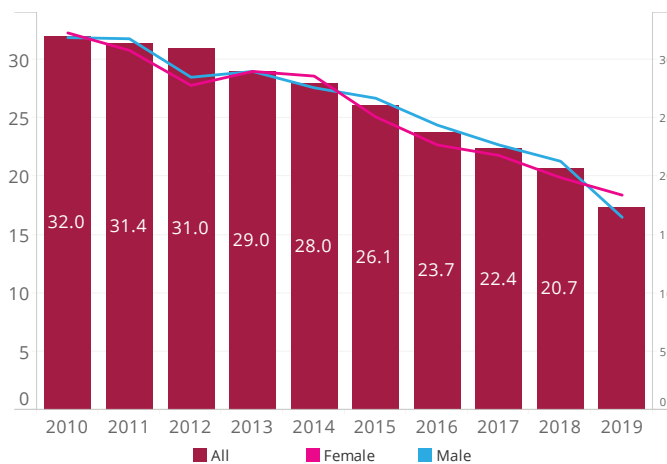
A recent ILO study²⁷ examined employment trends and structure, with a focus on gender differences. The chart below shows that 37 percent of wage employees worked in market services, followed by 28 percent in manufacturing.

Figure 21: GDP per capita in Euros (at current exchange rate)



Source: NA Annual

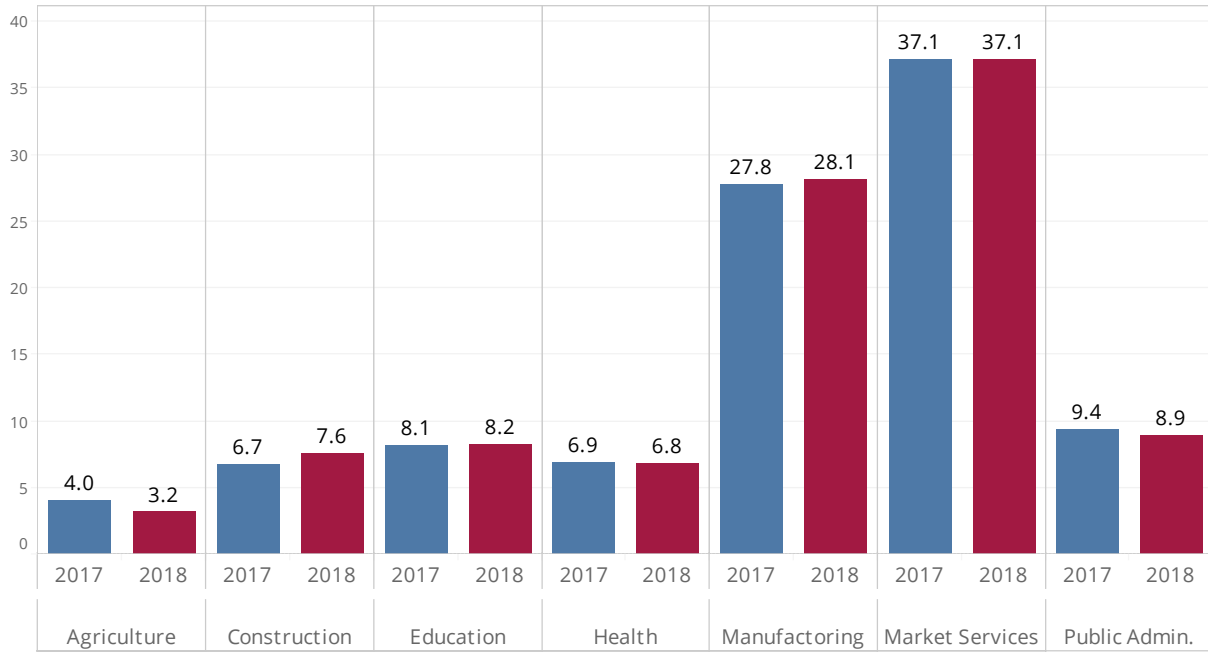
Figure 22: Unemployment rate for those ages 15 to 74 (percent)



Source: Labour Force Survey

27 Assessment of the economic impacts of the 2017 increase in the minimum wage in North Macedonia.

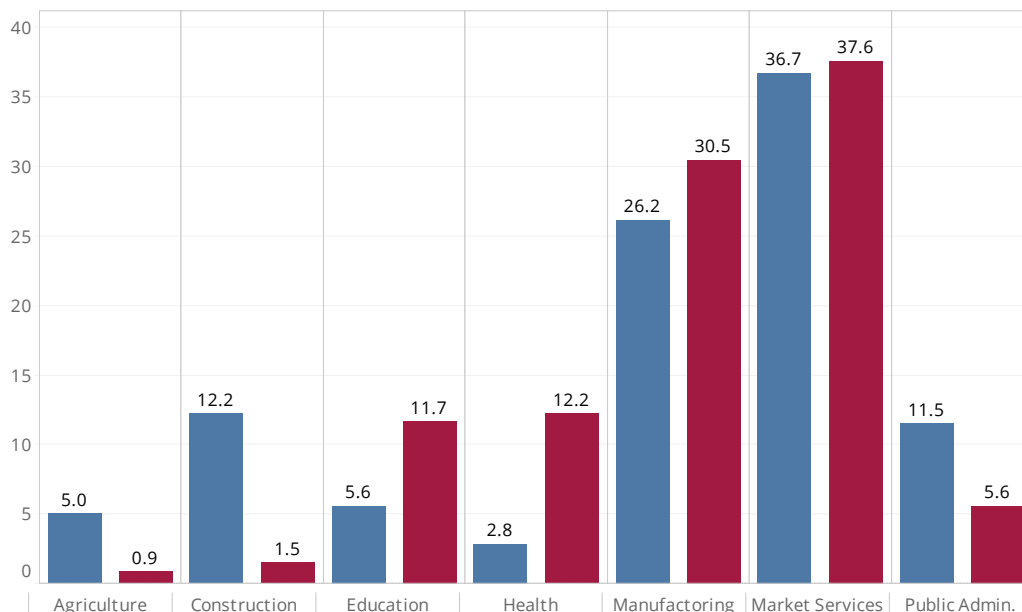
Figure 23: Structure of employment by sector (percent)



As can be seen in the figure below, the structure of employment is similar for both sexes, though with some differences. In particular, while market services include both women and men, a higher share of men work in construction, public administration and agriculture. Women, on the other hand, are more likely to work in health, education and manufacturing. A large part of female wage employment (15.3 percent in 2018) is found in the textile and leather industries under manufacturing sector. The share of male employees in these three sectors was only 2.6 percent in 2018.

Despite the success in improving wage levels, there is still a significant gender wage gap. Female wage workers receive approximately 18-19 percent less than male wage workers. Further, temporary employment among youth (aged 15-29) is twice as high as among adults because they cannot find permanent employment. The majority of temporary workers are male.

Figure 24: Structure of employment by sector and gender (percent)



Unemployment and inactivity among youth and women remain high despite success in reducing the overall unemployment rate. The youth unemployment rate was estimated at 35 percent as of the first half of 2019, while young people (aged 15-29) not in employment, education or training (NEET) was estimated at

31 percent in 2016. Similarly, as of the first half of 2019, more than 50 percent of women aged 15 and over were not participating in the labor market. North Macedonia recognizes this issue as a long-term structural challenge, and a number of measures are underway to address this. For instance, in 2018, the **Youth Guarantee Scheme** engaged 8,850 young persons (4,651 women) within the first 4 months of being registered as unemployed and provided them with employment, continuing education and training opportunities.²⁸

In addition to ensuring appropriate health care for people with disabilities, North Macedonia is committed to promoting employment and business start-up for people with disabilities. MoLSP and ESA, in partnership with the UN, have put in place an employment measure that enables people with disabilities to start their own business and incentivizes private companies to employ persons with disabilities. There are also other ongoing initiatives, including **Self-Employment Programme and Center for Vocational Rehabilitation of People with Disabilities**, that provide training and place participants in suitable employment.

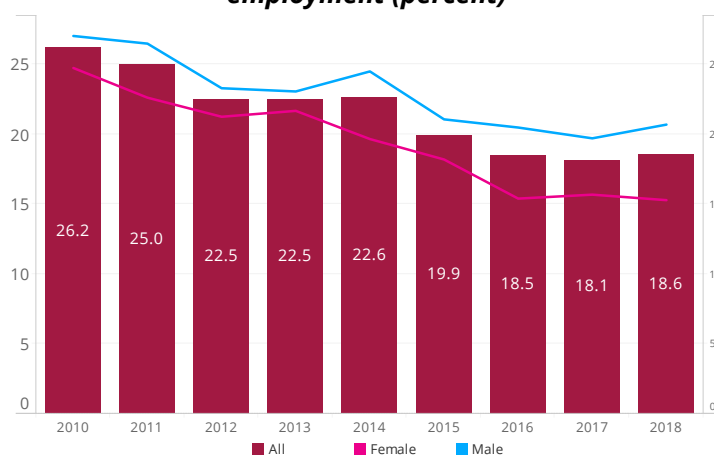
Micro, Small and Medium Enterprises (MSMEs) remain the dominant type of enterprise representing 99 percent of active enterprises in 2018. Responsible for approximately 71 percent of the workforce in 2018, these enterprises are the driver of inclusive economic growth and productive jobs. Given that, the Government has allocated resources to promote the growth of new MSMEs, as well as expand existing ones. Through the **Programme for Competitiveness, Innovation and Entrepreneurship**, the Ministry of Economy offers financial support, training and other services to at least 160 companies to increase their competitiveness and productivity. Additional incentives are provided to encourage women-owned businesses.²⁹ The **Self-Employment Programme** supports entrepreneurship and management skills for unemployed people, including persons with disabilities and members of Roma community, who are seeking to start businesses.

The formalization of enterprises and employment is another priority. In 2018, about 19 percent of the employed people did not have a formal contract. Approximately half of the informal employees were working in the agricultural sector and many of them were unpaid family workers. A **Strategy for Formalization of Informal Economy** (2018-2022) was developed to reduce the informality and ensure standard labor conditions for all.

In the area of tourism, the Government has adopted the **National Strategy for Tourism Development** 2016-2021, which aims to promote the country as a regional conference destination and develop the tourism infrastructure in rural areas. Training programmes are available to develop human resources in the tourism and hospitality sector. Between 2018 and 2019, the number of tourists increased by 5.1 percent, the number of domestic tourists by 1.9 percent, and the number of foreign tourists by 2.3 percent. In the same period, the total number of nights spent increased by 2.7 percent compared to the same period last year. The number of nights spent by domestic tourists decreased by 2.7 percent, whereas those by foreign tourists increased by 5.8 percent. This growth has led to an increase in the rate of employment in the industry. In 2019, 8,500 people were employed in tourism, representing 1.2 percent of total employment. An additional 31,000 persons were employed in activities related to tourism. Before the COVID-19 crisis, projections suggested that employment in this sector would reach 32,500 by this year and 40,000 by 2024.

In 2019, MoLSP improved labor standards and rights by strengthening the existing Occupational Safety and Health (OSH) legislation and practices. Other relevant accomplishments include the improvement of inter-agency coordination on OSH, the establishment of an OSH unit within MLSP and harmonization of national statistics on occupational injuries in compliance to ILO standards.

Figure 25: Proportion of informal employment in total employment (percent)



Source: Labour Force Survey

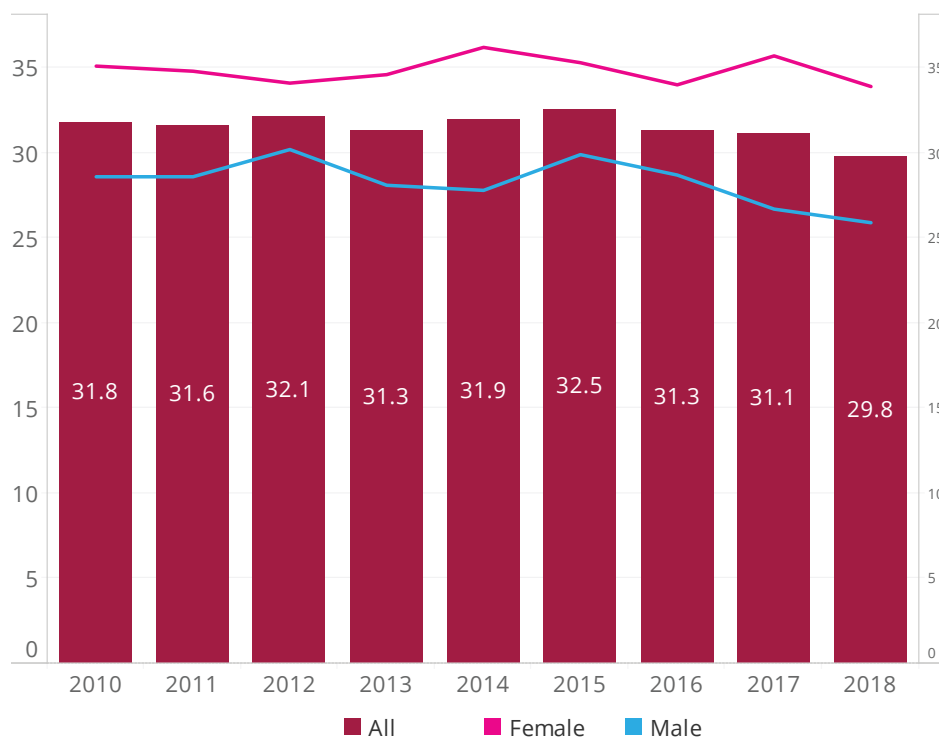
²⁸ The programme was piloted in Skopje, Gostivar and Strumica, and was expanded to other municipalities across the nation in 2019 to cover at least 14,000 young people.
²⁹ Women owned enterprise is defined as an enterprise with at least one woman holding more than 50 percent of the company share

Strategic and Legislative Framework

Since 2016, the following strategic and legislative frameworks have been adopted:

- **National Employment Strategy 2016-2020 and National Employment Action Plan**³⁰ (NAPE 2018-2020) aims to increase employment, quality of workplaces and productivity level for all citizens, with specific measures for vulnerable groups (youths, women, persons with disability). One of the major successful programmes under this strategy is the **Community Works Programme**, which promotes the employment of vulnerable people (especially unemployed women) for the provision of social services to vulnerable populations, predominantly elderly, preschool children and persons with disabilities.³¹
- **Employment and Social Reform Programme (ESRP)** addresses three key areas: (i) labor market and employment, (ii) human capital and skills and (iii) social protection.³²
- Every year, the Government develops an annual **Operational Plan for Active Employment Programmes and Measures for Employment and Labour Market Services**. These activities include support for self-employment and promotion of entrepreneurship, salary subsidies and support for persons with disability, and activities to improve the employability of the unemployed.
- **Youth Employment Action Plan (YEAP)** 2016-2020 promote self-employment opportunities for youth. The main objective is to improve skills that make youth more competitive for the labor market, especially in private sector.
- Other relevant strategic and legislative frameworks that are being implemented include **Plan for Economic Growth**³³, **Dignity Work Programme 2019-2022**, **Education Strategy 2018-2025**, **Adult Education Strategy 2019-2023**, **National Equality and Non-Discrimination Strategy 2016 -2020**, **Gender Equality Strategy 2013-2020**, **Vocational Education and Training Strategy 2013-2020** and **National Strategy on Cooperation with the Diaspora and a National Action Plan**.

Figure 26: Percent of youth not in education, employment or training (ages 15 to 29)



Source: Labour Force Survey

³⁰ Work is underway on the development of a new action plan.

³¹ In 2016-2018, the programme has been implemented in 56 municipalities, where 1,389 unemployed people have delivered services to 20,140 socially-excluded people. (Based on information reported in UNDP's Independent Country Programme Evaluation, 2019).

³² All proposed reforms under ESRP were designed to address activities or changes in the education system to ensure long-term impacts. These activities include the strengthening and modernization of vocation training and improving access and quality of education for all citizens.

³³ <https://vlada.mk/node/18909?ln=en-gb>

Additional strategic and legislative frameworks adopted in recent years to promote SMEs and entrepreneurship includes:

- **SME Development Strategy 2018-2023 and Action Plan**, implemented by relevant ministries and chambers of commerce, and **Law on SMEs**, which defines the legislative and institutional framework for SME support and development.
- **Strategy for Women Entrepreneurship Development with an Action Plan** 2019-2023.

To formalize businesses and employment, MoLSP is amending the **Law on Prohibition and Prevention of Unregistered Activity** in order to improve the enforcement of the law.

In addition to the **National Strategy for Tourism Development 2016-2021**, the **Law on Tourism Activities** and the **Law on Catering Activities** were amended to set out guidelines for tourism and catering services providers and standardize the quality of services. The Ministry of Economy has supported 17 municipalities to develop a tourism strategy locally.

Ongoing Initiatives

The Government is modernizing the labor laws to introduce a new employment structure and improve the hiring process for both employers and job seekers. The **National Strategy for Social Enterprises and Action Plan** is being revised to promote the growth of social enterprises.

Various initiatives, such as the **Youth Guarantee Scheme** and **Self-employment Programme**, to support job creation and reduce unemployment are underway. The following programmes address employment and the labor market:

- **Adult Education Center** supports the education of adults by developing the Concept for the Primary Education of Adults based on eight competences, as well as vocational secondary education for adults.
- **Directorate for Execution of Sanctions** (DES) and the **MoES** in partnership with the UN have supported the inclusion of vocational educational in penitentiary-correction facilities. Vocational training has been provided to about 170 inmates, 40 of whom women.
- **Center for Vocational Rehabilitation of People with Disabilities** has been established to provide support to people with disabilities and improve their placement in the labor market.
- **Occupational Outlook** web platform (www.zanimanja.mk) has been developed with support from the UN to inform young people about occupations and sectors with good career prospects.



Box 6: Success Story: "Face to face" Initiative

The magazine for sustainable development "Face to Face" is a pioneering social enterprise whose mission is two-fold: to provide socio-economic empowerment for marginalized groups (youth from the street, homeless people, persons with disabilities, and people in social risk) and to educate the general audience on topics related to the SDGs. The magazine is an open platform for collaboration, co-creation, multi-stakeholder partnerships, progress, and knowledge, activation among different social stakeholders such as communities, civil society, public institutions and the business sector.

Other upcoming initiatives in support of SMEs and promotion of entrepreneurship include:

- **Ministry of Economy** has identified measures to reduce or abolish certain parafiscal fees to streamline the administrative work for MSMEs, reduce the financial burden and encourage the formalization of unregistered businesses.
- A proposal for the establishment of an early warning mechanism for SMEs to support companies to survive a severe slump and regrow and facilitate non-viable companies to close down, is being considered by the European Delegation.
- **Ministry of Economy** plans further to explore the sustainable model for SME support services to develop a framework for future policies to promote SMEs at the local, regional and national levels.
- Two alternative financing options for SMEs are currently being considered by the European Delegation: **Business Angels as a driving force for start-ups and would-be entrepreneurs** and **Improving access to finance for SME's by mentoring aimed to enter the Stock Market**.
- A four-year **Local and Regional Competitiveness Project** (LRCP) is being implemented through a grant from the European Union (IPA II) in support of tourism development and destination management.
- Subsidization of air flights of low-cost companies that have solved the problem of lack of direct connections to major cities in Europe and the world.³⁴

³⁴ In 2019, the list was supplemented with new tour operators and tourist resorts with tourists from new world destinations. With the Project for granting financial support to new airlines were introduced direct flights to Malmo, Basel, Millhouse, Milan, Bergamo, Eindhoven, Dortmund, Memmingen, Munich, Stockholm, Gothenburg, London-Luton, Venice, Frankfurt, Paris, Brussels, Cologne and Rome.

Key Challenges

Key challenges with regards to the labor market include:

- High unemployment and inactivity rates among most vulnerable groups, especially youth, women and persons with disability;
- Creation of high-value-added jobs, particularly for university graduates;
- Improving quality of employment (types of contracts, informal employment and enterprises, occupational safety and health);
- Limited capacities of public employment services, which constrain the quality of services provided to most vulnerable groups;
- Access to education for all and quality of vocational education and training;
- Limited incentives and financial resources for business owners to invest in green workplaces;
- Limited incentives for promoting women entrepreneurship;
- Need to ensure firms' productivity (including digitalization and internationalization) and ensure appropriate financial support remains a challenge;
- Lack of data and a data collection system in the tourism sector makes programme development more challenging and need for training for personnel in tourism and hospitality sectors;
- Mismatch between the market needs and skills provided by the education system.

Next Steps

The Government will pursue the programmes and activities outlined in the relevant action plans to create jobs, improve labor participation, increase demand for labor and increase competitiveness. It will also continue to harmonize labour legislations with international labour standards and EU acquis.

To further facilitate the growth of SMEs, the Government will provide additional support and services to the digitalization and internationalization of SMEs and will further liberalize financial market and introduce new financing options. The establishment of SME service centers providing one-stop services for entrepreneurs where they can find advice, mentorship and information related to business operations is being evaluated. The implementation of existing programmes targeting the most vulnerable groups (youths, women, persons with disability and others) will continue.

For the tourism sector, the Government has prioritized the improvement of the institutional environment to facilitate private sector engagement and training of human resources better.



SDG 9 – Industry, Innovation and Infrastructure

General Situation

Despite the economic slowdown due to the 2016-2017 political crises, the economy grew at a rate of 3.6 percent in 2019, following a 2.7 percent growth in 2018. The success in restoring the growth rate could be attributed to stable consumption and significant growth in investment. The 10.4 percent growth in investment has been mainly driven by the increase in construction activities, as well as a lower lending rate³⁵. In 2018, the manufacturing sector contributed to almost 13 percent of the GDP and was responsible for nearly 30 percent of all employment.³⁶

Industrial production had grown at approximately 17 percent by the end of 2019. In 2019, there were 8 operational Technological Industrial Development Zones (TIDZs) across North Macedonia and 7 more under development. These TIDZs offer ready-to-use infrastructure, administrative support, and incentives to attract both domestic and foreign investors. Since 2017, the companies operating in TIDZs have hired more almost 5,000 more employees, boosting economic activities. Further development of the manufacturing industry is envisaged to promote sustainable industrialization and stimulate economic growth.

In addition to industrialization, North Macedonia recognizes the need to expand access to larger markets and global value chains. North Macedonia is currently a member of two multilateral free trade agreements—the **European Free Trade Association (EFTA)** and the **CEFTA** - and has signed bilateral trade agreements with Turkey and Ukraine. To support the growth and internationalization of SMEs, North Macedonia co-sponsored initiatives on e-commerce and domestic regulation of services and the creation of an informal **Working Group on MSMEs** at the Eleventh WTO Ministerial Conference in Buenos Aires (2017). Initiatives are also in place to promote the growth of MSMEs across different sectors, including manufacturing.

Figure 27: Manufacturing value added as a proportion of GDP (percent)

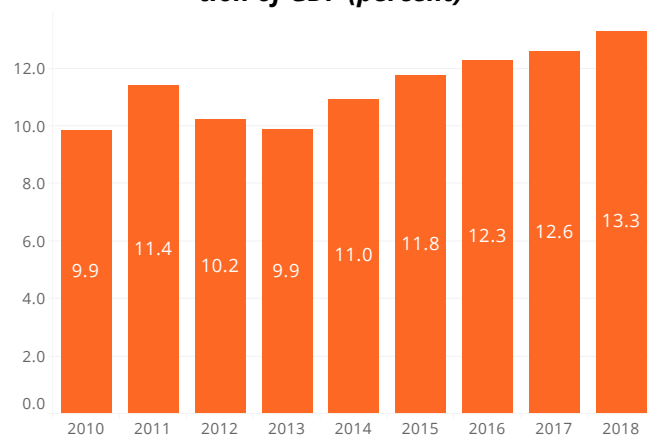
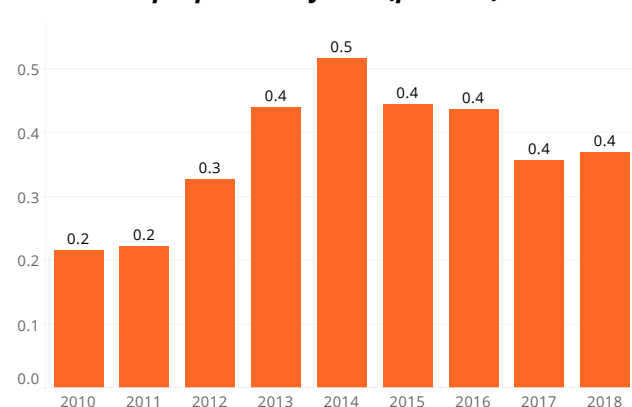


Figure 28: Research and development expenditure as a proportion of GDP (percent)



Source: State Statistical Office

³⁵ At the end of the first half of 2019, the National Bank of North Macedonia reduced the reference interest rate to 2.25 percent, a historically low rate.

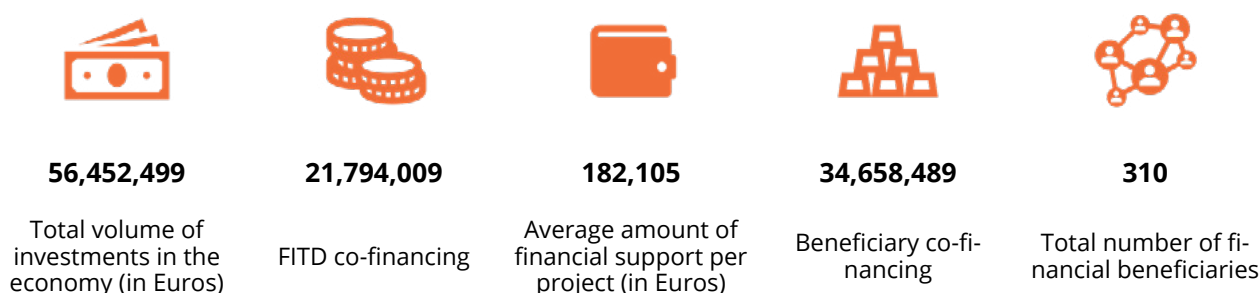
³⁶ Based on ILO's report, "Assessment of the economic impacts of the 2017 increase in the minimum wage in North Macedonia" (http://ilo.org/budapest/what-we-do/publications/WCMS_714892/lang-en/index.htm)

With regard to infrastructure, North Macedonia is considered an important transit route for traffic between Central Europe, the Aegean Sea, the Adriatic Sea, and the Black Sea and further the Far East. To position the country as the region's transport hub, substantial investments have been made for the development of corridors and infrastructure (although Corridor 8 remains underdeveloped). To improve road safety and traffic efficiency, project documentation was developed for the installation of **Intelligent Transport System (ITS)** along Corridor 10 collect real-time traffic data. The implementation of this system will happen in the upcoming period.

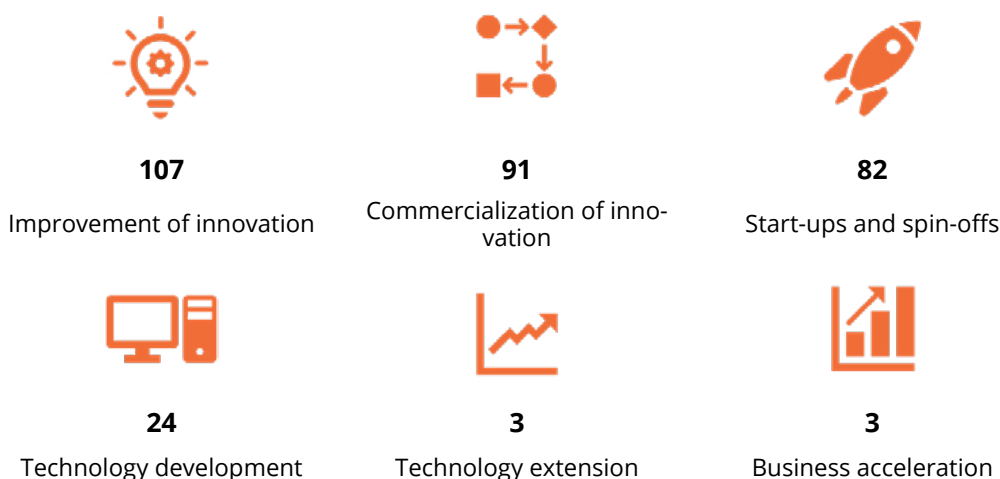
Although North Macedonia may be behind in terms of investments in innovation, research and science compared to other countries in the region, there has been significant improvement in this area. In 2019 alone, North Macedonia has significantly increased its investment in innovation. The Global Innovation Index (GII),³⁷ ranked North Macedonia 59 out of 129 countries in 2019, making it the country with the highest growth in innovation investment since 2018.³⁸ Despite the improvement, research and science activities still only receive 0.2 percent of the state budget, which is significantly lower than the EU average of 2 percent. Broadband connectivity is recognized as an essential source of competitiveness as it nurtures innovations, global connections and economic growth. More people are gaining access to the internet and mobile network. As of 2019, 82 percent of the households had access to internet, compared to 74 percent in 2017. Meanwhile, more than 99 percent of the population is covered by mobile networks.

The Government is pursuing innovation, technology advancement and research by strengthening the quality of the education system. The **Education Strategy and Action Plan 2018-2025** has been developed in partnership with the EU to improve the quality of the education system and to develop human capital. The **Fund for Innovation and Technology Development (FITD)** was established in December 2013 to encourage innovation in MSMEs, while simultaneously improving the business environment.

HIGHLIGHTS OF THE FITD PROGRAM



BENEFICIARIES UNDER THE FITD PROGRAM



³⁷ Five input pillars capture elements of the national economy that enable innovative activities: (1) Institutions, (2) Human capital and research, (3) Infrastructure, (4) Market sophistication, and (5) Business sophistication. Two output pillars capture actual evidence of innovation outputs: (6) Knowledge and technology outputs and (7) Creative outputs.

³⁸ Global Innovation Index (2019) Rankings.

Strategic and Legislative Framework

The following are the main components of the strategic and legislative framework:

- **Economic Growth Plan** defines measures for boosting the economy through financial support for the industrial sector.³⁹
- **Law on Financial Support of Investments** regulates the types and amount of financial supports for investments, conditions, manner and the procedure for granting financial support, etc.
- **Programme for support of MSMEs** is implemented by the Fund for Innovations and Technology Development to enhance innovation and technology development.
- **Economic Reform Programme** outlines reform measures that support economic growth and increase competitiveness.
- **Industrial Strategy 2018-2027** focuses on the development of manufacturing by improving productivity, creating jobs and rising income levels.
- **Fiscal Strategy 2020-2022** foresees the gradual decrease of the budget deficit from 2.5 percent of GDP in 2019 to 2.3 percent in 2020 and 2 percent in 2021. The strategy includes targets for the performance of public enterprises and state-owned companies.
- **Strategy for formalization of informal economy 2018-2022** aims to reduce the number of informal employees (in informal and formal businesses, as well as within households), reduce the share of unregistered business entities and informal activities within the formal economy.
- **Strategy for Small and Medium Enterprises 2018-2023** and **Strategy for Development of Women's Entrepreneurship 2019-2023** establish the strategic framework for support for SMEs and women entrepreneurship.
- **Medium-Term Strategy for Corporate Social Responsibility 2019-2023** prescribes the development, maintenance and application of socially acceptable practices for companies.
- **National Transport Strategy 2018-2030** aims to improve economic efficiency, safety and accessibility of transport, environmental impact management during existing and future transport activities, but also to provide consistency with other sectoral policies. The special goals are aimed at developing activities that address the weaknesses of the transport sector in the Republic of North Macedonia, at national and regional level.
- **Law on Innovation Activity** regulates innovation activities, scientific research, technical and technological knowledge, as well as matters related to the Fund for Innovation and Technological Development.

Ongoing Initiatives

Since the beginning of the implementation of the **Economic Growth Plan** two years ago, a record number of domestic companies have been supported, of which 314 through the **Fund for Innovation and Technology** development instruments and measures and 220 by the **Law on Investment Financial Support** (72 in 2018 and 47 in 2019). About 20 foreign companies have been supported through the **Law on State Aid Control** and the **Law on the Free Zones Authority**. To establish an inclusive and sustainable industrialization policy, the Government is preparing the **Smart Specialization Strategy** that outlines measures for diversification and technological upgrading.

To integrate domestic enterprises in value chains of the multinational companies and provide better value-added services, the Government is fostering cooperation between domestic companies and foreign investors. One of the ongoing initiatives is the development of the **Export Promotion Strategy**, which will provide the strategic framework to support diversification of production and export promotion.

In support of research and development, the **Innovation Vouchers** programme is offering additional funding resources to academic institutions and private companies. To promote growth and innovations among MSMEs, the **Midterm Programme of the Fund for Innovation and Technology Development for MSMEs 2018-2020** has been launched to support MSMEs and offer additional resources for innovation and technology development activities.

The **Ministry of Finance** and the **Ministry of Information Society** have teamed up with MasterCard to implement an initiative on digital identities. North Macedonia is set to become the first country in the region to implement digital identities. Through this initiative, the citizens and companies will obtain documents from public institutions or open bank accounts without physically being there.⁴⁰ The Government is also introducing the 5G mobile network, improving connectivity within the country and beyond.

³⁹ It is implemented through different institutional programmes and specific laws, with a budget allocation of around 40-45 million EUR.

⁴⁰ According to company representatives, North Macedonia already has all the necessary infrastructure and regulations in place. The company is investing around 3m Euro (\$3.37m) in the project and expects services to become available as early as the end of the 2020.

Box 7: Success Story - Generation Unlimited

Generation Unlimited (GenU) is a global multi-sector partnership to meet the urgent need for expanded education, training and employment opportunities for young people aged 10 to 24. Generation Unlimited creates public-private partnerships to co-create and support investment opportunities, programmes and innovations at a large scale, and to help young people become productive in life. Young people around the world are involved in co-designing and implementing solutions through the Generation Unlimited Youth Challenge. The first Youth Challenge 2018/19 brought together 800 innovators from 16 countries working on solutions for a better and more sustainable future.

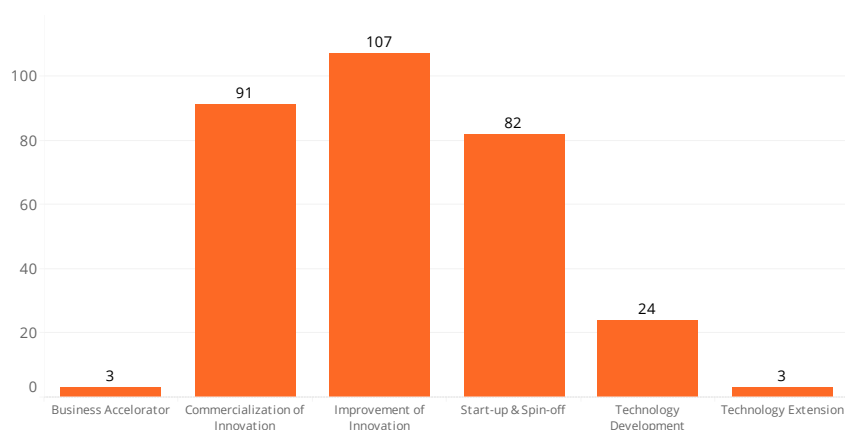
In North Macedonia, UNICEF launched the Youth Challenge and asked for solutions on how to stop violence against and among children and young people. In April 2019, five global winners were announced and included team "Andrometa" from North Macedonia with their solution "Speak Out" – a mobile app that creates a community in support of victims of bullying. The team received expert mentorship from Generation Unlimited partners and \$20,000 in seed funding to scale up their initiative. The app has become a safe online space for expression, where young people can anonymously seek peer-to-peer support from trained volunteers.

UNICEF and Foundation Telekom for North Macedonia partnered to roll out the second Youth Challenge 2019/20 to expand opportunities for children and young people with disabilities through digital innovation. The initiative brought partners together to co-create - with youth - innovative digital solutions to improve access to education and participation in community life.



UNICEF representative in North Macedonia Mr. Benjamin Perks with the team of Andrometa

Figure 29: Fund for innovation and technology development: Number of beneficiaries per support instrument



Key Challenges

A key challenge is the limited amount of resources available for research, technology development and innovations. Another one is the need for further industrialization and diversification of export goods. Low investments in technology development research contribute to the slow digitalization and technology adoption, limiting the growth potential of businesses. More government support to facilitate the growth of the manufacturing sector is required. Remaining infrastructural gaps are also a reflection of a lack of capacity to properly plan and implement capital investments as a result of which capital expenditures are under-executed every year.

Next Steps

One of the Government's priorities is to ensure the sustainable growth of SMEs through support initiatives and programmes (improving financial access, trade options and foreign direct investment). The Government will continue investments in TIDZs to further attract high value-added manufacturing companies. Additional initiatives currently underway include the adoption of the **Smart Specialization Strategy** and the **Export Promotion Strategy**. The Government will open economic offices abroad⁴¹, which will offer information on business and investment opportunities in the country and provide facilitation support to any interested individuals or organizations. The Government is also exploring options, including tax incentive and technology-specific strategies, to further boost technological research and innovation.

⁴¹ The offices will be strategically located in order to provide better access to companies in North America, Europe and Asia.



SDG 10 – Reduced Inequality

General Situation

The new **Law on Social Protection** passed in 2019 introduced the **Guaranteed Minimum Assistance (GMA)**, which integrated categorical benefits into generic cash benefits and simplified the administrative procedure for obtaining cash benefits. For the first time, GMA beneficiaries are entitled to both child allowance and education allowance (for primary and secondary education), benefiting from the so-called family package⁴². A comparison of GMA-related cash benefits between April and May 2019 (before and after the GMA law) shows a shift towards a more extensive coverage of beneficiaries. Total payments have increased by 63 percent. The average GMA amount paid per household (6,291 denars/ 100 Euro) according to the new law is twice the amount of the social financial assistance (2,945 denars/ 48 Euro) under the previous law. In comparison, the average payment per household member shows an increase of 122 percent (GMA – 2,231 denars/ 36 Euro vs. Social Financial Assistance – 1,006 denars/ 16 Euro).

The 2019 ILO assessment of the economic impact of minimum wage increase (mentioned previously) found that it had had a positive effect on wages and living standards. The increase was not uniform along with the wage distribution, with the more considerable increase noted in the lower end of the wage distribution, while the middle and upper part of the wage distribution remaining intact. This has resulted in an increased compression of wages up to the median. The study also found that wage inequality had declined, with North Macedonia now having a more favourable wage distribution than the EU-28 average⁴³.

In the area of social protection, 30 **Centers for Social Work** have been established and cover all municipalities. About 50 regional offices have been opened to enable access to information and entitlements to social protection rights for citizens in the municipalities. A new **Law on Social Security for Senior Citizens** has been adopted, with the aim of increasing the effectiveness of cash benefits for this category of citizens and lowering the poverty rate among the elderly who cannot gain their livelihood on other grounds. Since the inception of the social protection reform, 6500 senior citizens have become entitled to social benefits. The monthly allowance amounts to about 6,000 denars, providing financial security to people aged over 65 years who have no other source of livelihood.

The reform in the area of child protection has improved families' access to the child allowance, enabling low-income families to receive support without having to have one employed family member (a condition for entitlement to child allowance in the past). It has also enabled GMA beneficiaries to be eligible for the child allowance. Data on child allowance payments and beneficiaries show a three-fold increase after the amendment of the **Law on Child Protection** in May 2019. In May 2019, there were 11,082 families with children accessing GMA and child allowance, in contrast to 2,956 families of April 2019. The number of children in these families was 20,239 in May 2019, in contrast with the 6,924 children registered in April 2019.

To provide citizens with access to information on the criteria and procedure for obtaining cash benefits, the following entitlements have been included in the National e-Services Portal:

- Guaranteed Minimum Assistance
- One-Off Financial Assistance
- Allowance for Assistance and Care from Another Person

⁴² Provision of means to alleviate poverty among materially deprived households.

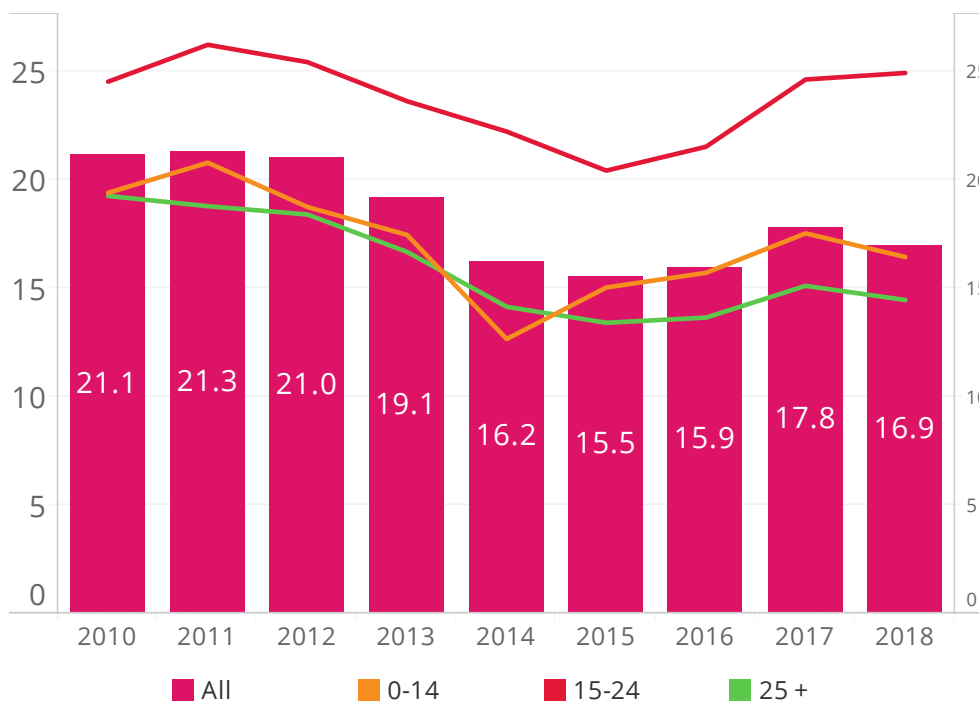
⁴³ The comparison to the EU countries revealed that the wage distribution in North Macedonia is much more compressed, implying lower inequality.

- Disability Allowance
- Reimbursement for Part-Time Employment
- Permanent Allowance
- Right to Social Security for the Elderly

The average net wage in 2018 grew by 5.9 percent in nominal terms (the highest increase in the last 9 years) and by 4.4 percent in real terms, thus showing acceleration compared to previous years. Wages increased in almost all sectors, with the highest increase in the industry sector (18.6 percent in mining and 10.8 percent in manufacturing), ICT (14.8 percent) and services sector (10.6 percent). The positive trend continued in 2019, with a first-quarter increase of the average net wage of 3.4 percent in nominal terms and 2.21 percent in real terms.

The poverty rate in 2018 was 21.9 percent.⁴⁴For households with two adults and two dependent children, the poverty rate was 22 percent. For employed persons the poverty rate was 8.8 percent, whereas for pensioners 7.9 percent. The Gini coefficient⁴⁵ was 31.9 percent. The proportion of people living below 50 percent of the median income has increased slightly in recent years, particularly for those aged 15 to 24 (rising from 20 percent in 2015 to 25 percent in 2018). This rate for the general population was 16 percent in 2015 and 17 percent in 2018.

Figure 30: Proportion of people living below 50 per cent of median income (percent)



Source: EU Survey on Income and Living Conditions

According to the Ombudsman’s 2019 Report regarding the adequate and equitable representation of communities, the percentage of the majority of communities had decreased at the expense of the other communities and pointed out that there are institutions where the Roma and Bosniak communities, which are less numerous, are not represented at all.

⁴⁴ The State Statistical Office, based on the Survey on Income and Living Conditions carried out in accordance with European Union recommendations, calculated the Laeken poverty indicators for 2018. The source for poverty calculations is incomes and the poverty threshold is defined at 60 percent of median equivalized income.

⁴⁵ Measure of income distribution inequality.

STRATEGIC AND LEGISLATIVE FRAMEWORKS



Strategy for Equality and Non-Discrimination 2016–2020



Law on Prevention and Protection against Discrimination (May 2019)



Law on Social Protection (2019)



National Strategy for the Elderly 2010–2020



National Strategy for Alleviation of Poverty and Social Exclusion 2010–2020



National Strategy for Alleviation of Poverty and Social Exclusion 2010–2020 (revised)



Strategy for the Roma in the Republic of Macedonia 2014–2020



Law on Balanced Regional Development



Law on Equal Opportunities for Women and Men



Law on Protection of Children

The **Law on Social Protection** and the **Law on Protection of Children** comply with the concept of non-discrimination⁴⁶. Proceedings in case of discrimination are conducted in compliance with the **Law on Prevention and Protection against Discrimination**. The **Law on Prevention and Protection against Discrimination** stipulates the obligation for all legislation to be compliant with its provisions⁴⁷.

The **Law on Prevention and Protection against Discrimination** has professionalized the **Commission for Protection against Discrimination**, which now has its own Professional Service, intending to be more efficient in the prevention and protection against discrimination. The Commission's competences have been enhanced – it can now act *ex officio* upon obtaining information through rumours, has to act on all filed applications and may perform field inspections⁴⁸. To facilitate the orderly, safe, and responsible migration and mobility of people, the Government has adopted the **Resolution on Migration Policy** 2015–2020. This new resolution covers improved synergies and coordination among national institutions, supported by relevant international organizations.

Ongoing Initiatives

- Enforcement of the new **law against discrimination** to provide special affirmative measures for certain categories of citizens, as well as other special measures for achieving equality for all people.
- Implementation of the **Strategy for One Society for All** aimed at fostering unity and social inclusion for all.
- Training of health professionals on gender-based violence response and family planning services, including services for persons with disabilities.

⁴⁶ Hence prohibiting discrimination in access to services on grounds of race, skin color, national or ethnic origin, sex, gender, sexual orientation, gender identity, belonging to a marginalized group, language, nationality, social background, education, religion or religious belief, political conviction, other beliefs, disability, age, family or marital status, property status, health status, personal capacity and social status, or any other grounds.

⁴⁷ Its purpose is to enable, strengthen and promote economic and political inclusion on all grounds and ensure equal opportunities and reduction of inequality by eliminating systemic discrimination.

⁴⁸ Furthermore, the Law introduced the lawsuit of public interest (*actio popularis*) and exempted from court fees all people who initiate court proceedings for protection against discrimination. Moreover, the Law also regulates the reasonable accommodation with particular emphasis on persons with disabilities. The Law also increased the fines for violations for established discrimination. With the support of OSCE Mission in Skopje in 2020 the National Coordinative body for non-discrimination will work on providing methodology for data collection in cooperation with the State Statistical Office and the public sector duties according the law to be addressed in proper legal act. The Commission for protection of discrimination according to the Law has an obligation of preparing annual report on the situation in the country.

Key Challenges

- Need to strengthen the rule of law through impartial and non-discriminatory enforcement of laws, independent institutions and a functioning system of local self-government;
- Absence of alternatives to detention and less coercive measures that could be applied effectively in individual cases, in particular with regards to children;
- Strengthening the referral capacity for the reception of migrants and refugee children.

Next Steps

The following are key measures the Government has prioritized for the near future:

- Amendments to the Law on the Budget aimed at introducing a gender lens;
- Strengthening the new **Ministry of Political System and Inter-Community Relations**;
- Effective management of migration flows and provision of protection services to vulnerable migrants and refugees in line with international standards;
- Adoption of the new **Strategy for Integration of Refugees and Foreigners** which will enable a more coordinated approach in the provision of integration measures;
- Amending the **Law on Family** to allow for migrant children access to residence status based on the age confirmation;
- Development of the **National Action Plan for LGBTI Rights**.



SDG 11 – Sustainable Cities and Communities



General Situation

About 60 percent of the population is estimated to be living in major cities, with the majority concentrated in the capital city, Skopje. Many rural settlements have a small population and due to the age structure (mainly elderly) may no longer have residents in the coming decades. To ensure access to adequate, safe and affordable housing for all, the **Law of Housing (2014)** was adopted to regulate the quality of subsidized housing and reserve funding for its construction. Subsidized housing is offered as a temporary solution to persons or household at social risks. In 2014, 15 percent of the population lived in sub-standard housing⁴⁹. In 2015, after the initiation of the programme, the ratio fell to 12 percent. In recent years, however, this number has increased back to 15 percent. The Law of Subsidized Home Mortgage offers a fixed interest rate for the first 5 years of repayment, making home financing more affordable. The Ministry of Finance is also implementing “**Buy a House, Buy an Apartment**” programme which subsidizes part of new homeowners’ mortgages⁵⁰.

In the area of transportation, the **Law of Transportation and Road Traffic** regulates the development of the public transportation system and ensures access to safe transportation. The Government is also implementing the **National Transport Strategy 2018-2030**, aimed at improving transportation infrastructure and services. The City of Skopje is developing a **Sustainable Urban Mobility Plan**, aimed to provide safe and affordable mobility and transportation across the city.

Figure 31: Percent of population living in a dwelling with a leaking roof, damp walls, floors or foundation or rot in window frames of floor (by median income)

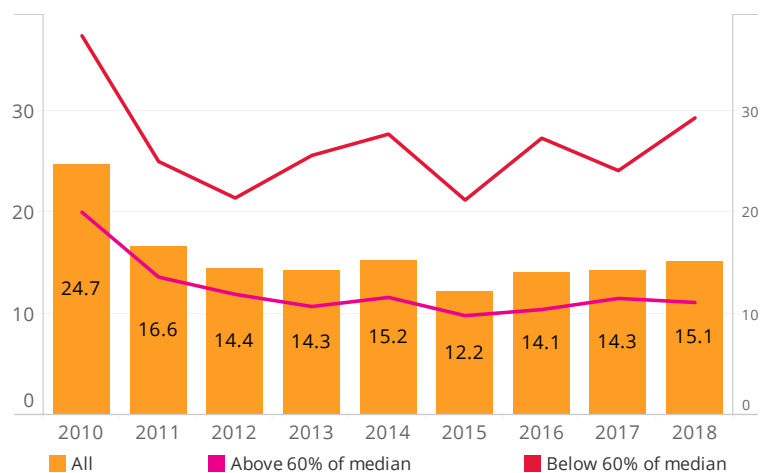
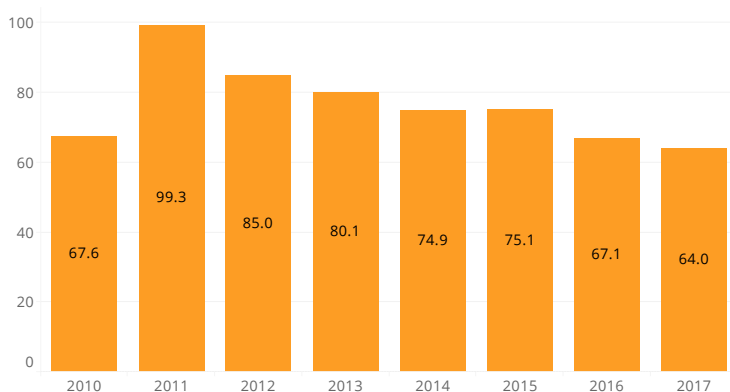


Figure 32: Annual mean levels of fine particulate matter in cities (µg/m³)



Source: EU Survey on Income and Living Conditions

⁴⁹ Defined as “percent of population living in a dwelling with a leaking roof, damp walls, floors or foundation or rot in window frames of floor”.
⁵⁰ The Programme is only available for people under a certain income bracket who will be first time home-owner.

The **National Strategy for the Protection and Use of Cultural Heritage** (and its Action Plan)⁵¹ outlines the basic requirements for the protection and sustainable use of cultural heritage sites, including the Lake Ohrid area.⁵² Ohrid's Management Plan establishes a balance between protecting the outstanding universal value, management of natural resources, social development and economic growth. To maintain the United Nations Educational, Scientific and Cultural Organization (UNESCO) site status, the Government has submitted a progress report to the UNESCO World Heritage Center in January 2030. The Ministry of Environment and Physical Planning has submitted to UNESCO a new application for the "Dlaboka Reka" locality in the National Park Mavrovo, an area covered with old beech forests. Measures such as public awareness-raising campaigns and educational programs are designed to encourage collective action in preserving cultural and natural heritage sites.

The **National Disaster Risk Reduction Platform** was launched in 2019 and provides necessary information for implementing the early warning system and mitigation measures. The city of Skopje has prepared a **Climate Change Strategy – Resilient Skopje**, which identifies the current vulnerability and proposes measures to combat extreme weather and natural disasters.⁵³

Air quality in Skopje remains a concern since the level of fine particulate matter exceeds the maximum allowed level. To minimize adverse environmental impacts on cities, measures have been taken to improve air quality. **The Law of Ambient Air Quality** (2015), along with the **National Plan for Air Pollution Reduction**, were adopted to regulate activities that affect air quality. These measures have helped reduce the amount of pollution. In 2017, the annual mean level of fine particulate matter in cities had dropped to 64 (µg/m³) from a level of 99 in 2011.

In 2017, more than 99 percent of waste generated in the country was deposited in landfills, while less than 1 percent was processed (recycled or composted). Similarly, most of the hazardous waste (approximately 95 percent) was disposed of by waste generators, and the remaining portion was properly treated or in temporary storage. Waste management remains a key challenge for ensuring sustainable development. The **Waste Management Strategy** 2008-2020 establishes a better waste management system (including collection, sorting, treating), reduces illegal disposal and promotes more sustainable waste management practices (including reuse, recycling and recovery). It also encourages the use of cleaner production technologies that utilize resources more efficiently and produce less waste across all sectors.

While many laws and regulations are developed at the central Government level, local Governments⁵⁴ are responsible of urban (or rural) planning, local construction, environmental protection and ensuring their residents' wellbeing. Each municipality, as well as the city of Skopje, is obliged by law to develop a master plan, also referred to as **Detailed Urban Plan**, to address settlements and the development of public spaces. The City of Skopje has recently adopted and is implementing the **City Skopje Strategic Plan** 2020-2022. The decentralization process that started in 2001 has devolved a wide range of responsibilities from central to local Governments. However, some municipal Governments still struggle to provide adequate services to their constituents. Data from the survey on local governance and local service delivery conducted by the **Ministry of Local Self-Government** in 2013 indicated that some municipalities do not provide all public services required by law. According to the UNDP citizens' satisfaction survey on local public services (2019), the majority of the citizens were satisfied with the performance of their municipality and with the quality of life. Residents in urban areas expressed a higher level of satisfaction than residents in rural municipalities.⁵⁵

North Macedonia implements a policy for balanced regional development in accordance with the principles of the **Law on Balanced Regional Development** adopted in 2009 and the **Strategy for Regional Development** as a ten-year planning document within the eight planning regions.⁵⁶ In each of the planning regions⁵⁷ there is a **Center for Development** in charge of implementing the development programme. In 2020, according to the budget programmes for balanced regional development, 7 million denars (113,608 Euro) were allocated for balanced local development.

51 Prepared by the Ministry of Culture based on the basis of the **Law on Protection of Cultural Heritage**.

52 A UNESCO natural and cultural heritage site.

53 One of the major vulnerabilities identified is the insufficient capacity for the city to treat household and industry wastewater. The majority of wastewater is now being drained into River Vardar and storm water sewage increasing the risks for urban flooding in the city.

54 Local governments in the Republic of Macedonia are territorially organized into 80 municipalities and the City of Skopje as a separate Local Government Unit.

55 Citizens were generally satisfied with the services provided by the local authorities in the areas of fire protection, education, culture, sport and recreation and health care. Lowest scores were given to local economic development, social protection, environmental protection, urban planning and democracy, transparency and accountability. These shortcomings are particularly severe in smaller, rural and remote municipalities, which need assistance in designing and funding services to address the needs of vulnerable groups (women, minorities, persons with disabilities).

56 Activities are structured in three main focus areas: i) increasing the transparency by establishing a system for planning, implementing, monitoring and evaluation of regional policy and tracking the financial aspects; ii) improving living standards of in eight planning regions by investing in infrastructure and innovative projects; iii) strengthening the legislation (law and strategic framework) and introducing innovative working tool such as community forums for improving the citizens participation and transparency.

57 Planning regions are not administrative units, but are intended for development planning purposes only.

Strategic and Legislative Framework

The following are the main components of the policy and legislative framework in this area:

- **Law on Local Government** specifies the responsibilities and mandates of local governments;
- **Programme for Sustainable Local Development and Decentralization 2015-2020** ensures a continuous, smart and inclusive approach to the implementation of policies for economic, social and democratic development at the local level;
- **Law on Financing Local Self-Government Municipalities** regulates the financing of municipal and city Governments. Additional measures to improve public financial management in certain municipalities are being considered;
- **Law on Municipal Cooperation** provides a framework for cooperation between municipal Governments. For more efficient and cost-effective performance, two or more municipalities may establish inter-municipal cooperation;
- **Law on Balanced Regional Development** regulates all activities related to regional planning and development (including planning process and allocation funding);
- **National Strategy for Agriculture and Rural Development 2014-2020** specifies measures to promote sustainable agriculture activities in rural areas;
- **Law on Packaging and Packaging Waste** requires packaging producers to employ the best technologies and production processes with the least impact on the environment.

STRATEGIC AND LEGISLATIVE FRAMEWORKS



National Strategy for Sustainable Development 2009-2030



Strategy for Environment and Climate 2014-2020



Strategy for Energy Development by 2030



Strategy on Energy Efficiency Promotion by 2020



Strategy for Utilization of Renewable Energy Sources by 2020

Ongoing Initiatives

- The Government is implementing a programme on **Sustainable and Inclusive Balanced Regional Development** to decrease disparities between the eight planning regions.⁵⁸
- The city of Skopje has established an **Innovation Lab** in support of sustainable development (see below for an overview). The lab is designing solutions for a wide range of problems, including air pollution, public services like waste management, and transforming Skopje into a smart city.

⁵⁸ Activities target three main areas: i) increasing transparency by establishing a system for planning, implementing, monitoring and evaluating regional policy, mainly by tracking financial aspects; ii) improving living standards in eight planning regions by investing in infrastructure and innovative projects; and, ii) strengthening the legislation (legal and strategic framework) as well as introducing innovative working tool such as community forums for improving the citizens participation and transparency.

Box 8: Success Story – Skopje Lab

Skopje Lab is a new model of collaboration between the Government and citizens to address the problem of lack of civic engagement and influence in policymaking. It is the first public innovation lab in the Balkans that serves as an experimental platform where citizens and front-line public servants can join forces to design, prototype and test public services, products, policies and projects to help the City of Skopje improve its sustainability and urban resilience. **Skopje Lab** presents a new way of representing a pro-innovation culture inside the organization, creating and supporting new innovative projects to empower the public administration. **Skopje Lab** helps public servants strengthen cooperation with citizens and businesses.

Solutions are carefully designed with input from different target groups, including a strong emphasis on the participation of citizens. The Lab is currently addressing important challenges such as air pollution, public services, waste management systems and smart city development. The initiative for the public spaces redesigns based on the idea that if we want children, youth, parents and the elderly to have healthy lifestyles, we must provide them with urban spaces designed and conceived for their physical and psychological well-being.



Redesign of public spaces by Skopje Lab

The city of Skopje is also implementing two projects to promote sustainable city development:

- **Resilient Skopje: Scaling-up for Sustainability, Innovation and Climate Change** (with UNDP), wResilient Skopje: Scaling-up for Sustainability, Innovation and Climate Change (with UNDP), which aims to further develop the city's resilience to climate change and other environmental threats. Results include green cadastre, groundwater assessment, construction of green roofs at City Mall (GTC), inventory for water habitats, and flood risks assessment.
- **Tackling Air Pollution in the City of Skopje**, which aims to demonstrate multi-pronged intervention for dealing with air pollution generated by the residential heating system

Disaster and Risk Mitigation Activities in Skopje



External Emergency Plan for the Presence of Hazardous Substances of the City of Skopje



Operational plan for flood protection of the City of Skopje



Resilience plan for climate change adaptation



European Partnership for Innovative Cities within an Urban Resilience Outlook (EPICURO)



Protection and Rescue Plan for City of Skopje from natural disasters and other accidents

Key Challenges

- Several municipalities are currently struggling to improve their environmental performance. The weak institutional capacity of these local Governments is reflected in the inefficient management of public finances, as well as poor quality of public services, which creates distrust between local authorities and the people. These shortcomings are particularly severe in smaller, rural and remote municipalities, which need assistance in designing and funding services to address the needs of specific groups, particularly women, minorities and vulnerable or marginalized groups such as persons with disabilities. A major challenge is to improve the institutional capacity of these municipal Governments, especially in rural areas.
- In terms of balanced regional development, the allocation of at least 1 percent of the state budget for balanced regional development according to the **Law for Balanced Regional Development** continues to be a challenge.

Next Steps

- With UNDP support, the Ministry of Local Self-Government is preparing a new **Programme on Sustainable Local Development and Decentralization** for 2021-2025 and **Action Plan** for 2021-2023. The programme targets the continual development of local self-government and promotes sustainable development and good governance at the local level.
- A municipal sustainable development index aligned with the SDGs will be developed through the project **Building Municipal Capacity for Project Implementation**, which aims at strengthening the capacities of the municipalities to prioritize, formulate and implement development projects. In addition, a technical documentation fund will provide financial resources to less-developed municipalities to undertake preparatory work (infrastructure designs, urban plans, and feasibility studies) for development projects.
- Ongoing initiatives to build resiliency and reduce environmental and disaster risks in the City of Skopje (including **Skopje Lab**) will continue.



SDG 12 – Responsible Consumption and Production

General Situation

The Ministry of Environment and Physical Planning has the general responsibility for waste management, in terms of planning, adoption and implementation of legal provisions, setting standards for waste management, monitoring, issuing permits for waste managers and initiating and coordinating waste management projects.

The Ministry of Economy (ME), the Ministry of Finance and the MoEPP are in charge of preparing regulations for extended liability of manufacturers (packaging, electrical equipment, batteries, etc.). The Ministry of Finance (MoF) prepares economic instruments and provides funds to encourage sustainable waste management, especially in terms of defining fees, taxes and fees, asset management and mechanisms for reimbursing investment and processing costs.

The Ministry of Health (MoH) and the MoEPP are responsible for adopting regulations on medical waste management. The inspection control over medical waste management is divided between the State Sanitary Inspectorate, for selection and storage of medical waste, and the State Environmental Inspectorate for transport and treatment of medical waste.

The Ministry of Agriculture, Forestry and Water Management is responsible for the collection, treatment and final disposal of animal by-products.

The Ministry of Transport and Connections is responsible for communal affairs (Law on Communal Activities), and the **Ministry of Economy** is responsible for establishing public enterprises (Law on Public Enterprises).

The relevant bodies for inspection and sanctioning are the State Environmental Inspectorate (SSO) and the local inspection authorities (municipalities). Inspection control of products released on the market is the responsibility of the State Market Inspectorate (within ME).

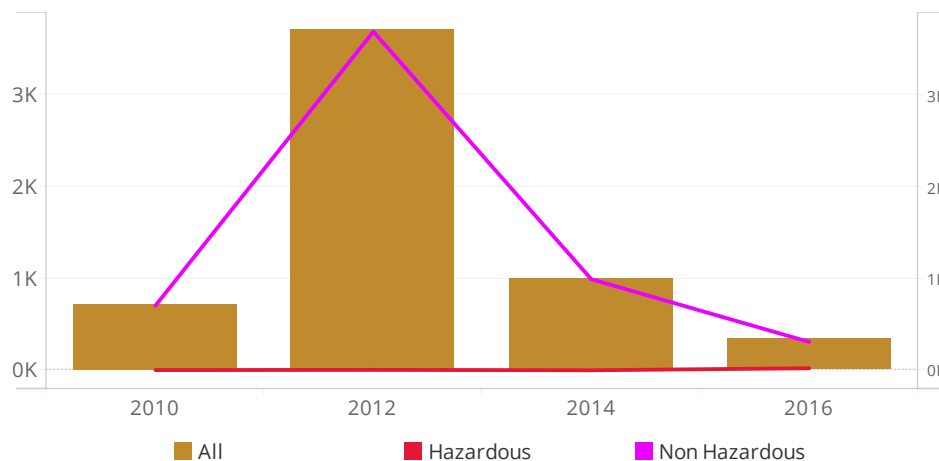
Municipalities are responsible for communal waste management activities such as collection, transportation, separation, disposal, management of landfill and other waste management facilities, and financing. Public Communal Enterprises (PCEs) are the foremost service providers of waste management services (including collection and landfill management). Some municipalities have established Public-Private Partnerships (PPP) with local companies to collect and recycle waste. The Inter-Municipal Waste Management Boards (IMWMB) are responsible for overseeing and monitoring the quality of waste management services. Other stakeholders include the Union of Municipalities (ZELS), Centers for Regional Development, Chamber of Commerce, Union of Public Services, Union of Waste Handlers, Association of Providers of Public Services (ADKOM), NGOs and scientific institutions of universities.

With regards to regulating companies' production practices, there has been an improvement in the process of issuing integrated permits to manage industrial pollution. However, the regulating capacity remains low. Responsible agencies have limited capacities to validate self-reported data by the permit holders. Further, the current setup of the "polluter pays" principle (i.e., a flat rate for different types of polluting substance) has proven ineffective in encouraging firms to invest in cleaner and more environmentally friendly technologies.

Municipalities struggle to implement their environment-related initiatives due to lack of administrative capacities, even with guidance from the Ministry of Environment and Physical Planning (MoEPP)⁵⁹. Further, there have been insufficient incentives to adopt proper waste management practices at the implementation level⁶⁰.

In recent years, there have been significant fluctuations in the amount of waste generated per capita – increasing to as high as 3,714 KG per capita in 2012, to as low as 336 KG per capita in 2016. These fluctuations have been primarily driven by non-hazardous waste, and the levels of hazardous waste generated have remained constant throughout this period.

Figure 33: Hazardous waste generated per capita and proportion of hazardous waste treated (KG per capita)



Source: State Statistical Office

Strategic and Legislative Framework

North Macedonia's waste management policy is aligned with the **EU Environmental Acquis**, Waste Framework Directive and Special Waste Directive. Existing waste management practices are developed based on the Law on Environment, National Environmental Programmes and most importantly the **Law on Waste Management**, which provides a management framework for all types of waste and specifies requirements for different permits for service providers.

With EU support, training to build administrative capacities at the central and local level have been conducted. Strategic waste management frameworks have been developed, (e.g., **National Waste Management Plan 2020-2026 including Programme for Management of Waste Batteries and Accumulator**, also **Programme for Waste from Electrical and Electronic Equipment and packaging and packaging waste**). Also, a package of five new laws has been prepared regulating specific waste flows, which should be adopted by the end of 2020. They include the following:

- **Law on Packaging and Waste Management**
- **Law on Management of Waste Batteries and Accumulators**
- **Law on Management of Electrical and Electronic Equipment and Waste Electrical and Electronic Equipment**
- **Law on Extended Liability of Manufacturers and**
- **Law on Additional Waste Flows.**

The package of laws is made with the support of the EU and is harmonized with the EU directives in the area. The purpose of the laws is:

- providing equal working conditions for producers who place certain products on the market whose use creates waste, that belongs to the special waste flows in order to realize their share in the implementation of the expanded responsibility of the producer and in achieving national goals;

⁵⁹ by law. This is evident in the fact that only one-third of municipalities collect data on municipal solid waste generation and submitted a report despite being mandated

⁶⁰ For instance, waste collectors are not incentivized to separate waste by type at the source of generation and manufacturers that use waste as raw material are not encouraged to recycle.

- ensuring the collection of maximum quantities of special waste flow and ensuring reuse and most modern processing and recycling of special waste streams, in order to achieve the national goals for collection, reuse, processing and recycling established in the regulations on special waste flows (hereinafter: national goals), as well as achieving a high level of environmental protection and human health, in accordance with the principle of sustainability;
- preventing the environmental impact of products and special waste streams created with and after their use to the greatest extent possible, by ensuring a high degree of protection of the environment and human health on the one hand, and ensuring the smooth functioning of the internal market by preventing the creation of obstacles in the free exchange of products or violating the competitiveness of the domestic market provided in accordance with domestic and international legislation, on the other hand;
- providing equal working conditions for the collective, that is, independent actors, who manage the special waste flows by establishing unique rules and procedures for their formation and operation;
- ensuring the necessary transparency in the operation of manufacturers, that is, collective and independent actors with special waste streams;
- providing accurate and revised data on the quantities of products placed on the market in the Republic of North Macedonia and the waste generated by their use, as well as ensuring their availability in order to provide a professional working environment with proper supervision;
- providing accurate and revised data of the amount of collected, processed and recycled special waste flow and thus better services related to the management of special waste flows and increasing the percentage of their collection, processing and recycling which will result in improving the potential for development of the waste management sector;
- informing the public and raising public awareness about the products and the type of waste created by their use, the way citizens can be involved in the management of special waste flows, as well as the impact of waste on the environment and human health.

Ongoing Initiatives

In all eight planning regions, municipalities will continue to work with the Government to seek sustainable sources of funding and develop concessions for the implementation of regional waste management plans.

According to the new **Law on Waste Management** that will be adopted by the end of 2020, the fee for municipal waste management will be determined by the **Energy and Water Services Regulatory Commission**.⁶¹

Box 9: Success Story: Composting of Biodegradable Waste

A pilot composting plant for biodegradable waste management was designed and constructed in the municipality of Resen, and several steps were taken to institutionalize management responsibilities and build long term capacity in the municipality. The composting plant has the capacity to absorb up to 2,000 tons of biological waste per season, turning it into 1,000 tons of high-quality and high-value compost. Four collection stations have been established to feed the plant, along with large apple traders and poultry farmers who bring their waste material directly to the plant.

The composting operation provides multiple benefits for the basin and the lake. First, it provides a sustainable alternative to leaving the material in the field, greatly reducing this source of pollution to the lake. In turn, farmers can use compost instead of artificial fertilizers for their crops, returning essential nutrients to the soil and improving its bulk density and overall quality. Since compost is also cheaper than artificial fertilizer, farmers save money. Because there are ready markets for the compost, revenues from the sale of compost will cover the cost of production. The composting plant could generate economic benefits of USD 4.2 million after an investment of slightly less than USD 2 million.

⁶¹ The fee shall be determined on the basis of the quantity and type of waste that can be determined by unit as MKD per cubic meter and MKD per kilogram in accordance with the methodology for calculating the fee for communal waste management, for each waste management region respectively. The methodology for calculating the fee for municipal waste management referred above shall be prescribed by the **Energy and Water Services Regulatory Commission**.

Key Challenges

Although the strategic and legislative frameworks that guide waste management practices are in place, a major challenge in waste management is the lack of systematic communication between relevant agencies and stakeholders (vertical and horizontal coordination). Consistent meetings and dialogue between MoEPP and municipalities, industry and other stakeholders are required to improve communication and coordination. Further, tasks and responsibilities are split among several institutions, which causes confusion and results in overlapping responsibilities. Clearer mandates and stronger coordination mechanisms will enable better collaboration.

Due to a lack of cost-reflective tariffs for waste services, waste companies suffer from the lack of sufficient funds for maintenance, repair and new investments. Bill collection rates at the household level are, in general, quite low. The availability of reliable waste data remains another challenge for all relevant agencies. The lack of data has limited the ability for MoEPP and other relevant agencies to review current practices and plan for future activities and investments.

All bodies within MoEPP, other ministries, municipalities, and the production/service sector need to strengthen their capacity, knowledge and experience to develop and implement all the relevant legislation, standards and investments for an integrated waste management system.

Green procurement has yet to be adopted by MoEPP. There are also insufficient efforts to promote responsible consumption to the general public. There has been no public campaign to encourage the consumption of products made from recycled materials.

Although the Government has a robust system to produce relevant environmental indicators, reporting environmental indicators in line with the SDG and other international standards remains a challenge.

Next Steps

Priority will be given to establishing an integrated infrastructure for waste collection and treatment, with particular emphasis on source separation and secondary separation of recyclables, extension of recycling capacities and treatment of biodegradable waste. Only municipal solid waste that cannot be recycled because of technical or economic reasons at this stage will be disposed in landfills, complying with requirements of the **Landfill Directive**. To prevent further environmental pollution, proper closure of non-compliant landfills will be taken into consideration, in accordance with the conditions set in the relevant regional waste management plans.

Along with the waste treatment processes, emphasis will be placed on energy recovery and reduction of emissions of greenhouse gas by the utilization of methane generated during the waste treatment process. Best available technologies will be applied in this regard, such as CHP units, which produce heat and energy by burning methane.

Due to lack of funding, four regions are planned for "*concession, build and operate*" for 30 years (Southwest, Southeast, Pelagonija and Vardar region). These regions have already prepared Regional Waste Management Plans, including the Strategic Environmental Impact Assessment of the plans, Feasibility Studies, Environmental Impact Assessment Studies, and Cost Benefits Analyses. They have developed three major projects, including the specification of equipment to establish an integrated and financially sustainable system (for Southeast region this is yet to be done).

Other activities to ensure compliance with the EU Environmental Acquis are in the pipeline, including the closure of noncompliant landfills and dumpsites and supply of equipment for handling and transferring of waste in the East and Northeast regions.



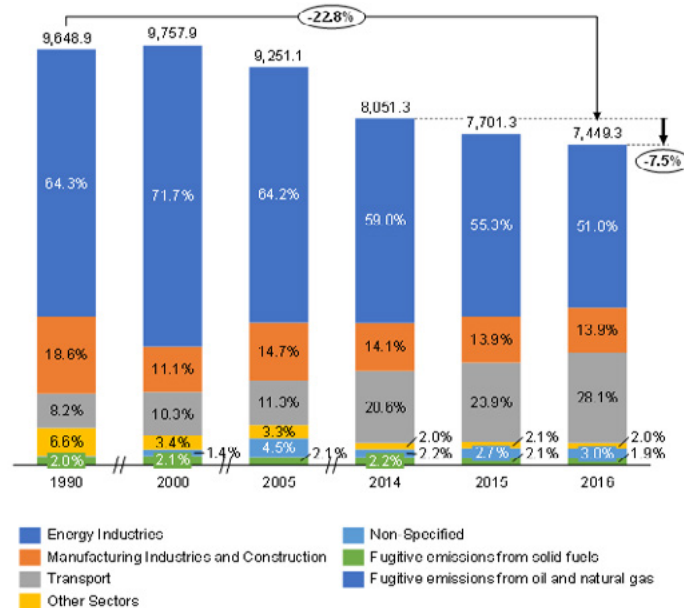
SDG 13 – Climate Action

General Situation

Even though the country is geographically small, it has a diverse climate. This includes an alpine climate in the northern and western regions and a sub-Mediterranean climate in the south. Ordinarily, there are cold winters, hot summers and highly variable amounts of precipitation. As a result of climate change, experts predict that weather will become hotter and drier, with more frequent and severe heat waves, droughts and floods. Overall, the mountainous northern part of the country is expected to warm faster than south-eastern and central regions. The impact of climate change has already been noted. North Macedonia's **Third National Communication to the United Nations Framework Convention on Climate Change (UNFCCC)** reported that average temperatures during the thirty-year period between 1981-2010 were warmer than the thirty-year period between 1961-1990 and 1971-2000. Additionally, in the same communication, it was noted that between 1961-2012 there was an increase in the number of hot summer days towards the end of this period in comparison with the beginning. Between 2010 and 2014, there has been a decline in greenhouse gas emissions. However, more up-to-date data is required for further analysis.

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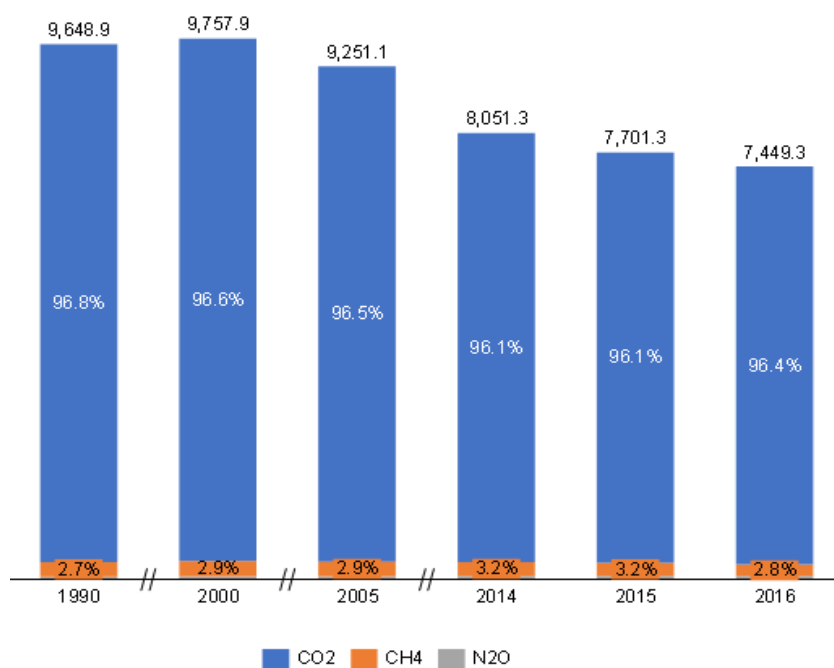
Figure 34: GHG emissions in energy sector, by category (in Gg CO2-eq)



The effects of climate change will harm human life. It is expected that there will be an increasing number of heat waves each year, resulting in increased mortality. Additionally, the impact of heat waves will be compounded by the fact that a larger number of people are moving into urban centres where temperatures are higher than in rural areas. Additionally, North Macedonia is vulnerable to major flooding, especially in urban areas. The 2015 and 2016 floods resulted in the loss of 23 human lives and approximately 30 million Euro in damages related to infrastructure and agricultural lands and products. Furthermore, it is expected that vector-borne diseases will become more common as temperatures continue to rise.

North Macedonia regularly fulfills its reporting obligations under the UNFCCC, Kyoto Protocol and Paris Agreement. However, the policy framework and the human and technical capacities devoted to addressing climate change are not sufficient.

Figure 35: GHG emissions in energy sector, by gas (in Gg of CO2-eq)



Total emissions by category can be seen in Figure 37. A decreasing emission trend is due to reduced electricity production from Energy Industries. Overall, emissions in 2016 were 7.5 percent lower than in 2014 and 22.8 percent lower than in 1990. Most of the GHG emissions in 2016 occurred in the category Energy Industries (51.0 percent), followed by Transport (28.1 percent) and Manufacturing Industries and Construction (13.9 percent). The other two categories together accounted for 5 percent of total emissions in 2016 and the remaining (around 2 percent) were fugitive emissions. Almost all of the GHG emissions in 2016 are actually CO2 emissions (96.4 percent), and CH4 and N2O emissions amount to only 2.8 percent and 0.8 percent respectively.

Within the national plans on climate change, vulnerability and adaptation assessments have been prepared for the sectors of agriculture, forestry, water resources, health, biodiversity, crisis management, tourism and cultural heritage protection. These assessments serve as strategic documents for adaptation to climate change. However, legislation to specifically address climate change or an overall strategic document setting climate change priorities are lacking. Climate change issues have yet to be integrated into primary, secondary and tertiary education curricula. Awareness-raising measures rely mostly on donor-financed projects. Overall, public awareness of climate change remains limited.

Legislative and Strategic Initiatives

Legislation in the area of climate change is limited to several articles in the **Law on Environment**. These articles cover planning documents on climate change, ozone-depleting substance, the GHG inventory preparation system and the development of projects for funding through the Clean Development Mechanism (CDM). As such, the legal framework is not sufficient to regulate climate change in the country.

The **Law on Energy** is transposed from the EU's **Third Energy Package**. It identifies reduced use of fossil fuels, increased use of renewable energy and climate change mitigation as central goals of energy policy.

The country also has a **Law on Energy Efficiency**,⁶² a **Climate Change Communication Strategy**, and a **National DRR Platform**. Efforts are underway to strengthen the legal and strategic framework further.

Ongoing Initiatives

The Republic of North Macedonia is a party to the **UNFCCC**, ratified the **Kyoto Protocol** and has associated itself with the **Copenhagen Accord** (2009). With regard to the **Paris Agreement** (2015), the country has submitted its Intended Nationally Determined Contributions for Climate Change (INDC). North Macedonia is a non-Annex I country to the UNFCCC (developing country) and at the same time, having a status of a candidate country for EU membership, has to adhere to the EU Climate and Energy Policy, which actually takes in the commitments of the Annex I countries. This is also part of the requirements of the Energy Community Treaty. North Macedonia endeavors to integrate as much as possible of both aspects (UNFCCC and EU) in its national reports on Climate Change. With FAO support, the Government of North Macedonia has undertaken important steps in accessing climate finance from the Green Climate Fund (GCF) – the largest fund dedicated to climate action, set up by the UNFCCC. Under the country's first project from the GCF Readiness and Preparatory Support Programme in 2019, capacities of the Cabinet of the Deputy President of the Government in charge of Economic Affairs, as National Designated Authority (NDA) for the GCF, were strengthened to create national stakeholder engagement processes and coordination mechanisms and start preparation of a Country Work Programme for the GCF that is in line with the national adaptation and mitigation priorities, the SDGs and the GCF investment criteria. Based on the progress achieved under the first GCF Readiness grant, a second GCF readiness project will be implemented in 2020-21, where the NDA with FAO support will work on finalizing the development of a Country Work Programme for the GCF with concrete priorities and project/programme ideas in the sectors Energy, Transport, Water Resources, Agriculture, Waste, Biodiversity, Health, Forestry and Cultural Heritage, that will be implemented as part of North Macedonia's efforts to tackle climate change.

INSTITUTIONS IN THE AREA OF CLIMATE CHANGE



Ministry of Environment and Physical Planning (MoEPP) prepares the national GHG inventory and is responsible for reporting to the UNFCCC. Additionally, MoEPP is responsible for designing climate change policy and coordinating climate change initiatives among other institutions across government.



The Hydrometeorological Service is within the Ministry of Agriculture, Forestry and Water Economy and plays a crucial role in monitoring and research related to climate-meteorological and hydrological activities. It is also responsible for forecasting meteorological and hydrological events, and for designing climate change risk scenarios.



Macedonian Academy of Sciences and Arts (MASA) continues to support GHG monitoring activities in the country. However, MASA initiatives tend to be project-based and dependent on support from development partners.

Key Challenges

The country does not have comprehensive legislation for addressing climate change, and a national strategy is not available either. At the same time, while there is strong representation on the **National Climate Change Committee**, the ministries on this committee do not have sufficient staff in place to support its work.⁶³ The 2018 EU progress report points out the need for the country to transpose and start the implementation of the **EU climate acquis**, particularly on emissions monitoring and reporting. The insufficient institutional capacities also limit the ability of the Government to encourage the private sector's collaboration in mitigating climate risks. There is also limited inter-agency coordination on climate change issues.

⁶² Development of a new law on energy efficiency is underway.

⁶³ One of the challenges of the MoEPP is the limited number of staff available for working on climate issues; in particular, there have been times when the Ministry has been unable to maintain staffing levels in the Unit for Climate Change Policy.

CHALLENGES



Air pollution related to the use of coal for the production of energy and heating



Full transposition and implementation of the climate acquis



Achieving low-carbon economy and climate "resilient" society



A disaster risk strategy in line with the Sendai Framework for Disaster Risk Reduction 2015-2030



Efforts to mainstream climate action into other sectors (particularly energy and transport)



The need for additional awareness campaigns on climate change and support the stakeholders' consultations and facilitate inter-ministerial and inter-sectoral cooperation



An institutional set up that would allow municipalities to develop local strategies on climate change adaptation and mitigation



Establishment of GHG monitoring procedures in line with the EU Monitoring Mechanism Regulation No 525/2013 and its implementing provisions

Next Steps

The country is planning to increase its level of ambition by revising of the national determined contribution in line with the objectives of the newly adopted **National Strategy for Energy Development** 2040. The preparation of law and long-term strategy on Climate Action is ongoing. The country is also planning to develop a **National Energy and Climate Plan** in line with the EU's **Energy Community**. Additional upcoming initiatives include:

- Strengthen human capacities of the most relevant institutions, especially those participating in the National Climate Change Committee, by establishing in all participating ministries climate change units or climate focal points with a clear mandate for mainstreaming climate change in the relevant sectors;
- Provide a stronger institutional framework to the national greenhouse gas (GHG) inventory preparation process, including emissions monitoring and reporting procedure which is currently done through international projects;
- Develop a national adaptation plan in response to climate change covering all relevant sectors;
- Develop a national disaster risk reduction strategy in line with the Sendai Framework for Disaster Risk Reduction;
- Encourage cities to become signatories to the Covenant of Mayors for Climate and Energy and to subsequently prepare, adopt and implement sustainable energy (and climate) action plans;
- Advise the City of Skopje to integrate the updated 2011 Skopje Sustainable Energy Action Plan with the 2017 Resilient Skopje Climate Change Strategy, Addressing GHG emissions from waste sector by improving the current waste management system;
- Strengthen the climate financing framework;
- Improve enforcement of environmental regulations;
- Reduce dependency on coal and increased renewable energy resources;
- Integration of adaptation and climate change into the National Spatial plan which is under development;
- Regularly and systematically implement measures aimed at raising awareness on climate-change-related issues;
- Ensure that climate-change-related issues are integrated into primary, secondary and tertiary curricula.



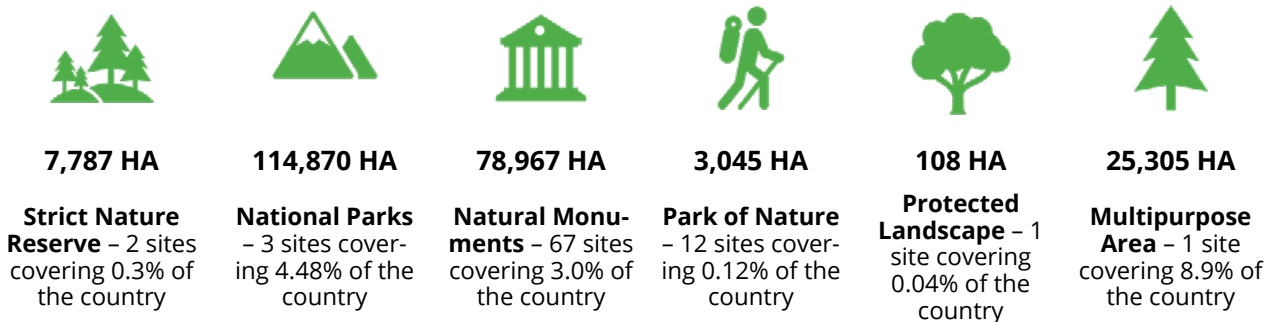
General Situation

North Macedonia has successfully preserved the abundance of wild native species of fauna, fungi and flora, including numerous species categorized by the **International Union for Conservation of Nature (IUCN)** as globally threatened species by extinction and species included in the European Red List. There are 976 species of plants and animals that are endemic to the country, 870 of which are considered local endemics. Of these endemic species, 150 are algae, 120 are vascular plants, 700 are invertebrates, and 27 are fish. Lake Ohrid is one of the main centres for endemic species in the country, along with Galičica, Jakupica-Karadzica, Korab and Pelister, and the Shara Mountains.

Currently, 86 protected areas have been designated in accordance with the **Law on Nature Protection** - 2 strict nature reserves, 3 national parks, 67 monuments of nature, 12 nature parks, 1 protected landscape and 1 multi-purpose area. Two sites are included in the Ramsar List - Lake Prespa (1995) and Lake Dojran (2008). Currently, there is an initiative to nominate Lake Ohrid as a Ramsar site. Protected areas cover about 9 percent of the territory of the country.

Furthermore, according to the IUCN criteria in cooperation with the MoEPP with IUCN and national experts in 2019, the First National Red List was developed for 46 reptiles and amphibians, and for 14 national plant species selected according to their importance for international conservation.⁶⁴

SIX MAIN IUCN CATEGORIES



Forests (43 percent) and other wooded lands (16.8 percent) make up more than half of the country's territory, confirming the economic, social and environmental significance of the forestry sector in North Macedonia. Although the country has great potential for forestry development, the sector is characterized by large-scale economic and environmental losses due to illegal forest activities, human-caused forest fires, climate change-related diseases, fires and insects. The management (raising, cultivation, protection and use) of state forests is in accordance with the **Law on Forests** and is performed by the Public Enterprise "National Forests – Skopje". Private forests are managed by private forest owners, while specialized technical work in and for private forests, in accordance with the Law on Forests, is carried out by the Public Enterprise "National Forests – Skopje" primarily its subsidiaries: Forest Holdings, Forests

Footnote 64: The IUCN provides scientific information and analysis of the state of threats and levels of threat to species in accordance with the criteria for evaluation developed by the International Union for the Conservation of Nature. It categorizes all species into seven groups based on their level of threat – these categories include extinct species, species extinct in the wild, critically endangered, endangered, vulnerable, near threatened and least concern species.

in national parks are managed by public institutions, while other categories of protected areas are managed by designated entities in compliance with the law on conservation of nature and the Declaration of Acts.

Along with the adverse impacts of climate change and loss of biodiversity, land degradation has become one of the major environmental challenges. The main issues related to desertification include drought and aridity, shortage of irrigation water, water erosion, wind erosion, depletion of soil fertility, unsustainable agricultural practices, deforestation, loss of biodiversity, soil sealing and salinization, flooding, land sliding and socio-economic constraints.

Strategic and Legislative Framework

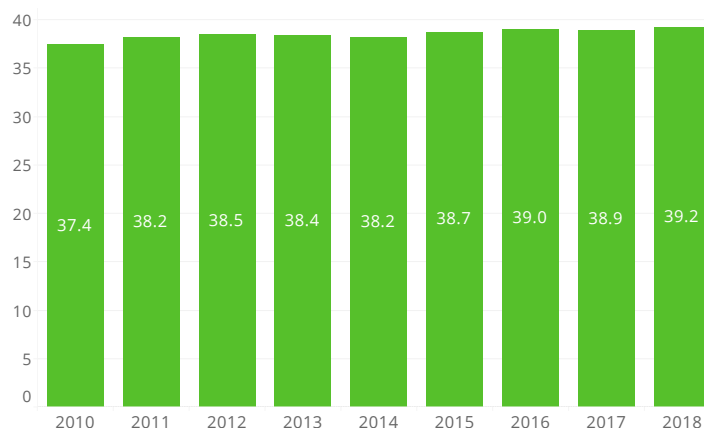


Figure 36: Forest area as a proportion of total land area (percent)

Source: State Statistical Office

Various institutions and organizations are involved in activities for biodiversity conservation and nature protection. A key institution under the Law on Nature Protection is the MoEPP, which is responsible for the protection of nature, biological and - landscape diversity and natural heritage as well as for the application of the provisions of the Law on nature protection. MAFWE is responsible for irrigation and drainage, forest and hunting management, fisheries and aquaculture, monitoring the quality of surface and groundwater.

The management and sustainable use of protected forests, according to the **Law on Nature Protection**, is performed by national parks (Pelister, Mavrovo and Galicica). The Ministry of Agriculture, Forestry and Water Economy through the Department of Forestry and Hunting carries out forestry policies, as well as legislative, normative, administrative legal and other matters related to this industry. The proportion of the land area that is covered by forest in the country is quite large relative to other countries (at 39 per cent), and this figure has been growing modestly in recent years.

North Macedonia has established a sound legal framework for nature protection that is aligned to the EU legislation. As a candidate for accession to the EU, the country has ratified all relevant international agreements for nature, participates in the most pertinent meetings and complies with the relevant international reporting obligations.

The **Law on Nature Protection**, which regulates the protection of natural habitats, biodiversity and natural heritage, is crucial. This law is harmonized with two of the EU's main instruments for the protection of nature, the **Habitats Directive (92/43/EEC)**, the **Birds Directive (79/409/EEC)** and the **Regulation on the Protection of Wildlife and Fauna by regulating trade with them**. In addition, in 2018, the Government adopted the **National Strategy for Nature Protection and the Action Plan** for 2017-2027, as well as the **National Strategy for Biological Diversity and the Action Plan** for 2018-2023. In 2020 the sixth national report to the **Convention on Biological Diversity** has been prepared.

Furthermore, the development of the **National Action Plan to Combat Desertification** is one of the initial steps the Government has taken towards implementing the **UN Convention to Combat Desertification**. The action plan was developed with the active involvement of relevant Government bodies, scientific institutions, universities and non-governmental organizations. Also, a **National Drought Management Plan** has been prepared as part of the National Action Plan.

Ongoing Initiatives

- **Forestry Laws** - The development of the following new laws in the field of forestry is in the legislative agenda of the Government: **Law on Forests**, **Law on Hunting**, as well as amendments to the **Law on Reproductive Material of Forest Species**. Ongoing forestry activities include the implementation of the first phase of the 1.3 million Euro IPA forestry project in North Macedonia.
- **Ecosystem Approach in the Management of Natural Resources** - The country has made progress in applying the principles of ecosystem approach in the management of natural resources. First attempts have been made on the integrated management of Prespa and Ohrid lakes, and more recently the Bregalnica River watershed.⁶⁵ Activities are underway on the implementation of a short-term capacity building plan for all ecosystem services stakeholders.
- **Natura 2000** - In 2015, North Macedonia started the process of identification of potential future sites of "**Natura 2000**".⁶⁶ As a first step, a draft national reference for habitats and species and birds was developed, and pilot areas were identified. The next step covers preparation of plans for management of future identified Natura 2000 areas, updating of national species, habitat and birds reference list, practical use of species and habitat and birds monitoring protocols in field activities and the making of additional bylaws. Currently, the activities are aimed at identifying areas of habitat and species of European importance in the basin of the river Bregalnica.
- **Natural Rarities** - According the Law on natural protection MoEPP designated in 2019 five new natural rarities. These five new natural rarities include individual trees, geological site, geomorphologic locality and paleontological site.
- **Improving the Management of Protected Areas** - The aim is to improve the protection of nature and promote the sustainable use of natural resources, while strengthening the administrative capacity of protected areas authorities, local self-governments and NGOs.⁶⁷
- The transboundary cooperation on nature protection between North Macedonia, Greece and Albania was strengthened with the establishment of a **transboundary conservation trust fund** (PONT) in 2015.⁶⁸ Grants are provided to qualified NGOs, municipalities and research institutes with a local presence in the Wider Prespa Area and with a strategy in developing society, improving communities, and promoting citizen participation in conservation.

Key Challenges

The management capacity of the entities in charge for protected areas is insufficient to ensure adequate management. The capacity of scientific and professional institutions and NGOs that have expertise in the field of nature protection is limited. It is necessary to establish a National Information System for Nature for data collection and analysis. Another challenge in the field of nature protection is the lack of material and human resources at the national and local levels.

The administrative procedures that are used for protected locations require greater clarity and institutional collaboration. The various protected areas have been designated at different periods, resulting in boundaries that are not clearly defined, as well as uncertainty with regard to who is accountable for managing the locations. Further, legislation on nature conservation needs to be respected by the with other sectors in order to avoid overlapping competences, especially between MoEPP and MAFWE. Also, the coordination and enforcement capacity of Environmental Inspectorates needs to be further strengthened. The main challenge in the area of forestry is the transformation of the entire forestry sector, primarily the Public Enterprises of National Forests. The Government has tasked the Ministry of Agriculture, Forestry and Water Economy to set up a working group for overseeing the transformation of the sector.

⁶⁵ Several activities related to ecosystem services have been implemented, with ecosystems being selected and mapped throughout the country. The ecosystem status is currently being developed and a pilot mechanism for paying for ecosystem services is planned.

⁶⁶ Natura 2000 is the largest coordinated network of protected areas in the world accounting for over 18 percent of the mainland and nearly 6 percent of the marine territory of the EU

⁶⁷ It is designed to show by doing how protected areas management can be enhanced by creating scalable and replicable examples that demonstrate the social and economic benefits of the protection of natural resources. The central feature of the project is a grant that supports activities that address priority needs in improving the management of protected areas, where possible including those recently proposed as pilot Natura 2000 sites; promote more sustainable use of natural resources; and demonstrate through practical examples that nature protection and the economic development of communities can go hand in hand. In addition to the grants scheme, the project has supported the piloting of two wastewater treatment facilities in the Municipality of Vevcani and the Municipality of Bitola (villages of Magarevo and Trnovo). These facilities are demonstrating the environmental and economic benefits of community-based wastewater treatment technologies.

⁶⁸ PONT's Mission is to provide long-term financing for the conservation and sustainable management of biological diversity, natural processes and ecosystem services in Prespa and its wider area for the benefit of nature and people in the region.

Next Steps

The following steps will contribute to the more effective implementation of nature protection legislation:

- Establishment of **Institute for Nature Protection** or a national **Nature Conservation Expert Agency** which will be in charge of conducting expert work in the area of nature protection;
- Establishment of a special Environment / Nature Fund;
- New permanent separate Government budget line to allocate and earmark funds to cover nature conservation obligations solely, primarily for the management of protected areas, plans for the management of protected areas and for harmonization with the EU legislation in the field of nature protection;
- Permanent state funding for assessing the conservation status of species and habitats and preparation of red lists and red data index;
- Payment for ecosystem services in protected areas to be established as a way of ensuring financial sustainability;
- Introduction of Ecosystem Restoration as an opportunity for green job creation, food security and addressing climate change;
- Open dialogue and cooperation between institutions on the implementation of the Nature Protection Legislation and requirements from international agreements;
- Capacities of protected areas administrations to be strengthened with the employment of biologists, foresters, ecologists etc.;
- **National Information System for Nature** to be established with effective tools for systematic collection, storage, monitoring and analysis of biodiversity data;
- Preparation of legislation for the transformation of the entire forestry sector;
- Preparation of the **Law on Soil Protection** and **Integrated Strategy for Soil Protection**.



SDG 16 – Peace, Justice and Strong Institutions



General Situation

The Constitution guarantees the fundamental rights and freedoms of every person. These include civil and political rights and freedoms, economic, social and cultural rights, as well as the right to a healthy environment. In the past four years, the Government's main priority has been the reform of the judiciary – in particular, strengthening its independence and effectiveness. Other national priorities include the creation of an open society and restoration of trust in public institutions by promoting a peaceful and inclusive society, ensuring equal access to the justice system and improving the transparency and accountability of public institutions.

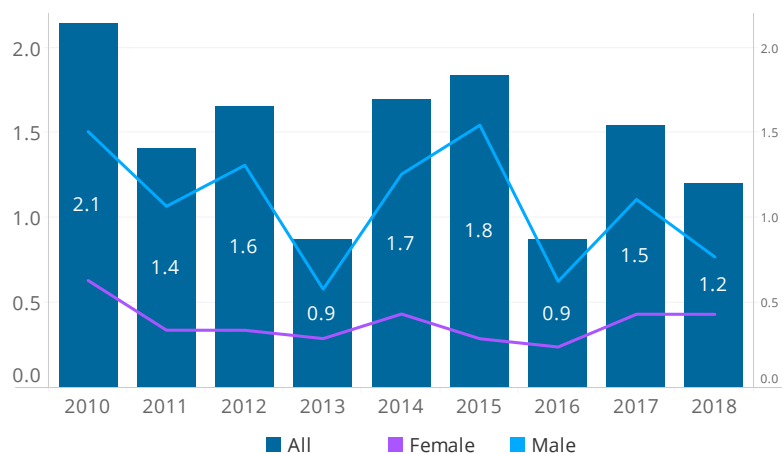
To reduce violence and protect vulnerable groups, the Government has developed the ***National Action Plan for the Implementation of the Council of Europe Convention on the Prevention and Fight against Violence against Women and Domestic Violence***. The action plan was developed by a multi-sector group involving all relevant national institutions.

The number of victims of intentional homicide per 100,000 individuals has remained fairly constant between 2010 and 2018 – ranging from 0.9 to 2.1 – however this figure is much higher for men in comparison with women.

North Macedonia is committed to protecting children from abuse and neglect. Year 2019 marked a significant milestone for the country, as there were no longer any children living in institutional facilities. This process was guided by the National Strategy for Deinstitutionalization 2018-2027. Another major milestone was the pledge signed by five Government ministers - Interior, Justice, Health, Education and Science, and Labour and Social Policy - to join the Global Partnership to End Violence Against Children⁶⁹. To uphold its commitment to protecting children, the Government has recently adopted the National Strategy for the Prevention and Protection of Children from Violence 2020 - 2025 and ***Action Plan to Reduce any Form of Violence against Children*** 2020-2022.

⁶⁹ With this new pledge, North Macedonia will become the twenty seventh country in the global partnership and undertake concrete actions to progressively end violence against children by 2022.

Figure 37: Number of victims of intentional homicide per 100,000 individuals



Source: State Statistical Office

The independence of the judiciary is guaranteed under the Constitution. Strengthening the rule of law and judicial institutions continues to be one of the Government's top priorities. The most important action taken has been the implementation of the **Strategy for the Reform of the Judicial Sector 2017-2022 with an Action Plan**, led by the Judicial Reform Monitoring Council chaired by the Minister of Justice. Since 2017, amendments have been made to the **Law on the Council of Public Prosecutors**, **Law on the Academy for Judges and Public Prosecutors** and **Law on Managing the Movement of Cases in Courts**. New laws, including the **Law on Public Prosecutor's Office** and **Law on Protection of Personal Data**, have been adopted.

A new **Law on Protection and Prevention of Discrimination** was adopted in 2019 and is currently being reviewed by the Constitutional Court. Based on the law, the Parliament is due to establish a new **Commission for Protection and Prevention from Discrimination**, which will be the key state body for ensuring protection from discrimination and promotion of equality for all. The Ombudsperson is another institution responsible for investigating human rights violations and discrimination by public bodies. This institution requires further strengthening of its independence and efficiency.

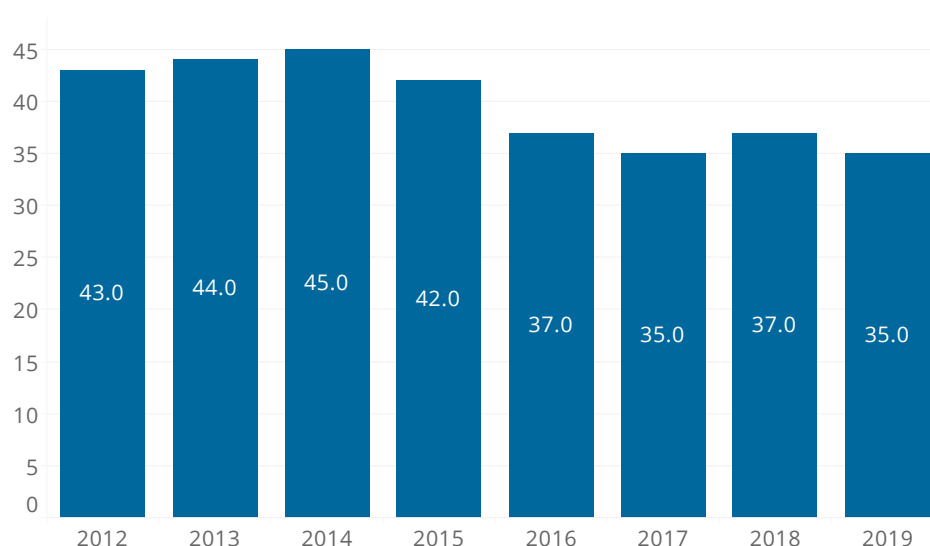
In February 2019, the new **Strategy for Information and Communication Technology in the Judiciary 2019-2024** introduced a centralized system for modernizing the court management system. Within the Public Prosecutor's Office, a Case Management System (CMS) is now in place to enable electronic filing of cases and improve the efficiency of its operations. More oversight on the Court Case Management System (ACMIS) has been put in place to prevent abuses and ensure proper application of the system. Following these reforms, courts are now operating with improved efficiency—including the capacity to process at least as many cases as they receive⁷⁰. Further, to reduce barriers and improve access to justice for all, the Government has adopted the **Law on Administrative Disputes**, **Law on Misdemeanours** and **Law on Free Legal Aid**. The latter guarantees the provision of primary and secondary legal aid to citizens who do not have sufficient financial resources. Further, the cost of enforcement and notary procedures were reduced in 2019. Other activities to improve the legal framework and strengthen the judicial system are ongoing. They are coupled with ongoing training for judicial staff to ensure the enforcement of legislation.

To align national standards in criminal justice with international standards, North Macedonia has engaged with the **Fundamental Rights Agency** (FRA) since 2017. The Government also has a **Euro just Cooperation Agreement** (EUROJUST) since 2010, which has resulted in a successful and long-term cooperation in the area of criminal justice.

Improving the conditions in penitentiaries is another Government priority. The refurbishment of the largest Idrizovo Penitentiary has been completed and other improvements at Idrizovo Prison Women's Unit, Bitola Prison and other facilities are underway. Furthermore, the Government is working to strengthen the capacities of staff in penitentiary and correctional facilities for early recognition and detection of violent extremism and radicalization through the implementation of the **National Strategy Against Terrorism** and **National Strategy for the Prevention of Violent Extremism**.

⁷⁰ According to indicators of the European Commission for the Efficiency of Justice (SEREF), the efficiency of the justice system in terms of the time required for the resolution of cases has improved significantly. The average case resolution time was approximately 65 days in 2018.

Figure 38: Corruption perceptions index (score between 0-100)



Source: Transparency International

To prevent and reduce corruption, the revised **Law on Prevention of Corruption and Conflicts of Interest** was adopted in early 2019. The government expects this legislation to further improve the country's ranking in the corruption perceptions index. The **Law on the Protection of Whistleblowers** was amended to align it with international standards in developing independent institutional mechanisms to investigate claims and ensure protection of whistleblowers. Since the adoption of these two laws, the reporting and investigation of irregularities has improved.

North Macedonia plays an active role in the prevention and fight against trafficking in human beings. Considerable efforts have been made to ensure support services for all victims of trafficking (both nationals and foreigners). The establishment of five mobile teams composed of social workers, law enforcement officers and civil society members has strengthened the identification, referral and assistance to victims of trafficking and potential victims of trafficking. As a result, the number of identified potential victims and victims of trafficking has increased.

Strategic and Legislative Framework

Since 2016, many strategic and legislative initiatives have been undertaken to strengthen the institutions and achieve a peaceful and inclusive society. The figure below shows key strategic and legal frameworks.

STRATEGIC AND LEGISLATIVE FRAMEWORKS



National Strategy for Development of the Penitentiary System 2015-2019



Strategy for Development of the Probation Service



National Strategy for Equality and Non-Discrimination 2016-2020



National Gender Equality Action Plan 2018-2020



National Strategy for Combating Trafficking in Human Beings and Illegal Migration 2017-2020



National Strategy for the Prevention and Protection of Children from Violence 2020-2025



National Strategy for Deinstitutionalization 2018-2027



Strategy for the Roma 2014 - 2020



National Strategy for the Prevention and Repression of Corruption and Conflict of Interest and the Action Plan



Strategy for Police Development 2016-2020



Strategy for the Development of the "One Society for All" Concept and Interculturalism 2020-2022 and the Action Plan



First Strategic Plan of the Ministry of Political System and Inter-Community Relations 2020-2022 for the promotion of inter-ethnic relations

The reform of the judicial system that commenced in 2017 has led to the amendment of several strategic and legislative frameworks, including the following:

- **Law on the Judicial Council** was developed in line with the opinions of the Venice Commission;
- **Law on the Council of Public Prosecutors** was amended to expand the power of prosecutors, promote transparency, and establish accountability of Council members;
- **Law on Free Legal Aid** was adopted to enable citizens who do not have sufficient financial resources to exercise their rights before courts, administrative bodies, and other state bodies such as the Constitutional Court, the Ombudsman and other institutions;
- Amendments were also made to the **Law on Enforcement** and the **Law on Notary Public**, which provide supports for citizens to cope with the high costs of law enforcement and notary procedures.

In support of the Government's efforts to improve public administration and promote transparency, the following strategic documents have been developed: **Strategy for Open Data** and its **Action Plan 2018-2020**, **Strategy for Public Administration Reform** and its **Action Plan 2018-2022**, **National Plan for Public Sector Quality Management 2018-2020** and **Strategy on Personal Data Protection 2017-2022**.

In view of further alignment of the legal framework with the EU acquis, North Macedonia has introduced the principle of impunity of the victims of trafficking and children victims of trafficking through changes and amendments of the Criminal Code in December 2018⁷¹. The **National Strategy for Combating Trafficking in Human Beings and Illegal Migration** (2017 – 2020) outlines policy measures in the area of prevention and protection of victims of trafficking and prosecution of perpetrators of human trafficking crimes, including coordination and cooperation among the relevant institutions and organizations and monitoring and evaluation of the conducted interventions. In addition, the Government is fully committed to the implementation of the **UN Global Compact for Safe, Orderly and Regular Migration**. Protocols and agreements for fighting against trafficking in human beings have been signed with neighbouring countries, thus strengthening regional cooperation in the prevention, identification, protection and referral of victims of human trafficking with respect of their fundamental human rights.

The Government recognizes the importance of greater transparency for democratization and economic development and is committed to improving transparency through public administration reforms. The **Law on Free Access to Public Information** and **Law on Prevention of Money Laundering and Financing of Terrorism** were revised to fulfill this commitment. Statistics on the prevention and repression of corruption and money laundering are made available to the public through a web application. Further, the Government has developed the **Strategy for Transparency 2019-2021** that aims to strengthen citizens' trust in public institutions (at all levels) and to create an atmosphere of transparency and trust towards the EU and NATO integration processes⁷².

Ongoing Initiatives

One key ongoing initiative is participation in the Group of States against Corruption (GRECO), the Council of Europe's anti-corruption monitoring body. The Government has supported the implementation of the **GRECO Fourth Evaluation Round** and prepared for the Fifth Round Evaluation, which will evaluate efforts taken to prevent corruption and promote the integrity of central institutions, especially executive bodies and law enforcement agencies.

⁷¹ The articles related to the victims of trafficking in the new Law on Aliens, adopted in May 2018, are aligned with the Council of Europe Convention on Action against Trafficking in Human Beings.

⁷² The strategy introduces coordination mechanisms for all relevant strategic and legislative frameworks and defines the responsibilities and competencies needed to raise the transparency and accountability to an appropriate level, enabling a higher level of accountability of all public servants and officials to the citizens. These efforts have been noted by the European Union. In particular, the 2019 Progress Report for the Republic of North Macedonia stated that "good progress has been made, especially with implementation of the public administration reform strategic framework, improved public consultations and increased transparency in policy-making".

A training system for prison staff is under development. In the area of personal data protection, a new **Law on Personal Data** has been prepared and is currently under review. With regards to ensuring safe migration, North Macedonia has been cooperating with neighbouring countries to develop official protocols on how to prevent, identify and protect victims of human trafficking. The government has established a task force, comprised of representatives from the Ministry of Interior and Public Prosecutor's Office, to fight human trafficking and smuggling of migrants. During this process, the government has had close cooperation with international organizations present in the country, including the UN, OSCE, Frontex, Europol, etc.

To advance the quality and availability of public services, the government launched in 2019 a **national portal for e-services** (*uslugi.gov.mk*). The portal provides basic information on 707 services offered at both central and local levels for citizens and legal entities. A total of 127 e-services (i.e. paying administrative fees, enrolling in social services, etc.) are available through the portal.

To enhance fiscal transparency and education of taxpayers and citizens, the Ministry of Finance has established the following online platforms:

- **Capital expenditures per budget user** - provides an overview of budget users regarding the realization of capital expenditures, and thus encourage improvement of the realization of most of them.
- **Open finance** - enables the public access to information about public payments. Between January and March 2020 there have been over 220,000 visits. with over 20,000 users staying on the site for an average of 7 minutes.
- **Public debt** - provides information on public debt and serves as a good analytical and educational tool for students and journalists.

A new approach to strategy development and implementation is being attempted by the Government with the Strategy for One Society and Interculturalism which is formulated through a transparent and participatory manner⁷³.

This approach serves as an example for other strategies and documents developed by the Government⁷⁴.

To improve the protection of children by the justice system and strengthen the implementation of the **Justice for Children Law**, the law is being revised⁷⁵.

The revision aims to improve access to free legal aid for all children, ensure that the rights and needs of young offenders, children at risk of offending, child victims and witnesses are addressed, and ensure that preventive and protective services are provided through a strong multi-agency approach (child protection, social protection, education and health systems).⁷⁶

For the protection of other marginalized groups, the Government has initiated the process of adoption of a new law for unregistered persons and provide access to four rights (health, education, social protection and employment), as a starting point in establishing systemic solution for the issue of unregistered birth and personal name.

Key Challenges

The strengthening the rule of law and judiciary is a key challenge. The Government's focus will continue to be on the adoption of new laws, but also in changing the mentality and modus operandi of key institutions. Important laws include the Law on Public Prosecutor's Office, Law on the Council of Public Prosecutors, Law on the Academy for Judges and Public Prosecutors, Law on Managing the Movement of Cases in Courts, Law on Expertise, Law on Protection of Cases, Law on Justice for Children, and Law on Criminal Procedure. Key priorities include the enactment of the Law on Public Prosecutor's Office, the conduct of effective investigations and fair proceedings in all cases of organized crime and corruption, and the optimization of the judicial and public prosecution network to comply with the new human resource plans. In the fight against corruption, the implementation of the new National Strategy for Prevention and Repression of Corruption and Conflict of Interest is a priority. In line with its implementation, all public institutions are required to abide by the new anti-corruption institutional framework. The protection of human rights requires an effective criminal justice system, which is a requirement of the EU accession process and a priority and a challenge for the country.

⁷³ The strategy was developed by seven working groups involving civil society organizations, academia and civil servants. In addition, there were eight public discussions and five university discussions throughout the country where citizens, academics and civil society activists exchanged views on what they wanted the strategy to be. The inclusion of multiple stakeholders is also foreseen in the implementation of the strategy during the next two years.

⁷⁴ The inclusion of civil society and citizens remains a challenge and a priority, therefore innovative ways are required in order to create spaces where cooperation between sectors and actors can happen in an organic manner.

⁷⁵ Assessments conducted in previous years identified several constraints affecting implementation of the existing law.

⁷⁶ The law will adhere more effectively to the principle of the best interest of the child and be harmonized with the newly adopted EU Directives concerning procedural guarantees for the protection of children suspected or accused in criminal proceedings.

The Government's focus will also be on countering the trafficking of human beings and smuggling of migrants, drugs and firearms, as well as the protection of vulnerable categories. There is a need to continue enhancing cross-border cooperation and exchanging best practices on combating cross border organized crime with particular focus on human trafficking and migrant smuggling among the social protection workers, law enforcement officers, judges and public prosecutors.

Another challenge is the insufficient flow of information between the centres for social work and other institutions and insufficient coordination between health care institutions, educational institutions, centres for social work and the police. In the area of criminal justice, the overall level of awareness among judges and prosecutors on the protection of children victims of violence is insufficient, and there is need of a more child-friendly justice system. Justice professionals are not trained to work with children which often leads to children's exposure to secondary victimization. Procedural protection for children is also lacking. It is equally important to enhance data analysis capacities and to fortify cross-sectoral cooperation, having the health, social, police, education and justice sectors adopt a coordinated approach to delivering quality services for recording, detecting, treating, preventing and protecting children from violence. The standards and conditions in correctional facilities for children need to be improved.

With regards to the protection of marginalized groups, the adoption and the consequent enforcement of the **Law on Prevention and Protection for Discrimination** will remain crucial. Furthermore, more engagement is needed in sensitizing public service providers and strengthening their capacities for working with marginalized groups suffering from unacceptance and social stigma (LGBTIs, people with disabilities, Roma, sex workers, people who use drugs).

Access to justice for all communities continues to be a challenge, especially for marginalized communities such as Roma, LGBTIs, sex workers and people who use drugs. They are subject to social stigma, exclusion and lack of financial support and information. The capacities of institutions providing services to marginalized groups need to be strengthened. While political support for LGBTI issues has risen, recognition of hate crimes and hate speech and adequate protection of the victims and prosecution of perpetrators is still lacking.

The implementation of the **Law on Free Legal Aid** also requires further improvement. There is a need for increased and stronger capacities for its implementation and promotion within the Ministry of Justice, particularly because this law is imperative for the protection of marginalized groups with limited access to justice. The law provides access to free legal aid for asylum seekers and stateless persons. However, in practice the free legal aid mechanism is not functional for these groups of persons due to the fact that these individuals are largely undocumented which causes further prevents them from accessing services.

Next Steps

North Macedonia will continue its efforts to strengthen the capacity and independence of the judiciary, as well as the institutional mechanisms for protection against discrimination, prevention of trafficking in human beings and protection of victims of trafficking, and promotion of equal opportunities. The Government will continue its efforts in reforming the justice system. The priority will be on strengthening capacities by increasing human, material and technical resources available to judicial institutions. Trainings for judges, public prosecutors, judicial and public prosecutors will be provided on a continuous basis.

The **State Commission for the Prevention of Corruption** will continue to carry out its responsibilities under the new **Law on Prevention of Corruption and Conflict of Interest**. It will also monitor the implementation of the new **National Strategy for the Prevention and Repression of Corruption and Conflict of Interest**. Activities will be undertaken to implement **GRECO's Fifth Round of Evaluation**. In the area of personal data protection, the process of adoption of the new **Law on Personal Data Protection** will be completed.

North Macedonia will continue actions on the prevention, identification, referral, direct assistance, protection, integration, detection and prosecution actions in area of trafficking in human beings as per the strategical directions and actions that will be included in the new **National Strategy and Action Plan for Combating Trafficking in Human Beings and Illegal Migration 2021 – 2024**. The country will also continue to raise awareness among vulnerable categories, both citizens and migrants, on available protection services and migration-related risks, including trafficking in human beings.

As there are no more children in large-scale institutions, the Government will strengthen the sustainability of the de-institutionalization process by improving alternative care solutions and ensuring that no children are placed in institutional settings. In addition, efforts will be made and resources allocated to ensure the implementation of the **Strategy for Prevention and Protection of Children from Violence 2020-2025** and its **Action Plan 2020-2022**.

In December 2019, North Macedonia attended the **First Global Refugee Forum in Geneva**, where it pledged to establish a system of protection against sexual or gender-based violence, in line with the **Istanbul Convention**. This includes the protection of refugees and asylum seekers and resolution of the protracted situation of refugees from Kosovo by granting long-term legal status in the country to all those who may qualify under the Law on Foreigners.



SDG 17 – Partnerships for the Goals

General Situation

North Macedonia is committed to strengthening and expanding partnerships in the region and more broadly. It has proactively improved relations with its neighbours and has successfully fostered cooperation with various international organizations, including the European Union, United Nations, North Atlantic Treaty Organization, World Trade Organization, as well as many regional cooperation initiatives.

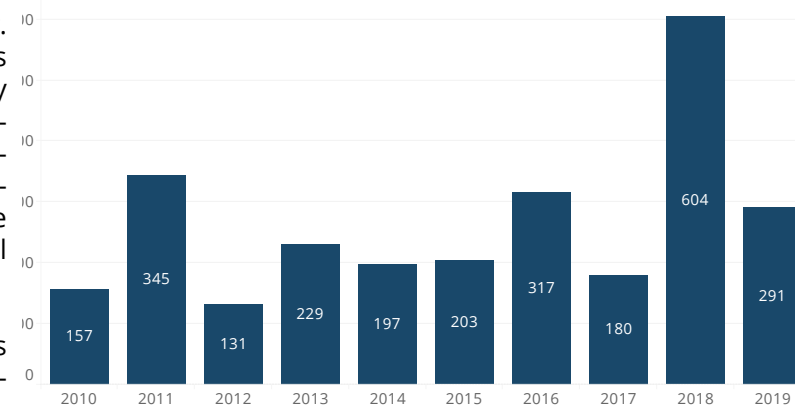
EU accession has been the country's main political goal in the last two decades. North Macedonia began its formal accession process in 2000 by initiating negotiations on the **Stabilization and Association Process (SAA)**. In 2001, it became the first non-EU country in the Balkans to sign the Stabilisation and Association Agreement with the EU. In March 2004, North Macedonia submitted its application for EU membership and in September 2004 the Government adopted a **National Strategy for European Integration**, supported by the Parliament. In January 2008, the **Visa Facilitation and Readmission Agreements between North Macedonia and the EU** entered into force.

The country's Euro-Atlantic integration process was delayed for some time primarily due to the name dispute with Greece. The long negotiations process under the auspices of UN was successfully concluded in 2018 with the signing of the "*Prespa Agreement*"⁷⁷. By the end of March 2020, the flag of North Macedonia was raised in NATO and the EU Council agreed to start accession negotiations.

North Macedonia has been a member of the WTO since 2003, has joined CEFTA⁷⁸ and EFTA⁷⁹ and has entered two bilateral trade agreements with Turkey and Ukraine. These agreements give it duty free access to more than 650 million consumers and help attract foreign direct investment.

In recent years, North Macedonia has provided humanitarian aid in the form of disaster relief and support to several countries. Cash assistance was provided to the Philippines in 2013 to support repair works following a catastrophic typhoon. In 2014, cash and in-kind assistance, including medicine and personnel support, were provided to the governments of Serbia, Bosnia and Herzegovina and Croatia to support their recovery from major floods. Humanitarian assistance was provided to Albania following a major earthquake in 2019. The Government has developed the **Law on Development Cooperation** which

Figure 39: Foreign direct investment (in Million Euros)



Source: National Bank of the Republic of North Macedonia

⁷⁷ The agreement's full name is "Final Agreement for the settlement of the differences as described in the United Nations Security Council Resolutions 817 (1993) and 845 (1993), the termination of the Interim Accord of 1995, and the establishment of a Strategic Partnership between the Parties".

⁷⁸ CEFTA includes North Macedonia, Albania, Moldova, Serbia, Montenegro, Bosnia and Herzegovina and Kosovo.

⁷⁹ EFTA is the free trade agreement with Switzerland, Norway, Iceland and Liechtenstein.

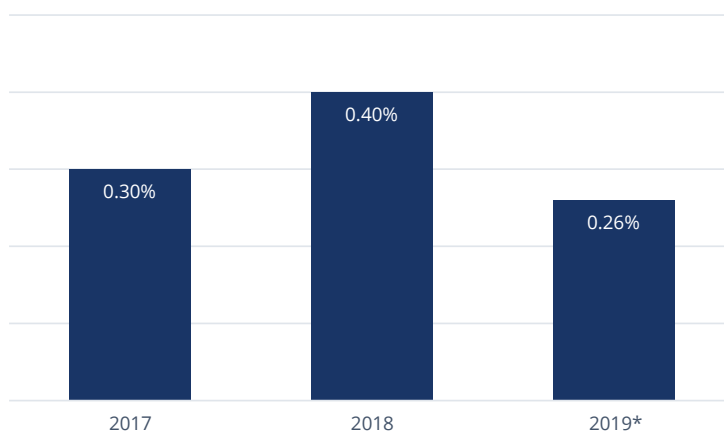
is in line with the EU Acquis Communautaire and positions North Macedonia as a provider of development assistance and technical knowledge.

North Macedonia participates in many regional initiatives, including the **Regional Cooperation Council (RCC)** for Western Balkans.⁸⁰ Other regional initiatives include the Migration, Asylum, Refugees Regional Initiative (MARRI), Regional Youth Cooperation Office (RYCO), Education Reform Initiative of South Eastern Europe (ERI SEE) and Adriatic-Ionian Initiative. These initiatives aim at common and concerted solutions to shared problems, from fighting organized crime to protection of natural environment of the Adriatic-Ionian Sea. North Macedonia is also a member of the **Open Government Partnership (OGP)** initiative since 2011.⁸¹

North Macedonia has also established a long-standing partnership with the United Nations system. The focus on strategic bilateral issues has prevented the country from having a more organized and consolidated action on the 2030 Agenda. From that perspective, the partnership with the UN agencies has been key for progress towards the achievement of the SDGs. The current **Partnership for Sustainable Development 2016-2020 (PSD)** was officially signed between the UN and the Government of North Macedonia in October 2016 and a new cooperation programme is currently under preparation.⁸²

In January 2010, the **National Council for Sustainable Development** was established to guide policies for sustainable development. The council is chaired by the Deputy President in charge for Economic Affairs and consists of 12 Ministers, Members of Parliament, representatives from the National Academy of Science and Arts, representatives from the chambers of commerce and representatives from universities. Technical and expert support is provided by the Technical Working Group coordinated by the Unit for Sustainable Development in the Cabinet of the Deputy President in charge for economic affairs. An independent **Council for Cooperation with and Development of the Civil Sector** has been established as an advisory body of the Government to promote cooperation and dialogue with the civil society sector. The Council is composed of 31 members appointed by the Government, of which 13 ministries, the Secretariat of European Affairs and the Agency for Youth and Sport and 16 members proposed by CSOs registered under the **Law on Associations and Foundations**. The Council monitors and analyzes public policy that affects and/or affects the civil society sector, reviews quarterly and annual reports, participates in determining the priorities for financial support of civil society organizations from the state budget. The Government has been increasingly providing financial support to CSOs through the state budget (as shown in the figure below). The amount of financing for CSOs amounted to 619.4 million denars (10,037,060 Euro) in 2017, 840 million denars (13,611,771 Euro) in 2018, and 267.4 million denars (4 333 080 Euros) by June 30, 2019.

Figure 40: Percentage share of financing of the CSO sector from the state budget



⁸⁰ The RCC supports the sustainable socio-economic transformation of the region, as well as increased economic competitiveness through the development of a competitive Regional Economic Area (REA).

⁸¹ OGP is a voluntary international initiative aimed at providing specific commitments by governments to the civil society through Open Government Partnership Declaration that promotes transparency, foster citizen participation, fight corruption and exploit new technologies to strengthen good governance.

⁸² The PSD defines five priority areas of cooperation toward realization of the Sustainable Development Goals (SDGs) including employment, good governance, social inclusion (including support to refugees, migration and affected communities), environmental sustainability and gender equality with projected total funding of USD 119 million, that could exceed USD 140 million factoring the anticipated response to refugee crisis.

Strategic and Legislative Framework

North Macedonia has made significant progress in the harmonization of legislation with the EU *Acquis Communautaire* and alignment of the policy framework with the EU's Common Foreign and Security Policy (CFSP). It has also ratified **CEFTA's Additional Protocol 5 on Trade Facilitation** with its implementation ongoing. Further, in keeping with its WTO accession obligations, North Macedonia has applied for accession to the Government Procurement Agreement (GPA). To promote investment cooperation, North Macedonia has developed a highly-liberalized foreign trade policy and has signed various bilateral agreements with the EU and other markets, making Macedonia a highly-competitive production and export platform. North Macedonia is a signatory to 40 bilateral agreements for **Mutual Protection and Promotion of Foreign Investment** and has concluded 39 treaties to avoid double taxation with its main economic partners worldwide. It is also a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention), the Convention Establishing the Multilateral Investment Guarantee Agency (MIGA) and the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The Government has also developed the **Law on Development Cooperation** in accordance with EU policies and accession requirements. The law establishes the legal framework for international cooperation, development policy and humanitarian support.

The country has signed important bilateral agreements in the area of human trafficking. A **Protocol for the Fight against Trafficking in Human Beings** was signed with Bulgaria in July 2019 to strengthen cooperation in combating trafficking in human beings by improving the prevention, identification, protection and referral of victims of human trafficking with respect of their fundamental human rights. A similar **Cooperation Agreement for the Fight against Trafficking in Human Beings** was signed with Serbia on the 12 December 2019.

Ongoing Initiatives

As a requirement of the EU accession agenda, the Government is implementing the **Public Financial Management Reform Programme** 2018-2021, which includes a comprehensive budget process reform. A key aspect of the reform is the introduction of programme-based budgeting and the enhanced use of financial data for budget planning and management. The reform provides an opportunity to link the budget to the SDGs and streamline gender-responsive budgeting. This will also enable the tracking of SDG-related financing and increased fiscal transparency, thus creating opportunities to mobilize more resources from the private sector and other sources.

The **National Committee on Trade Facilitation** (NCTF) continues to enhance the participation of businesses, particularly SMEs, in the legislative and policy-making process. As a member of the informal working group on MSMEs at the WTO, NCTF voices the concerns and challenges faced by MSMEs and works with other members to identify appropriate solutions.

RCC, with support from the EU and ILO, is implementing the **Employment and Social Affairs Platform** project in support of employment and social policies. The **Regional Youth Cooperation Office** provides a platform through which governments systematically engage youth in policy development, strengthen local communities, schools and universities, and promote cross-cultural dialogue.

Another ongoing regional cooperation is the **Migration, Asylum, Refugees Regional Initiative (MARRI)** established in 2004 to foster cooperation between governments and CSOs on issues related to migration, asylum, border control, human trafficking, readmission and return of refugees. Ongoing projects under this initiative include **Preventing and Combating Trafficking in Human Beings in the Western Balkans** (PaCT) and **Strengthening Regional Migration Governance** (SFF).

In 2014, North Macedonia joined "**Horizon 2020**" and became an associate member with equal participation in all segments of a seven-year EU programme for research and innovation that enables the mobility of prominent scientists, strengthens national research systems, and assists integration in European research activities. During the duration of the programme (January 2014 - December 2020), the scientific-research and business community applied with a total of 708 project proposals, of which 585 met the required criteria. The total budget of funded projects was 9.27 million Euro.

Box 10: Success Story – MY VAT

Through the “My VAT” initiative, citizens receive back 15% of the paid VAT when they scan the fiscal bill. Thus, each citizen helps fight the grey economy and contributes to better public services. Applications like #MYVAT strengthen tax ethics and awareness of the harms of the grey economy. MY VAT has raised tax awareness, with everyone paying their fair share of taxes. The collection of VAT has had an average growth of 3,5% in the past 10 years. Due to MY VAT, the government has improved VAT collection by 11% in the period July-December 2019, compared to the same period in 2018. During the Covid-19 crisis, citizens were given the choice to donate their VAT return and contribute to the fight against the virus.

Key Challenges

In parallel to preparing the VNR, the Government has started a wide and inclusive process of selecting national SDG indicators, a process which will continue further. The VNR will be used as a baseline report to inform the design of the policy measures and overall approach. However, at this stage it is difficult to estimate resources required to achieve the SDGs by 2030. It is also not possible to trace financing to a specific SDG indicator and calculate the percentage of expenditure that is linked to SDGs in contrast to other expenditure. In this context, it is also challenging to mobilize further resources for sustainable development from the private sector and other less conventional sources of financing. This is to be overcome within the budgetary reform described previously in this report.

Planning and policy making in North Macedonia are done largely independently from the budgeting process. Consequently, most strategies and programmes do not have costed action plans and concrete allocations/budgets for their implementation. This missing link leads to policy incoherence and impedes the effective planning of long-term investments and alignment of financial support with the national long-term goals, including SDGs.

Next Steps

The Government and the UN are currently developing a new **cooperation framework** for the period 2021-2025. In addition, the Government is renewing partnerships with UNICEF, UNDP and UNFPA through new country programmes. The start of the negotiations with EU provides an additional boost to the development process. In the area of peace and security, North Macedonia will continue to participate in international peace and humanitarian operations. In support to NATO’s core principles - Defence and Deterrence and Projecting Stability – the Government is considering expanding North Macedonia’s future scope of engagement in 2020. In September 2020, North Macedonia will host the largest event which NATO holds annually - **the NATO Information and Communicators Conference**.

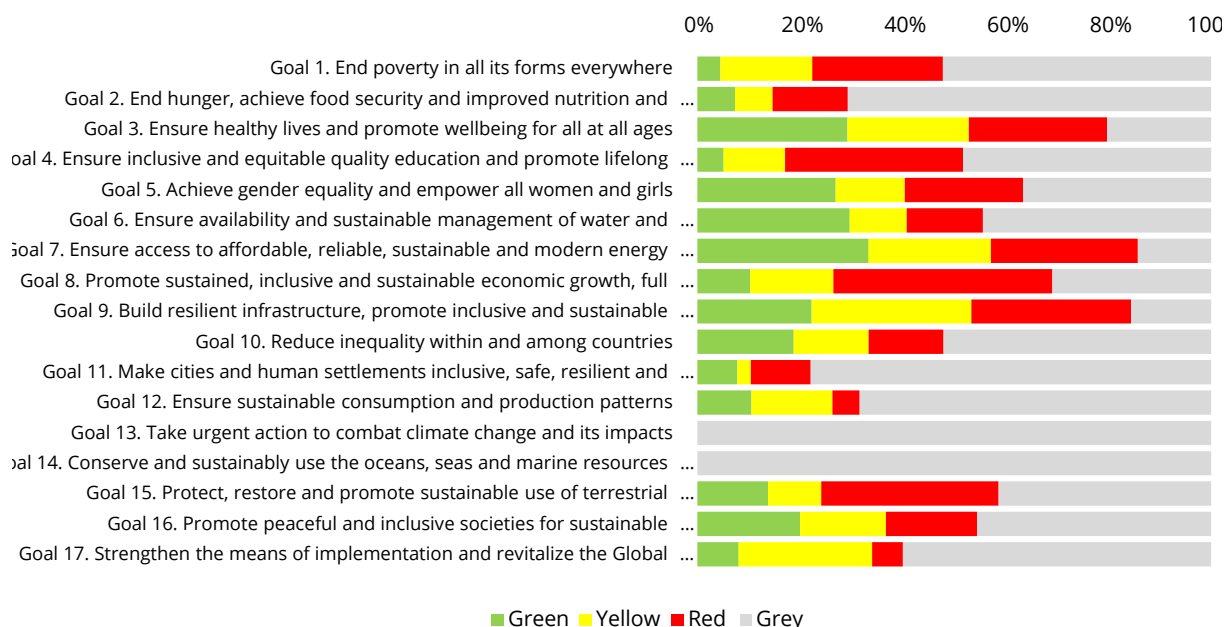
In the area of external trade, North Macedonia will focus on strengthening the overall administrative capacity of agencies responsible for trade. In particular, priority will be given to agencies responsible for the implementation of CEFTA Additional Protocols and the Regional Economic Area (REA) in the Western Balkans. The Government will prepare for the adoption of the CEFTA Protocol 6 on Trade in Services and CEFTA Protocol 7 on Dispute Settlement. The Government also intends to further liberalize trade with Turkey and Ukraine by reducing tariffs and adjusting quotas for certain commodities. The Government will also continue to participate in WTO activities, including the WTO 12th Ministerial Conference in Kazakhstan in June 2020.

The Government also intends to reduce its debt, which has been steadily rising between 2010 and 2019. The new Law on Development Cooperation is currently being reviewed and is expected to be adopted soon.

Means of Implementation

Most recent data on the attainment of SDGs reveal that there is high probability that only 27 percent of the goals will be met by 2030 (see figure below). About 29 percent of the indicators for particular SDGs can be achieved by 2030 with significant policy efforts, whereas the remaining 45 percent seem to be unattainable with the current development model.

Figure 41: Estimated Likelihood of Achieving SDGs by 2030 (based on data for 2018)



Source: SDG Dashboard, Peleah (2019).

The **red** color implies very low probability for North Macedonia to achieve a specific SDG target, **yellow** refers to some probability, but with significant policy efforts in the coming years, **green** implies higher likelihood of achieving a certain target and **grey** color implies no available data.

There is a **strong synergy and complementarity between the EU Accession Agenda and the 2030 Agenda on Sustainable Development**,⁸³ as they are mutually reinforcing processes. Nearly two-thirds of SDG targets (109 of 169 targets) have a strong link to the **EU acquires chapters**. Therefore, while meeting the requirements of the EU *acquis*, North Macedonia will be moving closer to achieving the SDGs. The chapters with the greatest impact on achievement of SDGs are Chapter 27 on the environment, Chapter 23 on justice and fundamental rights and Chapter 19 on social policy and employment. If EU requirements on chapter 27 are fully achieved, as many as 40 SDG targets (25 percent of the total number of SDG targets) will be addressed. This, in turn, will require significant financial investments. Chapter 23 on justice and fundamental rights is crucial for achieving the SDGs (23 targets/17 percent of the 2030 Agenda). The changes required to the rule of law, freedom of the media and to institutions are considered transformational and, until they are closed, the process offers space for focused interventions where the targets of the SDGs can also be addressed. Chapter 19 on social policy and employment has a strong link with 11 SDGs. In total, as many as 74 SDGs could be covered and/or are tightly linked with the achievement of the above mentioned three chapters closing benchmarks.

Some SDGs however are not directly linked to EU integration. 60 targets (35 percent of the total) appear not to be directly linked to the EU integration agenda. These targets are mainly clustered in SDG 17 – *Partnership for the Goals*, SDG 10 – *Reduced Inequalities*, and SDG 4 – *Quality Education*. The MAPS conclusions call for the SDG targets that are not (fully) addressed by the EU accession process to receive more attention from the Government and development partners.

⁸³ The Agenda for Sustainable Development is a global and universal vision for human development until 2030. Since its adoption by the UN General Assembly in September 2015, member states around the world have been encouraged to bring the goals of the 2030 Agenda into their policies and practice. The 2030 Agenda with its 17 Sustainable Development Goals (SDGs) and 169 targets, that can be measured by 232 SDG indicators, sets out an ambitious agenda that seeks to end all forms of poverty, fight inequalities, protect the environment and tackle climate change.

Reform Packages for Accelerated Growth, Inclusive Growth and Sustainable Development

Several reforms are needed to produce growth acceleration and sustainable development. These reforms fall in four reform packages of thematically-related interventions: (1) Governance, (2) Economy, (3) Human Capital, and (4) Environment. A fifth package, the Integrated Push, combines the interventions in the first four to model a comprehensive development strategy.



Reform Package #1: Governance

Governance is a key area for improvement as it has the capacity to broadly improve the quality of life. An important constraint to governance is corruption, which according to Transparency International's Corruption Perception Index (with a score of 4.1) is just slightly better than in the Western Balkans, but far behind the EU (6.7). Along the current path, the score is expected to improve to 4.8. According to the Government Effectiveness measure of the World Bank, North Macedonia scores a 2.7 out of 5 and is ranked 72nd globally and third out of the six Western Balkan countries. The score falls just within the range of EU countries (ahead of Romania, which scores a 2.6), but well below the EU average of 3.7. By 2035, North Macedonia is projected to improve slightly to a score of 3.0, but not to change in rank (see figure below).

Figure 42: Policy Interventions in Reform Package #1 (Governance)

Policy Measure	Variable	North Macedonia in 2019	North Macedonia Current Path 2035	Intervention target (EU in 2035)	Percent change required
Strengthen mechanisms ensuring freedom of the press and of civil society organizations	Freedom (Freedom House aggregate score)	9.12	9.7	13.9	43.3
Increase the transparency and accountability of government decision-making and build public sector capacity	Quality of government effectiveness (World Bank's Government Effectiveness indicator)	2.69	2.98`	3.91	31.3
Ensure the independence, accountability, and professionalism of judicial system	Corruption (Transparency International's Corruption Perception Index)	4.1	4.8	8.03	67.5

Reform Package #2: Economy

Economic growth is constrained by high levels of both unemployment and informality. The unemployment rate has been on a declining trend, already down from a high of 37 percent in 2005 to 17.5 percent in June 2019. Along the current path, this is expected to continue to fall to 14 percent by 2035. Even with this improvement, many workers are informally employed. Today, just less than 23 percent of employment in the country is informal (figure below). This poses a substantial obstacle to productivity and the size of the tax base. Along the current path, that is projected to reach 18 percent by 2035. Poverty has been improving in recent years but remains a concern. In 2019, roughly 20 percent of the population lived on less than \$5.50 per day. Although down from 35 percent in 2009, this implies that over 430,000

Macedonians would be in poverty. Along the current path, this ratio is projected to decline to 16 percent (324,000) by 2035.

Figure 43: Policy Interventions in Reform Package #2 (Economic Governance)

Policy Measure	Variable	North Macedonia in 2019	North Macedonia Current Path 2035	Intervention target (EU in 2035)	Percent change required
Invest in workforce development, job readiness, and labour market information systems to support job intermediation	Labour participation rate of adult population	53.7	51.2	54.3	5.9
	Informal employment as a share of total employment	22.1	17.8	4.0	77.7
	Share of science, technology, math, and engineering graduates among tertiary graduates	16.9	19.9	23.1	16.1
Streamline support programs for access of firms to finance	Foreign direct investment as a percent of GDP	4.0	4.2	4.6	9.5
Close infrastructure gaps in key transport corridors and rebalance spending to invest in road and railway maintenance and in road safety	Percent of road networks that are paved	60.0	65.4	87.5	33.7
Reduce restrictions on part-time, temporary and seasonal work	Unemployment rate	18.8	13.6	8.0	57.3

Reform Package #3: Human Capital

A key factor in the pursuit of sustainable development is human capital. In particular, as the country's demographic profile changes over the next couple decades, the ability to create and capitalize on a healthy, educated workforce and ensure everyone has access to good jobs will be essential for the country's long-term success.

Figure 44: Policy Interventions in Reform Package #3 (Human Capital)

Policy Measure	Variable	North Macedonia in 2019	North Macedonia Current Path 2035	Intervention target (EU in 2035)	Percent change required
Put in place a broad-based strategy to strengthen the quality and relevance of primary, secondary and tertiary education	Graduation rate, lower secondary	87.8	92.6	102.0	10.6
	Graduation rate, upper secondary	82.6	87.7	100.0	14.1
	Graduation rate, tertiary	28.2	30.7	49.6	61.5

Expand the availability and affordability of child and elder care and promote behavior changes to achieve gender parity in employment	Female labour participation rate	42.8	43.5	50.9	16.8
Expand access to health care to reduce child mortality and better manage non-communicable diseases	Death rate from cardiovascular disease	5.74	6.86	3.83	44.2
	Death rate from diabetes	0.44	0.57	0.25	55.4
	Death rate from traffic accidents	0.11	0.11	0.07	35.7

North Macedonia is expected to make steady improvements in human development along the current path. With a Human Development Index (HDI) score of 0.783, it currently ranks 72nd out of 186 countries. By 2035, the country's HDI score and ranking are both projected to improve, to a value of 0.832 and rank of 67 (figure above). This reflects that the country is expected to not only advance, but to do so more rapidly than other countries with similar levels of development.

Reform Package #4: Environment

Today North Macedonia produces roughly 6.5 million barrels of oil equivalent (BOE) annually, down from a yearly average of 10.4 million BOE from 1990 to 2010. As overall production has declined, it has also begun to diversify. In 1990 coal accounted for 96 percent of electricity production. Today it makes up 85 percent, followed by hydroelectric sources (12.5 percent) and other renewable sources (2 percent). Along the current path, this makeup is projected to shift more heavily toward renewables, with hydro accounting for 20 percent and other renewables for 10 percent by 2035. By 2050, renewable sources could account for over half of the energy produced in the country.

Figure 45: Policy Interventions in Reform Package #4 (Green Energy)

Policy Measure	Variable	North Macedonia in 2019	North Macedonia Current Path 2035	Intervention target (EU in 2035)	Percent change required
Shift the energy sector to a low-carbon development path, away from the current dependence on coal, while improving security and efficiency of energy supply	Renewable production as a share of total energy production	0.15	0.3	0.57	89.3
Adopt a comprehensive approach to reducing air pollution	Energy intensity (energy inefficiency)	1.55	1.25	0.46	63.2

Reform Package #5: Integrated Push

The fifth reform package comprises all previous reform packages, but has a more comprehensive approach as in real life reform packages cannot be separated during implementation. Also, due to inter-relations and interdependence of policies and reforms it is expected to benefit from synergy as well.

Reform Impact on Accelerated Growth, Inclusive Growth, and Sustainable Development

Overall, the four reform packages result in broad increases across key outcome variables. They improve economic and social conditions and speed up the convergence with respect to the moving target, i.e. the performance of a typical EU member state in 2035. The reform packages have a different impact on key outcome variables and not surprising, the combined impact of all reforms (the so-called integrated-push scenario) is the strongest. The figures below provide some brief and initial results across the reform packages for two forecast horizons, 2035 and 2050.

Figure 46: Impact on Key Outcome Variables until 2035

Key Outcome Variables	2019	2035					
	Current Path	Current Path	Governance	Economic Governance	Human Capital	Green Energy	Integrated Push
Accelerated Growth							
GDP per capita <i>thousand USD</i>	14.4	24.8	26.6	26.7	25.5	24.6	28.8
Inclusive Growth							
Education <i>average years 15+</i>	11.5	12.5	12.5	12.5	12.6	12.5	12.7
Poverty rate <i>In percent</i>	20.8	16.1	13.7	13.9	15.4	16.7	11.7
Sustainable Growth							
HDI <i>index</i>	0.783	0.832	0.84	0.84	0.857	0.832	0.87
Life expectancy <i>years</i>	75.1	77.3	77.5	77.5	80.9	77.3	81.2

Figure 47: Impact on Key Outcome Variables until 2050

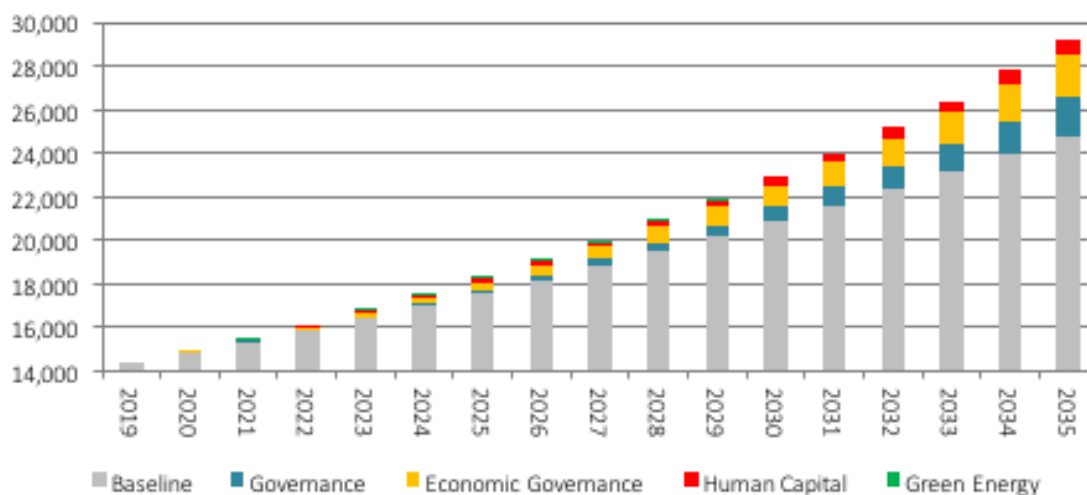
Key Outcome Variables	2019	2050					
	Current Path	Current Path	Governance	Economic Governance	Human Capital	Green Energy	Integrated Push
Accelerated Growth							
GDP per capita <i>thousand USD</i>	13.4	41.5	53.4	46	44.1	42	59.9
Inclusive Growth							
Education <i>average years 15+</i>	11.5	13.3	13.4	13.5	13.6	13.3	13.7
Poverty rate <i>in percent</i>	20.9	10.4	4.3	8.8	8.9	9.0	2.9
Sustainable Growth							
Human Development Index	0.783	0.867	0.888	0.883	0.897	0.868	0.925
Life expectancy <i>years</i>	75.1	79.3	80	79.7	82.8	79.3	83.6

Source: The computation of the marginal effects (effects of reform packages) is based on the International Futures Model (IFs version 7.45).

As shown in the figure below, the level of economic development measured by GDP per capita (PPP, in constant 2011 U.S. dollars) under the baseline scenario is forecast to increase from 14,400 U.S. dollars in 2019 to 24,800 U.S. dollars in 2035. If carried out separately, reforms within packages #2 and #3 (Economic Governance and Governance, respectively) are estimated to bring the strongest impact on the in-

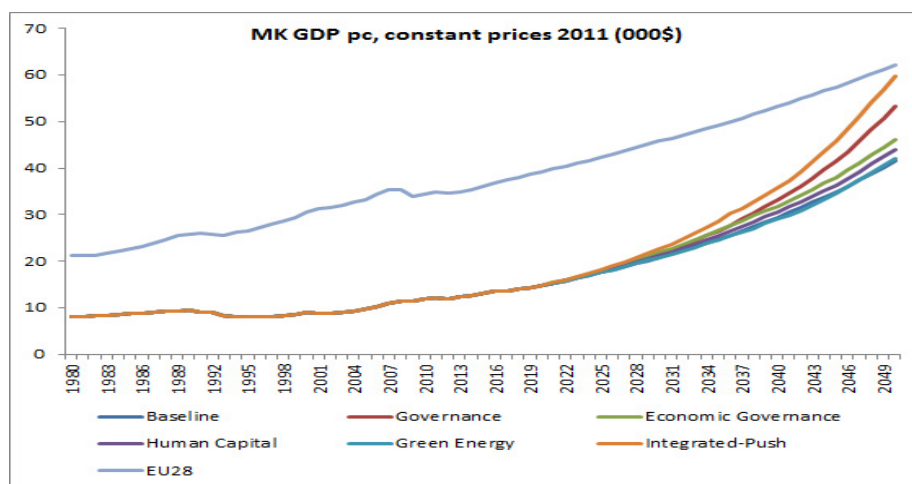
come convergence. The coordinated implementation of all reforms ('Integrated-Push') is estimated to significantly increase the baseline forecast of GDP per capita, so that it reaches 28,800 U.S. dollars by 2035. The outcomes of reforms take time, as their payoff is mostly felt in the medium- and long-term. For example, the impact of reforms would result in additional 622 USD to the baseline forecast in year 2025, but they would bring additional 3,960 USD over the baseline forecast in year 2035. On average, this would equate to additional GDP per capita of 1,439 USD per year between 2019 and 2035, not taking into account the time value of money (undiscounted GDP).

Figure 48: The impact of different reform packages on GDP per capita (2019-2035)



Accelerating income convergence. If all reforms were implemented, income convergence with EU28 will speed up significantly in the coming decades. Baseline scenario real GDP per capita growth follows WEO forecast up to 2024 and continues with annual average growth rate of 3.5% for the remaining period.

Figure 49: Income Convergence with EU28 as a Moving Target (In thousand U.S. dollars, 2019-2050)

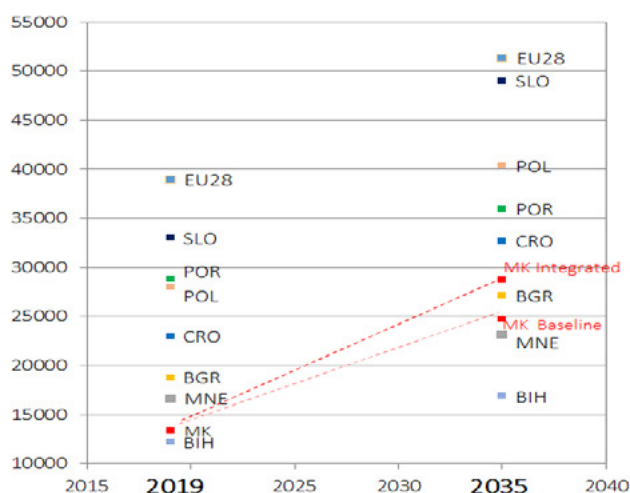


Integrated push scenario assumes average annual real GDP per capita growth of 4.7% 2019-2050: 4.3% (2019-2035) and 5.0% (2036-2050), while in last year's, annual growth reaches the peak of 5.8%.

Complete income convergence by 2050. If all reforms are implemented, GDP per capita of North Macedonia would reach 58.4% of that of EU28 by 2035. With the same push of reforms, GDP per capita would reach 96.2% of that of EU28 average by 2050.







Similar living standard to Bulgaria and Croatia by 2035. North Macedonia's GDP per capita in 2035 would be comparable to that of Poland and Portugal in 2019 and to that of Bulgaria and Croatia in 2035 (see figure below).

Figure 50: Income Convergence with EU28 and Western Balkans in 2035



Source: Computations based on the IFs Model (IFs version 7.45).

Figure 51: The impact of different reform packages on the progress of North Macedonia in achieving the sustainable development goals (cumulative improvement in percent, 2019-2035)

Sustainable Development Goals	Related EU negotiating chapters	Reform package #1: Governance (Rule of law democracy)	Reform package #2: Economic Governance and Trade	Reform package #3: Human Capital	Reform package #4: Green Energy	Combined reforms: Integrated - Push
 1 NO POVERTY	19*, 23*	5.1	9.2	3.1	1.2	15.5
 2 ZERO HUNGER	11*, 12, 19*, 25*, 28*	6.9	1.2	0.4	0.1	8.3
 3 GOOD HEALTH AND WELL-BEING	12*, 23*, 25*, 28*	0.7	1.0	9.0	0.0	9.5
 4 QUALITY EDUCATION	19*, 25*, 26	0.2	0.4	1.6	0.0	2.1
 6 CLEAN WATER AND SANITATION	11*, 27*	0.4	0.9	0.3	0.2	1.6
 7 AFFORDABLE AND CLEAN ENERGY	15, 25*	0.6	1.1	0.7	64.9	63.0

Youth on the Road to Agenda 2030 and the SDGs

The role of young people as key stakeholders related to policies targeting youth is highlighted in the **Law on Youth** (2020) and the **National Youth Strategy** (2016-2025). Y-PEER, a youth network, has been actively dedicated to promoting the Agenda 2030 and through its work has involved many young people in different activities related to the SDGs and the building of a sustainable future.

Youth activities before 2015

Between 2014 -2015, the regional and national campaign “*Youth Voices - The future I want in Eastern Europe and Central Asia*” was implemented. The campaign focused on youth participation in the Post-2015 Agenda and its aim was to ensure broad consultation and coordination with the young people in the region and their meaningful participation in the ongoing discussions concerning the new development agenda.

The campaign was held in two phases as follows:

- I Phase: Mobilizing and gathering youth voices (October - December 2014);
- II Phase: Reaching out to decision-makers (January - November 2015);

The campaign started with field activities where ideas, thoughts and suggestions were collected. On 15th of December 2014, a youth conference was organized on the topic “Youth participation and recommendations for the UN Development Agenda”. The conference gathered representatives from UNFPA, CSOs, relevant institutions and the youth political wings to discuss youth priorities. The outcome of the conference was to ensure guiding points in the development of youth recommendations for improving the lives of youth in North Macedonia.

In phase II, various activities by youth and for youth were implemented to ensure youth voices will be heard. This included consultation meetings, open call for design of youth postcards, observance of the International Youth Day, delivery of the youth postcards and the Youth Recommendations on post-2015, the first workshop “Youth and the SDGs”, launching the #ИЈасИмамЦел hash tag (#IhaveAGoalToo).

Youth Recommendations on post-2015 were created through an inclusive and consultative national process involving many stakeholders: youth, CSOs, institutional representatives and representatives from the youth political parties. The recommendations were focused in three issues: quality of education, better employment opportunities and quality of health services. Youth Recommendations were endorsed by 46 organizations and entities working with youth. The Recommendations as a product from the campaign reflecting the youth voices were delivered to an MFA representative attending the UN General Assembly in 2015.

In October 2015, the first national workshop on Youth and SDGs aimed to raise knowledge and awareness of the participants (young people) on the Agenda 2030 and the SDGs topic. Interactive methods were used to ensure open discussion and invite everyone to speak up about their vision for the post-2015 and the Agenda 2030.

During the campaign as a final online product, the hash tag #ИЈасИмамЦел (IHaveGoalToo) was launched in October 2015. By launching the hash tag, young people were invited to engage in the national discussion offline and online via social media channels and to join in advocating youth needs, rights, vision, and interests. The hash tag was further used as a promo motto for introducing the SDGs and the Agenda 2030 with the general public.



2016



Young people's perspective on Goal 3: Good Health and Well-being is underlining the importance of health in the development of the population. The balance between physical and mental health is crucial in achieving the aspirations and goals of the young people. Investments in health services, adjusting the policies and providing comprehensive and up-to-date education can create opportunities for every young person to fulfill their potential and live in good health and well-being.

Youth in Capacity and Policy Development

In May 2016, in Ohrid, a national workshop for peer education on Sexual and Reproductive Health and Rights was organized. 14 young leaders representing 14 NGOs working with youth in different regions within the country attended the workshop and were introduced with the national peer education manual on SRHR topics including the following topics: Gender, Sexual and Reproductive Health, Citizenship, Pleasure, Relationships, Violence and Diversity.



2017



tions Development Agenda and youth participation agenda on national level. During the workshop, the emphasis was placed on the partnerships and the role of young people in development processes.

Young people's perspective on Goal 17: Goal 17 is designed for global partnerships. Young people are the main targeted group along the 2030 Agenda and it represents an opportunity to get involved, first at the local level in your communities then nationally. Young people are factors that influence change and help in the implementation of the goals on the local and national levels and beyond.

Youth as active participants in the development processes

In September 2017, in Skopje, a workshop entitled "Increasing the youth participation in the processes of decision-making and cooperation with institutions" was organized. The event was attended by 17 young people - representatives from organizations working with youth. Through this event, young people had the opportunity to be informed about the ongoing processes within the United Na-



Young people as active stakeholders in peace-building processes

In October 2017, the first conference on "Youth, Peace and Security" was organized. The conference was attended by 20 young people coming from different cities within the country who had the opportunity to

learn about the concepts of peace, the Agenda 2030 and the Sustainable Development Goals (SDGs). The conference aimed to improve the capacities of young people by gaining knowledge about the approaches of building peace through initiatives of youth organizations, involving marginalized adolescents and young people. The participants had the opportunity to acquire skills and knowledge on how to implement peace-building initiatives through their active involvement in various processes that contribute to the security and stability of social integration processes.

Young people's perspective on Goal 16 and UNSCR 2250: UNSCR 2250 on Youth, Peace, and Security resolution urges Member States to give youth a greater voice in decision-making at the local, national, regional and international levels and to consider setting up mechanisms that would enable young people to participate meaningfully in peace processes. Goal 16 focuses on promoting peaceful and inclusive societies where young people are able meaningfully to participate in decision-making processes. The discussion around "Meaningful youth engagement" should reflect the diversity of young people, while positioning them as partners who can deliver sustainable interventions.

2018



Capacity building workshops NGOs and youth

In 2018, Y-PEER focused all educational activities on SDG 4 -Quality Education. In the period January - December, 4 program activities were implemented targeting youth covering the Quality Education. In April 2018, during the Scouts Youth Academy attended by 60 young people two workshops for youth covering the SDGs topics focusing on Goal 4 - Quality Education and Goal 5 - Gender Equality and the interlink with each other were implemented. In July, a workshop for youth on the topic "Youth and SRHR" a first event within the World Population Day Campaign, implemented by the UNFPA. Traditionally, at the end of the year, a 10 Days of Activism Campaign was implemented, focusing on Education for Sustainable Development and the SDGs. In December, 20 young people had the opportunity to participate in a workshop for Youth and SDGs and discuss the role of young people and the importance of education and engagement of youth in the 2030 Development Agenda.

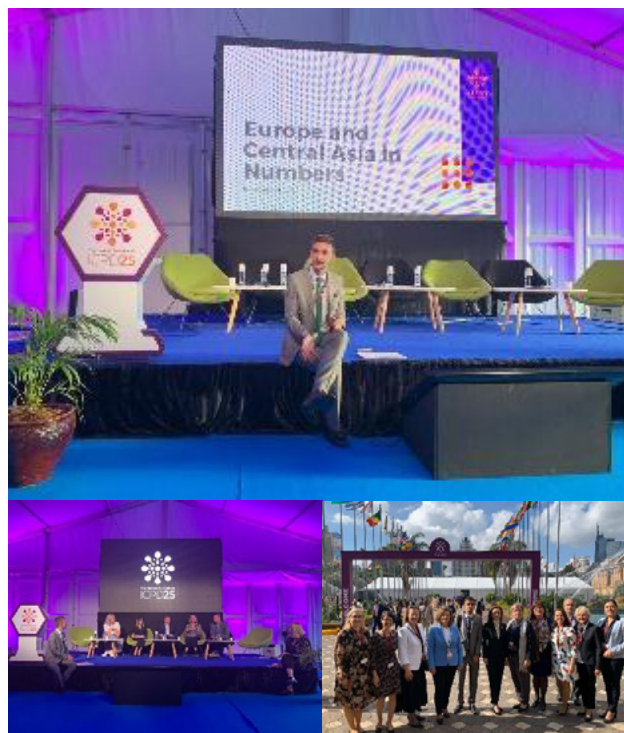


Young people's perspective on Goal 4: Achieving inclusive and quality education for all reaffirms the belief that education is one of the most powerful and proven vehicles for sustainable development. SDG 4 - Quality education is focusing on promotion of inclusive and equitable quality education and promotes lifelong learning opportunities for all.

2019

From Cairo via Skopje to Nairobi - ICPD25

In 2019, youth from North Macedonia joined in the global action in accelerating the promise of Cairo. Reflecting on the motto of the ICPD Programme of Action which firmly places the individuals in the main focus with their rights and needs, UNFPA in partnership with Y-PEER produced Youth Video and jointly invited the young people to share their ideas and voices on how to improve their SRHR and Quality of life. In order to do so, a One Pager was developed with the aim to introduce the ICPD Programme of Action to the young people, together with a short questionnaire. The results from the questionnaire served as an input from the youth from North Macedonia into the process of developing Youth Messages for the ICPD25 in ICPD Youth Model in Cairo. In November 2019, Macedonian youth participated in the ICPD25 - Nairobi Summit and had the opportunity to lead the youth session on "Meaningful youth participation in Europe and Central Asia" and shared the national and international commitments by youth for youth.



Young people's perspective on Goal 5: Gender Equality is focusing on ending all forms of discrimination and eliminating all forms of violence and harmful practices against all women and girls. By creating equal access to education, health services and economic resources we can ensure empowerment of all women and girls and ensure that no one is left behind.

2020

By youth for youth - Online VNR Youth Consultations

In February 2020, Y-PEER in partnership with the Government of North Macedonia and with support of the United Nations Population Fund - UNFPA developed a questionnaire for youth on the Youth Vision for the next decade, that served as a tool to collect data that were later used as a reference for the development of the section of youth contribution to the Voluntary National Review. The questionnaire was divided into two thematic sections: "Youth Challenges" and "Agenda 2030 and the Sustainable Development Goals". The questionnaire was shared on several online mediums and was aimed at young people aged 14 to 30. In one week 53 responses with detailed answers on all given questions were collected. Demographically, the respondents identified themselves as 54.7% female, 39.6% male and 5.7% others. In terms of the place of living, 83% were from urban areas and 17% from rural areas and despite the majority (67.9%) being from the Skopje region, we also had respondents from all 7 other regions of the country. In the following period, a detailed quantitative and qualitative analysis was made and it was concluded that the three main challenges that the young people of North Macedonia identified were employment and support before employment, education, and quality of life. In addition, on the question "Which SDGs should be the biggest priority in our country?" the respondents answered:

1. SDG 4 - Quality Education (identified by 42 respondents)
2. SDG 8 - Decent Work and Economic Growth (identified by 33 respondents)
3. SDG 3 - Good health and well-being (identified by 32 respondents)
4. SDG 16 - Peace and Justice and Strong Institutions (identified by 29 respondents)
5. SDG 1 - No Poverty (identified by 20 respondents)

VNR Youth Forum

On 6th of March 2020 the “Youth Forum - Voluntary National Review for Implementation of the Sustainable Development Goals” was organized, where 20 representatives from youth-led NGOs and NGOs working with youth attended the one-day event. During the forum the results from the questionnaire were presented, all 12 questions were reviewed, followed by the most relevant answers for each question. In addition, a presentation about the SDGs was conducted, followed by an interactive quiz. After the first part of the forum was concluded, in the second part the participants were split in 4 groups and each group got one of the 4 top rated challenges that the young people face (as identified in the questionnaires results) together with instructions and a set of 8 guiding questions through which they were asked to define the challenge, connect it to the relevant SDGs as well as the indicators, identify all the existing problems and the changes that can realistically be achieved, identify the institutions that are responsible for that challenge and discuss how those institutions can contribute in the process of solving the challenge, give examples of how the young people can contribute in the process, and conclude by answering how the society will become better with overcoming the specific challenge.



Remaining challenges to be overcome in the Decade of actions as recommendations by youth

By comparing the Youth Recommendations in 2015 and the VNR Youth Consultations in 2020 we can conclude that quality education including innovative techniques, up-to-date books and manuals are still a challenge. Another challenge is the VET Education, which is not recognized as qualification at the labour market. The brain drain remains one of the top challenges related to youth, connected with their low quality of life and lack of opportunities, and consequently affecting the migration of young people. Furthermore, lack of funds and opportunities for youth in the field of innovations and entrepreneurship is decreasing the motivation of young people to build a sustainable future for all. In addition, young people who belong in the NEET group remain in need of more opportunities, attention and support. Recognizing the non-formal education as a model that produces young professionals and equips them with relevant knowledge and skills sought at the labour market is a key factor that needs to be recognized. Equal access to health services including youth friendly services for all young people in urban and rural areas, recognizing the importance of social integration of people living with disabilities, and shifting social norms and empowering the marginalized youth in the society remain topics for future improvement in all levels of policy development.

Young people will witness the influence of the development agenda and they can be leading the change towards achieving the SDGs. Significant results can only be achieved by creating partnerships with youth and establishing inclusive and transparent processes in designing, implementing, monitoring and evaluating the policies reflecting youth and their lives. This is why we believe that involving young people in all mentioned processes is a key factor that will substantially contribute in achieving the desired results by 2030 and ensuring that no one is left behind.

Voices of Civil Society Organizations

The Government appreciates the support and cooperation of civil society organizations (CSOs) in the achievement of SDGs. In order to reach better inclusiveness for the VNR drafting process, the Government opened a call for interested CSOs from various sectors to share their opinions on what are the country's most pressing challenges and what should be done to address them. The table below summarizes the voices of civil society organizations based on the feedback received from the following organizations.

- Youth Activism and Education Association - Skopje (**Y-PEER**)
- Association of citizens **ECO LOGIC**
- **Finance Think Institute** for Economic Research and Policy - Skopje
- Association **KONEKT**
- Association "**Let's do it Macedonia**".
- Center for Promotion of Sustainable Agricultural Practices and Rural Development - **CeProSARD**
- **Business Confederation of Macedonia**
- Center for Regional Research and Cooperation **Studiosum** Skopje
- Association of Citizens for Environmental Protection **EKOZVON** Skopje
- **Milieucontact-** Sustainable Development Association
- **Open Society Foundation**
- Center for Sustainable Development **ELIPSA**-Kumanovo
- NGO "**BOTA IMME**"
- Coalition Sexual and Health Rights of Marginalized Communities **MARGINI** Skopje
- **Macedonian Association of Young Lawyers** - MYLA Skopje
- Civil Initiative **Ohrid SOS**
- Association for the Protection of Animals and the Environment - **Equality, Dignity, Empathy and Naturalism**
- **European Policy Institute - Skopje**
- **Journalists for human rights**
- Association for Human Social Development "**Project Happiness**"
- Citizens' Association "**Association for Youth Empowerment Skopje**"
- **Rural Coalition**
- Research, Communication and Development Association-**Pablik**
- Macedonian **Anti-Poverty Platform** (MPPS)
- RGD "**Geosphere**" -Bitola
- **HERA**-Association for Health Education and Research
- Development **CENTER FOR MANAGEMENT WITH CHANGES**
- **Citizens' Association Center for Sustainable Initiatives**

Table 2: Summary of feedback provided by civil society organizations in North Macedonia

Perceived Challenges and Problems	Proposed Solutions	Main Initiatives by CSOs
Sustainable and inclusive economic development, industrial policies, employment, poverty and social protection (SDG 1, 2, 8, 9)		
<ul style="list-style-type: none"> Poor digital transformation and technology adoption in various sector High poverty rate and social exclusion (more than 40 percent of the population lives in poverty in 2018) Youth unemployment. North Macedonia is one of the European countries with the high rate of youth unemployment. Unemployment among vulnerable groups, e.g. women, people in rural areas, Roma people. More than 50 percent of women at working age are not participating in the labor force. Reasons include childcare and caretaker's responsibilities, limited access to active employment measures offered by the Government, etc. 	<p><u>Economic growth</u></p> <ul style="list-style-type: none"> Identify and invest in high value-added sector(s) Stimulate the growth of domestic companies and promote measures for technology investment Enhance the competitiveness of domestic small and medium enterprises (SMEs) Encourage partnerships between SMEs and multinational companies operating in the TIDZs and integrate SMEs into the global supply chain <p><u>Productive jobs and entrepreneurship</u></p> <ul style="list-style-type: none"> Encourage social entrepreneurship by creating enabling environment for starting new businesses, build capacity for interested individuals, develop markets for social entrepreneurs and build a financial support ecosystem for social entrepreneurs <p><u>Unemployment among women</u></p> <ul style="list-style-type: none"> Policies focused on rural/remote areas Accommodate working mothers and families -- Flexible employment structure (e.g., flexible hours) for working mother <ul style="list-style-type: none"> # of childcare facilities revising family policies flexible hours Address the gender pay gap Combine women's economic empowerment activities with local development activities, e.g., encouraging women entrepreneurship that aims to preserve local culture and tradition. <p><u>Unemployment among marginalized groups</u></p> <ul style="list-style-type: none"> Local Government should take proactive actions to address the unemployment issue among marginalized people Develop incentive programmes for social enterprises that employ people from marginalized communities, including Roma. 	<p>Human Social Development Association – Project Happiness is a social development programme, supporting people living in poverty.</p>

Perceived Challenges and Problems	Proposed Solutions	Main Initiatives by CSOs
Youth, education and culture (SDG 4)		
<ul style="list-style-type: none"> Poor quality education. Over 2/3 of students aged 15 do not have basic reading skills. Education should focus more on learning outcomes. Poor school infrastructure. Schools are in poor condition in certain areas. Some schools do not have bathroom access within the main building. Poor teaching materials (books and curriculum) and low technological adoption in classrooms. Unequal access to education. Only 28 percent of children with disabilities attend primary school. Education is not offered to people who are not registered (e.g., Roma people). Children in rural areas lack behind their urban peers. Poor youth engagement and participation in advocacy Underdeveloped informal education sector (setting regulations and standard for vocational education, adult training programmes) Lack of appropriate comprehensive sexuality education (CSE) that includes information about relationships, reproductive health and contraception, sexually transmitted infection (STIs), sexual orientation, emotional aspect of sexuality, discrimination, sexual violence, etc. Only 7 percent of the teaches in Skopje have talked about sexual orientation, 8 percent addressed oral contraception, 15 percent-addressed condom use and 35 percent discussed HIV prevention. 	<p><u>Overall education system and policies</u></p> <ul style="list-style-type: none"> Need to shift the focus of education to improved learning outcomes Use data to develop curriculum and other education programmes better Comply with the standard and regulations of Innovative Global Education Standardize informal education (to ensure the quality of informal education providers, e.g. language center, vocational training programmes, etc.) Train teachers in the topic of climate change and sustainable development Develop better books and curriculum that promotes better critical thinking instead of memorizations Integrate the use of technology in the curriculum (online quizzes, videos, etc.). <p><u>Improving access to education</u></p> <ul style="list-style-type: none"> Better accommodation for children with special needs or disabilities. Curriculum tailored to children with special needs or disabilities. Make sure school personnel are aware of programmes and funding available to support marginalized children (e.g., educational mediators for Roma children who have been out of the education system, etc.) More human and financial resources for schools to accomplish these tasks Consider a school lunch programme to ensure children living in low-income household has access to food as well as education <p><u>Youth development and engagement</u></p> <ul style="list-style-type: none"> Promote informal education and life-long learning, and reduce stigma against continuous learning and development (vs. formal education) Expand/improve interagency coordination for Youth Guarantee programmes Supporting models, such as the Youth Banking Model implemented in 25 countries around the world, and introduced in North Macedonia through the Youth Banking Network –North Macedonia, will enable the development and enhancement of life skills of youth who provide employability. <p><u>CSE</u></p> <ul style="list-style-type: none"> Develop teachers' competencies on how to deliver CSE and foster an open dialogue about sexuality with their students While the Government has demonstrated high political commitment to support CSE by approving a pilot programme to develop CSE content for elementary school students. However, there is no implementation plan or funding yet. The Government should allocate an appropriate budget as well as strategize on how to implement the pilot, evaluate the results as well as further integrate the CSE to all level of education. Incorporate menstrual hygiene management as part of the CSE programme. 	<p>Y-PEER with support from UNFPA - "Youth Voices Campaign" which promotes youth engagement, leadership and activism</p> <p>Eco-Logic - School for Sustainable Development which promotes understanding about sustainable development among children and youths</p>

Perceived Challenges and Problems	Proposed Solutions	Main Initiatives by CSOs
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Health and population (healthcare, lifestyle, hygiene/sanitation behaviours, water quality and infrastructure) (SDG 3, 6)

<ul style="list-style-type: none"> • Air pollution: Skopje, Bitola, and Tetovo are continuously among the most polluted cities in Europe and the world. High PM 10 and PM2.5 concentration put the population at risk of respiratory illnesses, cardiovascular diseases and cancer. • Lake Ohrid is the greatest reservoir of drinking water in Macedonia, but many decades of irresponsible management have resulted in an accelerated process of its degradation. • Unhealthy lifestyle: inactive lifestyle, alcohol and cigarettes consumption especially in young people, poor diet • Circulatory diseases and other non-communicable diseases • Family Planning and Reproductive health <ul style="list-style-type: none"> • Low or no access to contraception. The need for contraception at the age 20-24 has not been met in 36.5 percent of the women. • Insufficient number of gynaecologists and family planning services • Poor or no access to proper WASH facilities' in public areas and buildings. For instance, there is no soap or toilet paper in schools and only two public toilets in Skopje. • Poor access to WASH facilities for vulnerable population. Only 16 percent of Roma people living in Skopje have access to the toilet. • High cost for menstrual management products, leading to poor school attendance in both urban and rural areas. • Inadequate access to safe drinking water for vulnerable populations. Only 26 percent of Roma population in Skopje has access to safe drinking water. 	<p><u>Air quality</u></p> <ul style="list-style-type: none"> • Strict enforcement of environmental legislation and highly effective inspection services supervised by foreign independent mixed expert bodies • Reduction of cable burning (to reach the cooper) in marginalized groups of the population, especially among the Roma population, by installing cable cutting tools and redeeming them at redemption points across cities. This way, this group of citizens will be motivated not to burn the cables (to reach the cooper). <p><u>Water quality</u></p> <p>-Urgent, consistent, and meaningful implementation of all 19 recommendations by 2017 UNESCO Reactive Monitoring Mission to the Ohrid Region and establish a lake carrying capacity in line with sustainable use guidelines.</p> <p><u>Unhealthy Lifestyle</u></p> <ul style="list-style-type: none"> • Public health awareness-raising campaign that promotes healthier lifestyle, e.g. healthier diet and consumption, harm from alcohol and tobacco consumptions, popularization of sports, especially for people with disabilities • Improve label of everyday products or introduce incentives to nudge consumers towards healthier diet and consumption, e.g., tax on sweet drinks or restriction of selling sweets around school • Build more sports infrastructure to support that demand • Establish local recreational sport clubs for all generation • Strict and consistent enforcement of smoking ban in public spaces <p><u>Family planning and Reproductive Health</u></p> <ul style="list-style-type: none"> • At least 3 types of modern contraceptives (e.g., IUDs, oral pills) should be included in the positive list of drugs and reimbursed through the national health insurance. • Currently, free contraception is available for vulnerable women accessing hospitals but no primary healthcare facilities. Free contraception should be available in primary healthcare facilities, particularly in those regions where there is lack of gynaecologists. • General practitioners and family doctors should be trained to provide contraception and receive additional incentives for the services they'll provide to patients. <p><u>Access to WASH infrastructure</u></p> <ul style="list-style-type: none"> • Build more free public bathrooms with accommodations for people with disabilities • Renovate WASH facilities and provide hygiene products (e.g., soaps and toilet papers) in public buildings, including schools, hospitals and public bathrooms • Consider building eco-toilet in rural areas where there is limited access to water <p><u>High costs of menstrual products</u></p> <ul style="list-style-type: none"> • Reduce the menstrual hygiene product tax from 18 percent to 5 percent, making it more accessible to every woman • Offer free menstrual hygiene product to girls in school <p><u>Safe drinking water</u></p> <ul style="list-style-type: none"> • Ensure improved drinking water sources for all. 	
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Perceived Challenges and Problems	Proposed Solutions	Main Initiatives by CSOs
Sustainable cities and human settlements, balanced regional development, sustainable energy production (SDG 7, 11, 14, 15)		
<ul style="list-style-type: none"> • Use of fossil fuel for energy generation. Households and industries are still dependent on fossil-fuel generated energy. Less than 30 percent of all energy consumption is from renewable production. There is a need to shift from fuel-heavy energy production to more resource-efficient or renewable energy production (e.g., hydropower or solar). • Unbalanced regional development, resulting in overcrowding in the cities and slow development outside of the city, in particular, Skopje • Exploitation of coastal areas and poor wastewater treatment (e.g., in Ohrid Lake area). Issues include illegal wastewater discharge at industry and household level, overfishing and illegal construction and urban development • Ohrid Lake (with Studenchishte Marsh) has more species — many world unique — than any other inland water on Earth when measured by surface area. Some of these species, which include endemics, are in danger of extinction due to decades of inappropriate management. • Poor implement of Aarhus Convention 	<p><u>Energy</u></p> <ul style="list-style-type: none"> • Installation of photovoltaic systems on all state/municipal buildings throughout the country (schools, hospitals, cultural institutions, administrative buildings, etc.) • Subsidies for installation of photovoltaic systems for individual homes without the possibility to connect to the district heating system • Amendments to the Law on Forest Management, specifying the methods and conditions for cutting, storing and distributing certified firewood with a moisture content below 20 percent and its distribution by September at the latest; • Legislative changes and obligations for all buildings that use firewood, coal, crude oil, etc. with steam systems above 20 kW power must have appropriate filters; <p><u>Unbalanced Regional Development</u></p> <ul style="list-style-type: none"> • Relocate the capital city and move the core activity to another city (e.g., public sector work) • Decentralize development, build better public infrastructure outside of Skopje (including state health facilities, national sports hall, universities, etc.) <p><u>Wastewater management system, including sewage management</u></p> <ul style="list-style-type: none"> • Improve the sewage network and sanitation system in near all human settlements • Urgent submission of the already completed Ramsar application (RIS) about Ohrid Lake and Studenchishte Marsh to the Ramsar Secretariat by MoEPP and urgent protection of a minimum of 63.97 hectares at Studenchishte Marsh as the first measure within a clearly and carefully delineated plan to rewet the area and eliminate harmful activities with zones of higher protection expanding (ZSP, ZAM). • Strengthen local authorities in the operation and management of the sewage system (including regulation for proper treatment and discharge) 	
Sustainable consumption and production (including chemicals and waste) and climate action (SDG 12, 13)		
<ul style="list-style-type: none"> • Poor public awareness and understanding of climate change and sustainable development, leading to irresponsible and unsustainable behaviors and consumption (illegal dumping, use of fossil fuel, burning plastic for energy, etc.) • Poor public awareness and understanding of environmental impacts and footprint throughout the production process • Poor support for small family farms (financial access and support and other resources) • Low adoption of sustainable agricultural practice and food production (climate change resilient practices and seeds) • Use of chemical in agricultural production 	<p><u>Public awareness and understanding of climate change, sustainable development and environment</u></p> <ul style="list-style-type: none"> • Training teachers on the importance of climate change and sustainable development topics in early education and integrate climate change, conservation and sustainable lifestyle into the curriculum • Introduction of mandatory project activities in schools in the country for environmental projects, with allocated funds for each school (according to the number of pupils) for implementation of small student eco-projects. Each student will be involved in appropriate environmental project activity and will be motivated to contribute to solving local environmental problems. • Increasing the prices of beverage products packaged in plastic packaging and refunding them. With this intervention, there will be an increase in awareness in terms of waste generation. <p><u>Promotion of sustainable food production and agriculture</u></p> <ul style="list-style-type: none"> • Provision of state support targeting smallholder farmers in the form of subsidies and increase awareness on the existing support programmes e.g., national guarantee funds through IPARD programme • Increase financial access to smallholder farmers, e.g., line of credits targeting for small-scale farmers, establish an agricultural bank • Offer training on sustainable farming practices targeting family farms, including training on the adverse environmental impacts of using chemicals, training to add value to the products (e.g., small scale processing, packaging, etc.) <p><u>Promotion of sustainable production and consumption (e.g., circular economy model)</u></p> <ul style="list-style-type: none"> • Make manufacturers adopt the circular economy model by law, i.e., recycle, repurpose and reuse • Enforce regulations and laws around hazardous and toxic waste generation • Introduce incentives for companies to adopt sustainable production (i.e., tax incentive, subsidies or recognition/reward programmes) • Encourage companies that are working with the Government to adopt sustainable production practice, e.g., companies with established recycling process or corporate social responsibility programme would receive a higher score in the public procurement process 	<p>Center for promotion of sustainable agricultural practices and rural development (CeProSARD) -“Strengthening education in secondary technical schools in North Macedonia through introduction of educational programmes for SDGs” (http://www.ceprosard.org.mk/MK/oi_p5.aspx) and “Guidelines for Implementation of Education for Sustainable Development in Technical High Schools” (http://www.ceprosard.org.mk/MK/PDF/Priracnik_EDU_COR_MK.pdf).</p>

Perceived Challenges and Problems	Proposed Solutions	Main Initiatives by CSOs
Promoting equality, including social equity, gender equality, human rights, reproductive health (SDG 5, 10)		
<ul style="list-style-type: none"> Gender inequality (including pay gaps and slow implementation of gender-focused programmes/policies) and gender-based violence (GBV) Limited accommodation for people with disabilities to public buildings (building and bathroom access) Inadequate accommodation for people with disabilities to social services in person and online Structural inequality / income inequality Lack of understanding and awareness of discrimination: The public does not have the awareness and understanding of discrimination. Lack of awareness about social services that the Government offers. They are also not aware of what institutions that are responsible for dealing with the case of discrimination. Human Trafficking. While there are legislations in place to protect victims of human trafficking, the institutions responsible for detecting, preventing and interacting with victims subject to labor exploitation, forced marriage and begging are insufficiently informed and trained to recognize these forms of trafficking in human beings. Although there is some awareness among the citizens about reporting these offenses to the competent institutions, the institutions do not have adequate and sufficient capacities to deal with the same and appropriate treatment of these persons. Statelessness – affects unemployment, education, WASH <ul style="list-style-type: none"> More data is needed. The last census was done in 2002 and non-citizens were not included. Lack of the legal framework for protection of stateless people Significant barriers to birth registration, which disproportionately impacts certain groups of the population, e.g., Roma, Ashkaeli and Egyptian communities Unregistered Romani people, especially for women, couldn't seek the appropriate social services (active employment measures, childcare, etc.) <p>-A new law on abortion in 2019 has been passed, which provides the right for medical abortion.</p>	<p><u>Gender inequality</u></p> <ul style="list-style-type: none"> More gender-responsive outcome measures / indicator, especially in agricultural or rural development sector. The Gender National Index has already been developed, but it is too generic. Incorporate gender-transformative programming into social development programmes (i.e., promoting gender equality and women's empowerment is the center of the intervention, including men and boys in the dialogue when promoting gender equality). The efforts by all stakeholders in the society need to be redirected to help us better understand the many and complex ways that rigid gender norms and power relations burden our society. Quotas for female legislators should also be extended to local Government (mayors, city or municipality council, etc.) and private sector (percent of women in the board of directors, etc.) More activities to promote women's entrepreneurship <p><u>Disability rights and accommodations</u></p> <ul style="list-style-type: none"> Upgrade all Government websites to comply with the web content accessibility guidelines (WCAG) developed by the W3C, which sets out rules and guidelines on how to achieve web accessibility for people with disability Continue investing in the improvement of both electronic and traditional paper-based services, aligning information and services provided online and in-person. Ensure all public buildings accommodate access for people with disabilities (including bathroom and other facilities) Ensure hotels offer rooms that can accommodate people with disabilities <p><u>Income inequality</u></p> <ul style="list-style-type: none"> Redesign of the progressive income tax model by removing all regressive elements and take into account family characteristics (number, economically dependent / dependent persons, etc.). <p><u>Discrimination and low awareness of social services</u></p> <ul style="list-style-type: none"> Raise public awareness about equal rights to all as well as the mechanisms for protection and prevention of discrimination Raise public awareness of social services being offered, including the institute "Defense of the poor" in criminal proceedings which offers legal services to low-income families Conduct training for public and administrative officials to raise awareness and understanding of discrimination, allowing them to gain more practical experience to recognize discrimination cases and identify appropriate protection measures <p><u>Exclusion of stateless and unregistered people</u></p> <ul style="list-style-type: none"> Build capacity for the state officials to identify and record statelessness accurately Simplify the birth registration procedure and remove all unnecessary barriers to birth registration Develop the procedure to facilitate the acquisition of Macedonian citizenship for people who are entitled to the citizenship Improve access for Romani to register for social services (more convenient locations and rolling enrollment for active employment measures) <p><u>Human Trafficking</u></p> <ul style="list-style-type: none"> Expand the existing operation of the team responsible for combating human trafficking and migrant smuggling Providing additional and significant training to institutions and individuals working to detect, prevent and/or rehabilitate trafficking victims to recognize other forms of trafficking in human beings (begging, forced marriage, labor exploitation) Increase the country's accommodation capacities for accommodation and rehabilitation of victims of human trafficking (from experience sometimes existing facilities cannot accept accommodation of more victims/potential victims of trafficking in human beings) Immediately establish a state fund for the reimbursement of victims of trafficking in human beings and enable efficient and effective access to these funds for victims at an early stage <p><u>Reproductive Health</u></p> <ul style="list-style-type: none"> Pregnancy termination Law implementation is partial as medical abortion is not available as the pills for its performance are still illegal. The Government should provide free contraception methods, especially for young people and vulnerable groups of women as well as promotional activities for raising public awareness on contraception usage. 	<p>FINANCE TINK - Institute for Economic Research and Policies - Introduce fair pay calculation using <i>Edplako-MK</i> (www.edplako.mk), as a way to eliminate the gender pay gap at the individual, organizational and national levels.</p> <p>The Coalition 'Sexual and Health Rights of Marginalized Communities' (MARGINI and ESE Association) - Providing legal assistance to marginalized communities and advocate for the improvement of the legal framework to improve access for justice</p>

Perceived Challenges and Problems	Proposed Solutions	Main Initiatives by CSOs
Rule of law, institution and governance, mean of implementation and partnerships (SDG 16, 17)		
<ul style="list-style-type: none"> • Need for improved transparency, accountability, corruption • Low engagement of the public, especially youths, and limited dialogue with CSOs • Low private sector engagement • Ensure equal access to social services – online and in-person • Poor coordination between relevant policies and strategies (e.g. activities for energy and climate policies should be in sync) • Poor capacity. The institutions lack the capacity, expertise and knowledge to develop analysis and studies prior to policy changes in order to examine the impact of these novelties on society as a whole. • Inadequate data collection and monitoring system. A monitoring and evaluation system to assess the successfulness and results of measures and programmes across sectors is also not functioning. This results in an overburdened, ineffective, unmotivated administration, poor unsustainable services, inconsistent measures and frequent changes in the legislation. • Low state budget (Education, health, regional development, sustainable production) 	<p><u>Private sector engagement</u></p> <ul style="list-style-type: none"> • Incentivize companies to commit to contributing towards SDG goals (financial incentives e.g., tax holidays or other incentives e.g., award programmes or recognition programmes) • Awareness raising campaign, including showing companies success cases of private companies contributing to SDGs • Platform to collect and share all of the activities that are ongoing <p><u>Align national policies with SDGs</u></p> <ul style="list-style-type: none"> • General Secretariat of the Government should oversee and ensure that the public policies adopted are coherent to SDGs • The SSO should establish a statistical system that will also collect data (disaggregated by various types) in accordance with the UN methodology, in order to produce data that will precisely provide information on the level of realization of the targets based on the set indicators. <p><u>Data gaps</u></p> <ul style="list-style-type: none"> • Adopt data-driven programme / policy development (i.e., collect baseline data, continual progress monitoring, evaluation of the programme and identify successes and shortcomings, use evidence to redesign or make changes to the programmes) • Open data platform to promote transparency and accountability. CSOs can monitor the work done by the Government and hold the responsible agency accountable. • Data collected in the legal system should at least include the number of cases, lawyers, type of procedure, individual amount for each procedure, detailed list of actions taken, as well as demographic data on the beneficiary of free legal aid. <p><u>Youth and citizen engagement</u></p> <ul style="list-style-type: none"> • Establish a youth advisory board or engagement mechanism on an institutional level for relevant policies 	<p>European Policy Institute - The WeBER regional project empowered CSOs to engage in public administration reform and act as credible interlocutors to the Governments and as constructive contributors to policy-making processes and design of services. The project was conducted in collaboration with WB Governments and the recommendations that came as a result of the monitoring work were endorsed by the key stakeholders.</p>

Voices from the Business Sector

The global challenges of modern societies that are also covered by the SDGs are quite complex and require the involvement of all social actors. Although the states are primarily responsible through policies and measures to work towards the achievement of the SDGs, active involvement is required from the business sector. The involvement of the business community is of particular importance because its impact is crucial in areas such as economic development, environmental protection, labour market, energy, standard of living, etc. Without their direct involvement, progress in these areas is impossible. Additionally, it is generally accepted that for a business to be successful in the long run, it must take care of its environmental and social impacts and develop principles of sustainable business. In this regard, SDGs represent a unique opportunity for the business sector to get involved in achieving sustainable development that in the medium and long term will benefit society, as well as the business itself.

SMEs represent 99 percent of the total number of registered enterprises and employ 75 percent of the total workforce. The total number of active enterprises in North Macedonia in 2018 was 70,361, an increase by 13.4 percent compared to 2017 when their number was 62,033. The number of active micro-enterprises in 2018 increased by 15.2 percent compared to 2017, small enterprises in 2018 increased by 3.6 percent compared to 2017, as well as medium-sized enterprises by 13.5 percent and large enterprises (4.6 percent). The largest share of the companies is comprised of micro - 49392 (70.2 percent), followed by small -19590 (27.84 percent) and medium enterprises-812 (1.15 percent).MSMEs remain the dominant type of enterprises in North Macedonia in 2018, with a total of 69794, representing 99.11 percent of all active enterprises.

Active enterprises	Number					(percent)				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Micro	42001	42001	42304	41905	49392	69.39	68.46	68.07	67.55	70.20
Small	17452	18218	18644	18886	19590	28.84	29.69	30.00	30.44	27.84
Medium	596	639	685	702	812	0.98	1.04	1.10	1.13	1.15
Large	472	500	518	541	567	0.78	0.81	0.83	0.87	0.81
Total	60521	61358	62149	62033	70361	100.00	100.00	100.00	100.00	100.00

MSMEs absorb most of the labor force, significantly contributing to employment. Of the total number of employees in 2018, 71.31 percent are engaged in micro, small and medium-sized enterprises. In 2018, there was an increase in the total number of employees compared to 2017. A significant increase in the number of employees is evident in large enterprises by 8.45 percent, while in medium-sized enterprises there is a very small increase by 0.036 percent compared to 2017. While the number of employees in micro enterprises decreased by 4.32 percent and small enterprises by 0.17 percent.

Businesses are represented through the chambers of commerce, trade unions and associations of employers. Through these structures/formations they actively take part in the following platforms:

- **The Economic and Social Council** - The Economic and Social Council is an advisory body to the Government on issues in the economic and social sphere. The Council, within its competence, submits opinions and conclusions to the Government on policies in the economic and social field, and which policies are closely related to the interests of workers and employers. The Economic and Social Council is a tripartite body composed of 12 members, in a parity with representatives of the Government, the representative associations of employers and the representative trade unions. Since its inception, through this tripartite body, tripartite consultations have been conducted on a regular basis, primarily on labor sector policies and financial policies related to the labor sector. The legal framework governing the functioning of the Council is constantly being upgraded, in order to promote the visibility further, independence and role of this body in the implementation of the national social dialogue.
- **The Platform for public-private dialogue** - In May 2018, a memorandum was signed on the establishment of a public-private dialogue between the four chambers of commerce and the Government. The memorandum is an important step in the process of building cooperation between the public and private sectors, as a means of directly sending the joint views of the chambers in the form of positional documents related to Government policies affecting the business community.

In order to coordinate on issues for which there is a consensus between the chambers, in January 2018 a Memorandum of Cooperation was signed between the four chambers of commerce. By formalizing this mutual dialogue, stakeholders in the process are pushing for joint action in an effort to improve the country's business climate. Coordinated by the Cabinet of the Deputy President in charge of economic affairs, several bilateral business forums with EU member countries were organized through the Platform for Public Private Partnership during 2019.

Konekt within the EU funded project "Building Cross-sector Partnerships for Sustainable Development" implemented array of activities for engaging businesses in the SDGs agenda. In cooperation with the Local Network of the United Nations Global Compact the project awarded the companies that are following the SDG agenda thorough recognition scheme.

The following are companies that are being recognized for perusing and implementing the Agenda 2030 and are determined to create a sustainable business and contribute to the realization of one or more goals of the SDGs:

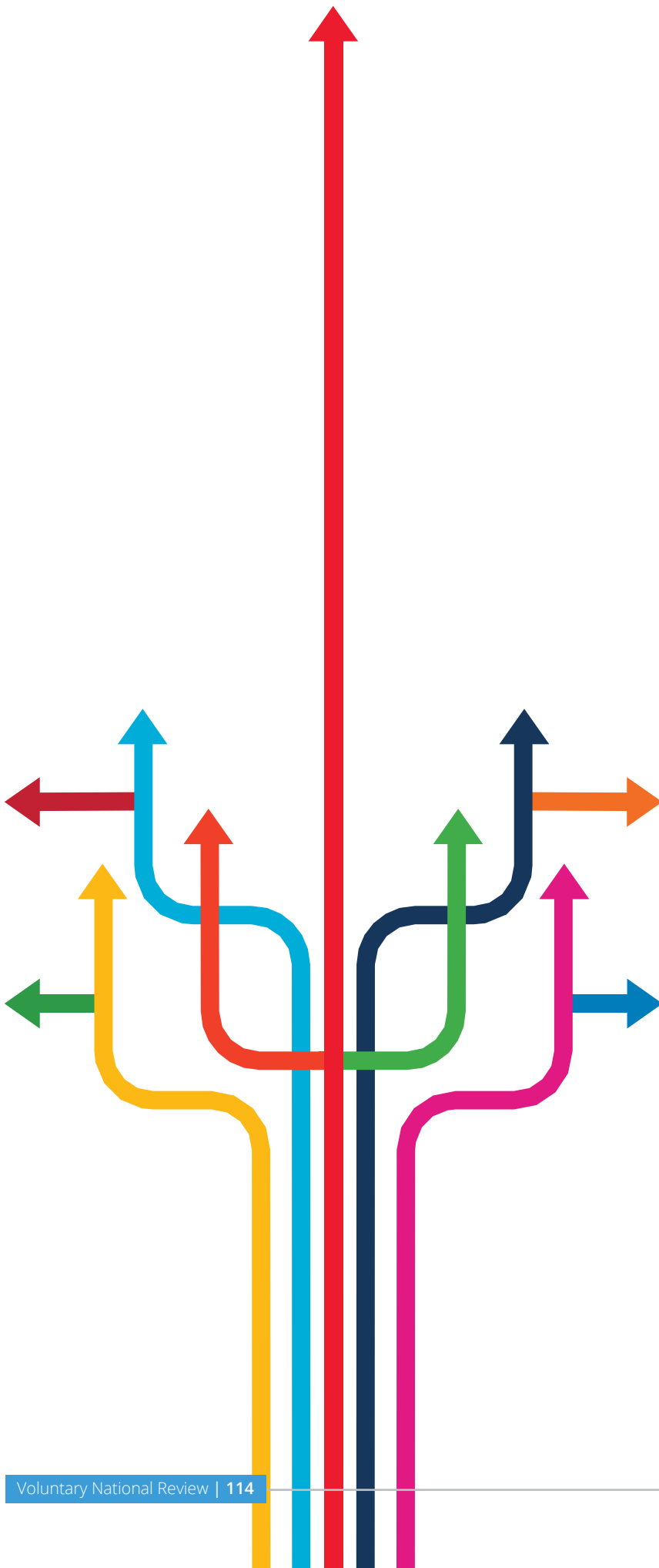
- Skopska Pivara
- Pharmachem
- USJE AD Skopje
- Alkaloid AD Skopje
- Adora Engineering DOOEL
- Makprogres

Mapping the sustainable development goals

The UN Sustainable Development Goals have been part of the current affairs since they first emerged, attracting particular interest in the civil and public sector, but also recognizing the key role of the companies. The Sustainable Development Goals represent a new era for businesses and, through sustainable solutions and activities together with other stakeholders, they can contribute to sustainable solutions in the society.

Within the Building Cross-sector Partnerships for Sustainable Development Project funded by the European Union and implemented by the Association Konekt and Agora in our country, a series of activities were carried out on the territory of the country to determine the priorities of the society in the context of the Sustainable Development Goals and the stakeholders that need to play their part in the process of fulfilling the Agenda 2030.

Particular emphasis was put on the priorities that are relevant to the private sector, i.e. where the private sector, in partnership with other stakeholders, can have the greatest impact. As an inseparable part of the European Union membership process, the Sustainable Development Goals are gaining additional importance since complying with the membership requirements and the necessary reforms inevitably lead to the achievement of the sustainable development goals, i.e., the processes are interconnected. All identified priorities are directly related to the established system of the UN for monitoring the success of their implementation as well as the individual indicators and the connection with the relevant national documents for implementing the priorities, such as the Programme of the Government, researches and analyses.



MAPPED PRIORITIES AT THE NATIONAL LEVEL

	Goal 4 - Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all
	Goal 8 - Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Goal 9 - Building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation
	Goal 3 - Ensuring healthy lives and promoting well-being for all at all ages
	Goal 16 - Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels
MAPPED SECONDARY PRIORITIES FROM REGIONAL WORKSHOPS:	
	Goal 5 - Achieving gender equality and empowering all women and girls
	Goal 11 - Making cities and human settlements inclusive, safe, resilient and sustainable
	Goal 17 - Strengthening the means of implementation and revitalizing the global partnership for sustainable development
	Goal 6 - Ensuring availability and sustainable management of water and sanitation for all
	Goal 7 - Ensuring access to affordable, reliable, sustainable and modern energy for all
	Goal 13 - Taking urgent action to combat climate change and its impacts

WEAKNESSES THAT REQUIRE A PRIORITY APPROACH TO BE OVERCOME

- ➔ Lack of adequate equipment and qualified teaching staff in schools
- ➔ Mismatch between the curriculum and the actual needs of the business sector (inclusive and non-formal education, skills and gender sensitivity)
- ➔ Poor relationship between the educational process and the practical work and work experience during the education
- ➔ Insufficient inclusion of persons with disabilities in the educational process
- ➔ Insufficient inclusion of vulnerable categories of citizens in the education
- ➔ Disparity between the quality of education in the rural and urban areas
- ➔ Insufficient representation of non-formal education and lifelong learning
- ➔ Insufficient inclusion of persons with disabilities in the labour market
- ➔ Insufficient inclusion of marginalised groups in the labour market
- ➔ Lack of skilled workforce with vocational secondary education
- ➔ Low level of respect for the workers' rights
- ➔ Insufficient awareness of the business sector for investing in the motivation and professional development of workers
- ➔ Insufficient focus on the development of the creative industry and craftsmanship
- ➔ A common practice of lower compensation for the same work, as part of the insufficient awareness of gender equality.
- ➔ Insufficient investments in salaries compared to the profits resulting in poor image of the industry as an employer
- ➔ Extremely low level of investments in scientific-research activity as a framework for achieving the goals for innovative development of the business sector
- ➔ Insufficient access to financial services for small industrial and other companies due to insufficiently developed infrastructure
- ➔ The economy as a whole is still at an early stage in the development of innovation, and the concept of innovation as a business potential is penetrating very slowly.
- ➔ Chronic lack of equipment and medicines, as well as medical supplies in the health care system
- ➔ Lack of doctors and support staff in public health institutions
- ➔ Low level of development of the utility services
- ➔ Low level of health care for workers by the employers, frequent work accidents with severe and fatal outcomes
- ➔ Lack of public awareness about the application of the healthy lifestyle principles
- ➔ Lack of good work practices of the courts, public institutions related to the order and peace, poor transparency
- ➔ High level of corruption in the relations between the public and the business sector
- ➔ Low level of knowledge among the judges and the support staff about the business environment and relations, international trade rules and usances

STAKEHOLDERS

- » Ministry of Labour and Social Policy
- » Ministry of Education and Science
- » Ministry of Economy
- » Ministry of Transport and Communications
- » Deputy President of the Government of the Republic of North Macedonia in charge of economic affairs and coordination with the economic sectors
- » Employment Agencies
- » Individual educational institutions at all levels
- » Fund for Innovation and Technological Development
- » Start-up centres and business accelerators
- » Trade Unions and occupational safety and health associations
- » Centres for non-formal education and training
- » Economic chambers and business associations
- » Career centres
- » Business community through direct partnerships of companies with educational institutions and civil society organizations
- » Civil society organisations engaged in the field of education and career development
- » Pharmaceutical companies
- » Institute for Public Health
- » Bureau for Development of Education
- » Health and Sanitary Inspectorate
- » Youth associations
- » Judicial Council
- » Individual courts
- » Association of the units of local self-government and the local self-government units
- » Civic organizations working in the sphere of democratic values, security and service quality for different categories of citizens
- » Business community

The promotion of partnerships between the stakeholders has emerged as a shared element in all countries, and it confirms the necessity of strengthening the open, participatory, democratic processes as a basic prerequisite for successful and complete implementation of sustainable development in the long run. The common challenges that countries face and the specific similarities that are typical for the countries belonging to the same region are universal, whereas, on the other hand, it shows that our country, as a candidate country for EU membership, tackles the same challenges as the member states, which shows high complementarities and reveals opportunities for future cooperation, aimed at easier overcoming of the present challenges. One of the priorities should be to identify the possibilities for partnerships with the countries in the region to strengthen the implementation of the sustainable development goals as part of the road to EU membership.

If the required regulatory framework is established, the necessary level of awareness in the public is raised, concrete and feasible initiatives are identified and a partnership relationship with all stakeholders is built, we can expect a successful and sustainable implementation of the sustainable development goals and a more successful society that will ensure prosperity and progress for all.

Konekt as Secretariat of the Local Network of the United Nations Global Compact that is the largest global initiative for corporate responsibility and sustainable development through which we act for businesses in human rights and integrity introduced the project for UN Guiding Principles on Businesses and Human Rights. The project was implemented in partnership with the "Business Confederation of Macedonia", with all stakeholders and initiated policy discussion on the development of National Action Plan NAP within cross-sector group comprised of institutions, chambers, CSOs, international organizations, etc.

Research from the project has demonstrated a limited awareness of the companies about the UN Guiding Principles on Business and Human Rights (UNGP). The companies, at least declaratively, address human rights to the extent that is imposed by the legal regulations; nevertheless, the number of companies that made an actual effort to integrate the UNGP principles in their internal policies and that conduct human rights due diligence remains low.

In particular, there is low awareness of the need to develop mechanisms for the protection of human rights, as well as a low level of presence of formal procedures for supporting the employees. In contrast, measures and activities aimed at respect for human rights increase proportionally with the size of the company.

The analysis of the data according to the size of the company (micro, small, medium or large) has shown a trend of greater awareness and measures related to social responsibility which is proportionate to the size of the enterprise. Such a tendency is also observed given the question as to whether the company has a written document on social responsibility (the percentage of the companies that have such a document increases with the size of the enterprise).

In the sphere of implementing environmental protection measures, the percentage is high in all categories, wherein the large companies have pre-eminence (all of those that participated in the research implement environmental protection measures).

Continuous efforts are required for raising the awareness and the capacities for implementing the UNGP with all the relevant stakeholders especially the businesses, the employers' and workers' organizations, the civic organizations and the citizens) for the purposes of creating a climate of transparency, accountability and responsibility in terms of the impact of the operations of individual players on the human rights and sustainable and inclusive development.



COVID-19 RESPONSE

North Macedonia's Response to the COVID-19 Crisis

On January 30, 2020, World Health Organization (WHO) declared the corona virus disease 2019 (COVID19) outbreak a public health emergency of international concern (PHEIC) and declared it a global pandemic on March 11. The first COVID19 case in the North Macedonia was confirmed on February 26, with situation deteriorating in the following weeks, resulting in 3701 confirmed cases and 171 casualties as of June 12, 2020.

At the outset of the crisis, the Government has taken early measures to prevent the rapid spread of COVID-19, taking into account the health system surge capacity when planning what measures to take and when. On March 18, 2020, the Government declared a 30-day nationwide state of emergency, restricting public gatherings and movement. As per global recommendations, the Government immediately scaled up of public health measures; adopted protocols for the treatment of COVID-19 cases; mobilized the necessary medical and health staff, and equipment (i.e. mechanical respirators) from public and private health facilities (March 15) and designated reference and referral facilities for care of COVID-19 patients, including additional institutions for quarantine. Until April 14, the Ministry of Foreign Affairs organized the repatriation of 3,032 of Macedonian citizens from abroad. North Macedonia requested assistance through NATO's Euro-Atlantic Disaster Response Coordination Centre (EADRCC) for surgical masks, protective suits and other equipment on March 30 and received *support from several NATO Allies*. On April 19, a batch of medical supplies was provided by the Chinese Government. On April 22, the European Union approved 160 million Euros as macro financial assistance for North Macedonia.

The Government also engaged in a dialogue with the chambers of commerce and the tripartite Socio-Economic Council (ECOSOC) and established an economic council consisting of academia, business and economic experts from various fields and different political backgrounds. Based on these discussions, a set of measures were undertaken to mitigate the impact on the national economy, including measures related to emergency stocks, abolishment of the customs duty for some food items and critical products, tax breaks, subsidized wages, social assistance, limited loans to micro, small and medium business, as well as a number of regulatory interventions to facilitate the implementation of measures.

The largest shock is expected in the second quarter of 2020, with spill over effects from immediately affected sectors to the broader economy. The economic crisis will impact both the supply, as result of closing manufacturing facilities, and the demand, due to reduced purchasing power and the overall fear and uncertainty among the citizens and the corporate sector. Trade, transport, hospitality and food services are expected to be the most affected sector on the demand side. The manufacturing industry, the second most important sector with 16 percent of GDP and about 161,000 employees, is the most exposed on the supply side. As a small and open economy, North Macedonia is also exposed to decreased external demand from key trade partners.

The combination of the above factors is expected to decrease companies' liquidity and result in layoffs and income reductions for the self-employed and the informal workers⁸⁴. Disruption in agricultural activity is also at risk, both due to restricted fieldwork and inability to sell at the green markets, which particularly affects smallholder farmers. As a net importer of food and basic agricultural inputs for food production, the country may face challenges to food security due to a shortage of animal feed, seeds, fertilizers, pesticides, veterinary medicines and other core inputs that could affect agricultural production.

The Ministry of Finance expects a peak of the economic crisis in the second quarter of the year with a decline of 15 percent, while the first quarter is to end positively on the back of the relatively solid economic results in the first two months of the year. Mild recovery is expected in the third quarter and some positive results in the final quarter of 2020. This will seriously damage the ability to collect revenues amidst immense financing needs to respond to the health and the socio-economic impact of the COVID 19 outbreak. Depending of the severity of the crisis, MoF projects a drop of revenues from 10-30 percent, with respective financing needs between 0.7 and 1.3 billion Euro, in addition to the already planned budget

84 The official share of the informal economy is 18 percent based on SSO data but estimated by the International Monetary Fund (IMF) at 37.7 percent.

deficit of €0.3 billion.

- According to **World Bank's Europe and Central Asia Spring 2020 Outlook**, the economy of "North Macedonia is facing a recession with growth for 2020 projected at - **0.4 percent under the optimistic assumption** that the crisis will end by end-June and the economy will be returning back to normal. Personal consumption is expected to slow down significantly compare to 2019, while exports and investments will decline. On the other hand, Government consumption would ramp-up in an attempt to boost the economy and to counter the adverse crisis impact. Increased Government spending will result in higher deficit and debt levels at a time when financing conditions (both domestic and external) may tighten".

*In case the crisis is prolonged in the second semester 2020, the economy might further deteriorate with of **more than -2 percent**, with faster increase of unemployment and poverty, requiring stronger fiscal and monetary response beyond 2020. The WB also stressed that crisis mitigation measures, should not distract the authorities from long-term policy priorities to address structural problems within the economy (declining human capital, insufficient competition and Rule of Law, declining productivity, rising migration).*

- **IMF** is more pessimistic, estimating a **4 percent decline** in North Macedonia's 2020 economic outlook due to a fall in both domestic and external demand. "The authorities quickly responded with targeted and temporary fiscal policy support to limit the social and economic impact of the health emergency by protecting the liquidity of companies, preserving jobs and providing social care for the jobless and vulnerable households. Meanwhile, the National Bank of the Republic of North Macedonia cut its monetary policy rate and implemented regulatory changes to encourage banks to restructure debts of high-quality borrowers affected by the pandemic."

At the psychosocial level, the situation is not less challenging. Suspension or delay of educational activities will affect multiple aspects within the society, coupled with psycho-social impact on children, elderly, families, communities and vulnerable groups. Currently, some 360,000 children and young people are missing out on formal education, while the disruption of TVET and tertiary education will have further negative impact on the labour market. Children are at heightened risk of abuse, neglect, exploitation and violence amidst intensifying containment measures – a major concern considering the high prevalence of violence against children in the home. Disruption of social care services and assistance affects the impoverished households the most, with children or elderly, Roma, homeless and seekers of preventive health care, such as pregnant women and breastfeeding.

The impact will also be different for men and women, with the latter playing a disproportionate role in the response to COVID-19 and being more exposed to economic shock and domestic violence. Gender-based violence may see a substantial increase during lockdown with abusive partners, while services and shelters for victims of violence are not operational during the curfew. In addition, as sexual and reproductive health services, such as family planning, maternal and new-born care, are also affected, the health of vulnerable groups such as girls and women/pregnant women is also under threat.

Finally, the environmental impact may materialize through potentially inadequate waste management, medical waste in particular, which is already considered a challenge in the country, as well as limited access to clean water that could contribute to infection spread in certain communities. The impact on pollution, though likely positive in the short run, given the reduction in economic activity and transport, could deteriorate during the post-COVID 19 phase, as most of the already limited financial resources will focus on sustaining jobs and livelihoods, as well as to create stimulus plans to counter the economic damage, reducing the scope for investment in more resilient environmental infrastructure and secure and sustainable energy future.



Looking Forward

The first National Voluntary Review for North Macedonia is an important document prepared with the joint effort and fruitful collaboration of multiple stakeholders. It evaluates the performance of the country in terms of the Agenda 2030, but at the same time it also outlines our achievements and challenges and identifies the next steps that need to be taken in the implementation of the SDGs.

- To ensure further implementation of the SDGs, North Macedonia will focus its follow-up activities in the post VNR period on the following priorities:
-
- Establishing a multi-stakeholder platform for all activities and statistical data related with Agenda 2030.
- Straightening national statistical and institutional capacities in terms of methodology development for additional indicators of the Agenda 2030.
- Strengthening the dialogue with the business sector, academia, and youth through a “whole of society” approach for improved implementation of the Agenda 2030.
- Strengthening the capacities of the Technical Working Group of the National Council for Sustainable Development.
- Localizing the Agenda 2030 through the alignment of municipal action plans with the Agenda 2030.
- Identifying SDG accelerators for localizing the Agenda 2030.
- Improving donor coordination in line with Government priorities and the new UNCSDCF 2021-2025 for improved implementation of the Agenda 2030.
- Developing a National Development Plan as the outcome of the OECD Multidimensional Review.



Annex

National SDG Indicators

Statistical Annex

Goal 1. End poverty in all its forms everywhere															
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	1.2.1 Proportion of population living below the national poverty line, by sex and age group	SSO	EU SILC Survey Annual	%	27.0	26.8	26.2	24.2	22.1	21.5	21.9	22.2	21.9		
	1.2.1.a Poverty rate by sex														
	Male				27.5	26.6	26.9	24.6	22.3	21.5	22.1	22.4	21.8		
	Female				26.5	27.0	25.5	23.9	21.9	21.5	21.6	22.0	22.0		
	1.2.1.b Poverty rate by age group														
	0-14 years				24.9	24.7	21.6	22.6	18.7	20.5	20.1	20.7	21.4		
	Youth (15-24 years)				30.4	31.3	30.6	28.1	28.3	26.6	28.9	29.5	29.7		
	Adult (16 years and over)				25.8	25.6	25.1	22.8	20.8	20.0	20.6	20.8	20.6		
	25 +	21.1	20.8	19.9	18.3	16.7	16.4	16.5	16.4	16.3					
	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions			EU SILC Survey Annual	%	47.2	50.4	50.3	48.1	43.3	41.6	41.1	41.6	41.1	
	Severely materially deprived people share			EU SILC Survey Annual	%	34.7	40.3	40.9	37.7	35.7	30.4	30.0	31.1	30.5	
	Severely materially deprived people share, persons				Per 1,000 people	713	830	843	778	739	630	622	645	633	
People living in households with very low work intensity, % of people aged 0-59			EU SILC Survey Annual	%	23.7	20	19.9	17.6	17.2	17.4	16.3	16.9	16.4		
In work at-risk-of-poverty rate,% of employed persons aged 18 or over			EU SILC Survey Annual	%	9.4	10.2	11.1	11.1	9.8	8.9	9.0	9.0	8.8		
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture															
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons	Obesity rate (BMI) overweight	SSO	EU SILC Module	% of people aged 18+	-	-	-	-	-	-	-	55.7			
	Pre-obese rate				-	-	-	-	-	-	-	45.2			
	Obese				-	-	-	-	-	-	10.5				

2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	Area under organic farming, % of utilised agricultural area (UAA)	SSO		%	0.5	0.6	0.4	0.3	0.2	0.2	0.3	0.2	0.3	
Goal 3. Ensure healthy lives and promote well-being for all at all ages														
Global SDG Targets	National Indicators	Organization	Data source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births	3.1.1 Maternal mortality rate	SSO and IPH	HFA-DB	Number	20	10	10	10	0	0	0	0	0	
	3.1.2 Proportion of births attended by skilled health personnel	SSO	Vital Statistics Annual	%	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	
3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births	3.2.1 Under-five mortality rate	SSO	Annual	%	8.7	8.4	11.1	11.1	10.8	9.6	12.9	9.9	6	
	3.2.2 Neonatal mortality rate	SSO	Annual	%	5.5	5.0	7.8	7.7	7.5	6.8	10.2	7.4	4.1	

3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	3.3.1 Number of new HIV infections per 1,000 uninfected population (incidence)	IPH	Annual Report	Number and Incidence	-	-	-	-	-	0.016	0.019	0.021	0.022	0.033	
	3.3.1.a By sex														
	Male				-	-	-	-	-	0.029	0.037	0.041	0.043	0.063	
	Female				-	-	-	-	-	0.003	0.002	0.000	0.000	0.002	
	3.3.1.b By age group (in years)														
	20-29				-	-	-	-	-	0.054	0.036	0.072	0.064	0.089	
	30-39				-	-	-	-	-	0.031	0.059	0.046	0.058	0.058	
	40-49				-	-	-	-	-	0.017	0.024	0.017	0.020	0.030	
	50+				-	-	-	-	-	0.002	0.004	0.001	0.001	0.001	
	3.3.2 Tuberculosis incidence per 100,000 population				IPH		Number per 100,000	20.5	17.6	17.2	15.7	13.8	13.7	12.8	10.6
3.3.4 Hepatitis B incidence per 100,000 population	IPH		Number per 100,000	-	-	-	-	-	7.2	5.0	3.5	4.3	4.4		
3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	3.4.1 Mortality rates (ages 30 to 70)	SSO	Annual												
	Cardiovascular disease (ICD-10 I00-I99)			Number of deaths per 100,000 from the same age group	328.9	334.8	324.0	302.5	319.1	328.0	300.5	300.4	302.3		
	Cancer (ICD-10 C00-C97)	SSO	Annual	Number of deaths per 100,000 from the same age group	249.3	233.7	233.6	237.4	235.4	237.7	248.6	234.2	238.0		
	Diabetes (ICD-10 E10-E14)	SSO	Annual	Number of deaths per 100,000 from the same age group	27.1	31.2	29.6	31.0	30.3	34.5	36.0	32.5	34.7		
	Chronic respiratory disease (ICD-10 J30-J98)	SSO	Annual	Number of deaths per 100,000 from the same age group	24.1	26.6	25.8	23.9	24.3	24.3	30.2	31.2	30.1		
	3.4.2 Suicide mortality rate	SSO	Annual	Number per 100,000	5.9	6.2	8.3	8.2	7.1	5.5	6.0	5.4	5.6		

3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	3.6.1 Death rate due to road traffic injuries per 100,000 mid-year population	SSO	Ministry of Interior Annual	Number per 100,000	7.9	8.4	6.4	9.6	6.3	7.1	8.0	7.5	6.4	
3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.8.1 Self-reported unmet need for medical examination and care, % of population aged 16 and over, total	SSO	EU SILC Survey Annual	%	11.4	8.3	7.7	6.6	4.8	2.9	2.9	2.5	2.3	
3.a Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate	3.a.1 Age-standardized prevalence of current tobacco use among persons aged 15 years and older	IPH		%								55.4		
3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all	3.b.1 Proportion of the target population covered by all vaccines included in their national programme	IPH	Annual	%										
	<i>Immunization against infectious childhood diseases, DPT %</i>	IPH	Annual	%	96.8	96.0	94.7	98.2	95.4	91.3	95.3	91.1	92.5	
	<i>Against infectious childhood diseases, Polio %</i>	IPH	Annual	%	94.8	97.0	96.9	97.9	95.9	92.1	95.3	91.1	92.5	
	<i>Against infectious childhood diseases, Measles %</i>	IPH	Annual	%	95.4	97.0	96.1	96.1	93.3	88.8	82.1	82.6	74.8	
	<i>Against infectious childhood diseases Tuberculosis DPT, %</i>	IPH	Annual	%	99.2	93.2	92.0	96.9	98.8	94.2	98.2	96.8	93.4	93.0
	<i>Against infectious childhood diseases Hepatitis B, %</i>	IPH	Annual	%	90.4	95.6	98.1	96.5	96.6	91.8	93.8	91.3	92.3	
	<i>Against infectious childhood diseases HiB %</i>	IPH	Annual	%	88.8	96.1	94.7	97.1	93.6	88.6	94.0	91.1		
	Life expectancy at birth, years		SSO	Annual	Years	75.0	75.1	74.9	75.5	75.5	75.5	75.4	76.0	76.7
	Share of people with good or very good perceived health, % of population aged 16 or over	SSO	EU SILC Survey Annual	%	72.7	73.0	76.3	76.2	78.7	77.1	78.4	75.4	75.5	

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all															
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	4.1.1 Proportion of children and young people (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in		OECD PISA												
	(i) Reading									70.7			55.1		
	(ii) Mathematics										70.2			61.0	
	(iii) Science										62.9			49.5	
4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education	4.2.2 Participation rate in organized learning , by sex	SSO	Annual Education Statistics	%											
	Both sexes				29.6	21.1	31.3	33.4	33.4	34.4	38.3	39.5			
	Male				29.3	20.6	30.5	33.3	32.8	33.8	37.9	39.1			
	Female				29.9	21.6	32.1	33.6	34.1	35.0	38.7	40.0			
4.4 Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill	Employment rate of recent graduates	SSO	LFS Annual	%	47.9	45.9	44.8	43.3	42.6	48	46.9	50.0	49.2		
	Male	SSO			51.6	49.1	45.3	46.1	45.8	45.1	49.4	55.1	49.6		
	Female	SSO			43.6	42.4	44.4	40.8	39.6	50.8	44.7	45.2	48.9		
	Early leavers from education and training, % of population aged 18 to 24	SSO	EU SILC Annual	%	15.5	13.5	11.7	11.4	12.5	11.4	9.9	8.5	7.1		
	Male	SSO			13.7	11.9	11.1	9.1	11.0	10.0	8.9	8.3	5.6		
	Female	SSO			17.5	15.2	12.3	13.9	14.0	12.9	10.9	8.7	8.5		
	Tertiary educational attainment, % of population aged 30 to 34	SSO	LFS Annual	%	17.1	20.4	21.7	23.1	24.9	28.6	29.1	30.6	33.3		
	Male	SSO			16.2	18.5	20.8	20.7	21.4	23.1	24.5	24.6	26.4		
Female	SSO			18.0	22.4	22.6	25.6	28.7	34.5	33.8	36.8	40.4			

(4.4 continued)	Employment rates of recent graduates ,% of population aged 20 to 34 with at least upper-secondary education	SSO	LFS Annual	%	47.9	45.9	44.8	43.3	42.6	48.0	46.9	50.0	49.2		
	<i>Male</i>	SSO			51.6	49.1	45.3	46.1	45.8	45.1	49.4	55.1	49.6		
	<i>Female</i>	SSO			43.6	42.4	44.4	40.8	39.6	50.8	44.7	45.2	48.9		
	Adult participation in learning by sex, % of population aged 25 to 64, total,	SSO	LFS Annual	%	3.5	3.6	4.1	3.7	3.2	2.6	2.9	2.3	2.4		
	<i>Male</i>	SSO			3.4	3.6	4.1	3.9	3.2	2.7	2.8	2.4	2.4		
	<i>Female</i>	SSO			3.6	3.5	4.0	3.6	3.3	2.5	3.0	2.2	2.3		
Goal 5. Achieve gender equality and empower all women and girls															
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
5.1 End all forms of discrimination against all women and girls everywhere	Gender pay gap, in unadjusted form, % of average gross hourly earling of men	SSO	Structure of Earning Survey 4 Year Frequency	%	-	-	-	-	9.1	-	-	-	-		
	Gender employment gap	SSO	LFS Annual	%	20.9	19.0	18.8	19	20.8	19.4	21.2	21.9	21.4		
	Inactive population due to caring responsibilities by sex, % of inactive population aged 20 to 64, total	SSO	EU SILC Annual	%	43.3	42.6	41.3	43.3	45.6	47.0	46.5	47.1	47.3		
	<i>Male</i>	SSO		%	2.8	3.5	4.0	2.6	4.1	4.0	4.3	5.8	6.7		
	<i>Female</i>	SSO		%	57.2	57.4	55.5	59.4	60.9	63.3	62	62.1	62.3		
5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	5.5.1 Proportion of seats held by women in national parliaments and local governments	EIG		% of seats											
	<i>(i) National parliament</i>				34.2	33.1	31.7	34.1	35.9	34.1	35.0	36.3	38.3	40.0	
	<i>(ii) National government</i>				13.5	13.9	15.8	10.3	12.8	10.0	12.2	14.6	12.2	15.0	
	5.5.2 Proportion of women in managerial positions	EIG													
	<i>Managerial positions and board members</i>	EIG		%	20.3	19.2	15.8	16.9	23.6	21.1	21.7	23	19.7	16.7	
	<i>Executive members</i>	EIG		%	32.4	35.4	28.8	29.5	30.4	27.9	26.2	28.2	

Goal 6. Ensure availability and sustainable management of water and sanitation for all															
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	Population having neither a bath, nor a shower, nor indoor flushing toilet in their household , poverty set at 60% of median of equivalized income	SSO	EU SILC	%			6.8	5.8	6.6	3.6	3.4	2.0	1.4		
	Population connected to at least secondary wastewater treatment, %	SSO		%			99.0	99.6	99.5	99.7	99.9	99.9	99.9		
	Biochemical oxygen demand in rivers, mg O2 per litre	SSO	MOEPP Annual	Mg O2 per litre			3.77	3.54	3.4	3.77	3.1	3.5	3.6		
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	Phosphate in rivers, mg PO4 per litre	SSO	MOEPP Annual	Mg PO4 per litre			0.2	0.3	0.3	0.3	0.3				
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all															
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
7.1 By 2030, ensure universal access to affordable, reliable and modern energy services	7.1.1 Proportion of population with access to electricity	SSO	MICS Survey 5 Year Frequency	%			100	100	100	100	100	100	100		
	Energy dependence % of imports in total energy consumption	SSO	SSO Annual	%	44.0	45.6	48.2	46.7	51.6	52.5	59.0	56.8	58.1		
	Solid fuels			%	9.3	9.0	9.5	8.6	11.1	8.9	12.7	9.2			
	Total petroleum products			%	97.8	97.3	103.7	93.9	99.9	99.8	101.9	99.4			
	Natural gas			%	100.1	100.0	100.0	100.7	99.9	100.0	100.0	100.1			
	Population unable to keep home adequately warm% of population		EU SILC		%	28.8	26.7	26.8	26.4	26.1	23.4	25.7	24.0	24.9	
	% of population below 60% of mediam equivalent income	SSO	EU SILC Annual		%	49.0	48.9	45.9	41.2	51.0	44.2	39.0	33.8	37.7	
% of population above 60% of mediam equivalent income	SSO	EU SILC Annual		%	21.3	18.6	20.0	21.7	19.0	17.7	21.9	21.2	21.3		

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	7.2.1 Renewable energy share in the total final energy consumption	SSO	SSO Annual	%	16.5	16.4	18.1	18.5	19.6	19.5	18.0	19.7	18.1	
	<i>Sector transport</i>			%	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	
	<i>Sector, electricity</i>			%	15.8	14.8	16.7	18.2	19.3	21.6	24.1	24.8	24.8	
	<i>Sector, heating and cooling</i>			%	26.5	27.3	30.0	31.7	35.0	34.4	31.0	36.3	32.2	
7.3 By 2030, double the global rate of improvement in energy efficiency	7.3.1 Energy intensity measured in terms of primary energy and GDP	SSO	Eurostat Annual	Chain linked volumes (2010) in EUR per kgoe	2.5	2.3	2.4	2.7	2.9	3.0	3.1	3.0	3.3	
	<i>In PPS per kg of oil equivalent</i>			PPS per kgoe	6.2	5.8	6.2	6.9	7.6	8.1	8.3	8.2	9.3	
	Primary energy consumption, MTOE	SSO	Annual	MTOE	2.9	3.1	3.0	2.7	2.7	2.6	2.6	2.7	2.5	
	<i>Index 2005=100</i>			Index 2005=100	98.6	105.8	102.1	94.5	92.0	89.8	88.6	92.5	87.3	
	Final energy consumption, MTOE	SSO	Annual	MTOE	1.8	1.9	1.9	1.8	1.8	1.9	1.9	1.9	1.9	
	<i>Index 2005=100</i>			Index 2005=100	102.9	109.2	106.2	104.5	103.7	106.1	106.7	107.7	106.2	
	Final energy consumption in households per capita, kg of oil equivalent	SSO	Annual	KG / Oil Equivalent	262	275	271	251	253	257	237	255	233	
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all														
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	8.1.1 Annual growth rate of real GDP per capita (GDP in constant 2010 US\$)		United Nations, Department of Economic and Social Affairs, Statistics Division	%	3.3	2.3	-0.5	2.8	3.5	3.8	2.8	1.0	3.3	
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	8.2.1 Annual growth rate of real GDP per employed person	SSO	Iun database / ILO estimation	%	2.1	1.1	-0.8	-1.4	1.8	1.5	0.6	-2.2	2.6	
	<i>GDP per capita in Euros (at current exchange rate)</i>	SSO	NA Annual	Euros (at current exchange rate)	3,459	3,665	3,680	3,948	4,141	4,382	4,659	4,839	5,153	5,460
	<i>GDP real growth rates</i>	SSO	NA Annual	%	3.4	2.3	-0.5	2.9	3.6	3.9	2.8	1.1	2.7	

(8.2 continued)	Investment share of GDP, %	SSO	Annual		23.1	23.5	23.4	23.7	23.4	23.8	24.1	22.5	19.8	
	Business sector, %			%	11.2	12.2	12.0	12.8	13.5	13.7	14.4	13.9	11.9	
	Government sector, %			%	4.1	4.3	3.9	3.8	3.2	3.6	3.8	3.0	2.3	
	Household sector, %			%	7.8	7.1	7.5	7.1	6.7	6.5	5.9	5.6	5.6	
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small-and medium-sized enterprises, including through access to financial services	8.3.1 a Proportion of informal employment in non agriculture employment, by sex	SSO	LFS Annual	%	38.5	36.1	36.6	35.3	36.2	34.5	36.0	37.0	41.0	
	<i>Male</i>	SSO	LFS Annual	%	45.6	42.7	43.7	45.5	46.2	43.2	45.2	47.6	51.0	
	<i>Female</i>	SSO	LFS Annual	%	26.1	24.4	24.6	19.1	17.0	19.3	17.1	16.4	20.3	
	8.3.1 b Proportion of informal employment in total employment, by sex	SSO	LFS annual	%	26.2	25.0	22.5	22.5	22.6	19.9	18.5	18.1	18.6	
	<i>Male</i>	SSO	LFS annual	%	27.0	26.5	23.3	23.1	24.5	21.1	20.5	19.7	20.7	
	<i>Female</i>	SSO	LFS annual	%	24.7	22.6	21.3	21.7	19.7	18.2	15.4	15.7	15.3	
8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	SSO	Environment Statistics	euro KG per Capita	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	8.5.1 Average hourly earnings of employees													
	<i>(i) By Sex</i>													
	<i>Both sexes</i>				182.0	-	-	-	174.0	-	-	-	197.0	
	<i>Male</i>				188.0	-	-	-	181.0	-	-	-	212.0	
	<i>Female</i>				176.0	-	-	-	166.0	-	-	-	179.0	
	<i>(ii) By Major Occupational Groups</i>					-	-	-		-	-	-		
	<i>1. Managers</i>	SSO	Structure of earnings 4 year freq	MKD	342.3	-	-	-	342.4	-	-	-	452.5	
	<i>2. Professionals</i>				240.6	-	-	-	232.2	-	-	-	261.6	
	<i>3. Technicians and Associate Professionals</i>				189.5	-	-	-	183.5	-	-	-	220.0	
	<i>4. Clerical Support Workers</i>				171.3	-	-	-	151.3	-	-	-	178.9	
	<i>5. Service and Sales Workers</i>				134.4	-	-	-	121.8	-	-	-	155.4	
	<i>6. Skilled Agricultural, Forestry and Fishery Workers</i>				122.8	-	-	-	113.6	-	-	-	134.3	
	<i>7. Craft and related Trades Workers</i>				115.3	-	-	-	122.2	-	-	-	152.4	
	<i>8. Plant and Machine Operators and Assemblers</i>				120.0	-	-	-	120.0	-	-	-	151.0	
	<i>9. Elementary Occupations</i>				112.7	-	-	-	107.1	-	-	-	141.5	
	<i>(iii) By Age Group</i>													
	<i>Youth aged 16 - 24 years</i>	SSO	Structure of earnings 4 year freq			-	-	-	114.0	-	-	-	147.0	
	<i>Adult aged 16 years and over</i>				182.0	-	-	-	174.0	-	-	-	197.0	
	8.5.2 Unemployment rate, (total) % of active population	SSO	LFS Annual	%	32.0	31.4	31.0	29.0	28.0	26.1	23.7	22.4	20.7	17.3
	<i>Male</i>	SSO	LFS Annual	%	31.9	31.8	28.5	29.0	27.6	26.7	24.4	22.7	21.3	16.5
	<i>Female</i>	SSO	LFS Annual	%	32.3	30.8	27.8	29.0	28.6	25.1	22.7	21.8	19.9	18.4
	<i>15-24</i>	SSO	LFS Annual	%	53.7	55.3	53.9	51.9	53.1	47.3	48.2	46.7	45.4	35.6
	Employment rate , % of population , total	SSO	LFS Annual	%	38.7	38.9	39	40.6	41.2	42.1	43.1	44.1	45.1	47.3
<i>Male</i>			%	47.5	47	47.1	48.7	50.1	50.5	52.3	53.6	54.4	56.6	
<i>Female</i>			%	29.8	30.9	30.8	32.5	32.4	33.7	33.8	34.6	35.8	38.1	
Long-term unemployment rate,% of active population	SSO	LFS Annual	%	26.6	25.9	25.5	23.9	23.3	21.3	19.1	17.4	15.5		
<i>Male</i>	SSO	LFS Annual	%	26.7	26.6	26.1	23.9	23.0	22.1	19.9	17.6	15.7		
<i>Female</i>	SSO	LFS Annual	%	26.6	24.9	24.5	23.8	23.8	20.1	17.8	17.2	15.2		

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training	8.6.1 a Proportion of youth (aged 15–24 years) not in education, employment or training	SSO	LFS Annual	%	25.5	25.2	24.8	24.2	25.2	24.7	24.3	24.9	24.1	
	<i>Male</i>			%	25.1	24.9	25.3	23.3	23.6	24.5	23.6	23.9	23.3	
	<i>Female</i>			%	25.9	25.5	24.2	25.2	26.8	24.9	25.1	25.9	25.1	
	8.6.1.b Proportion of youth (aged 15–29 years) not in education, employment or training	SSO	LFS Annual	%	31.8	31.6	32.1	31.3	31.9	32.5	31.3	31.1	29.8	
	<i>Male</i>			%	28.6	28.6	30.2	28.1	27.8	29.9	28.7	26.7	25.9	
	<i>Female</i>			%	35.1	34.8	34.1	34.6	36.2	35.3	34	35.7	33.9	
8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	8.10.1 Number of commercial bank branches a per 100,000 adults													
	<i>(i) Number of commercial bank branches per 100,000 adults</i>	NBRM		Per/ 100 000	27.1	25.5	26.0	26.0	26.1	25.9	26.1	25.7	25.2	
	<i>(ii) Number of automated teller machines (ATMs) per 100,000 adults</i>	NBRM		Per/ 100 000	47.8	48.0	46.2	50.1	52.1	58.7	62.7	62.1	62.4	

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	9.1.2 "Passenger and freight volumes, by mode of transport														
	Passenger transport demand pkm, in 1,000,000	SSO	Annual	pkm, in 1,000,000	6,822	7,675	7,209	8,024	9,323	9,441	9,344	11,558	11,762		
	Pkm/GDP in million euros	SSO	Annual	GDP in million euros	124.7	137.1	129.3	139.9	156.8	152.8	146.9	181.7	179.0		
	Freight Tonne km, in 1,000,000	SSO	Annual	ftkm in 1,000,000	4,760	5,860	6,225	5,566	7,810	7,037	7,168	7,702	10,942		
	Tkm/GDP in million	SSO	Annual	GDP in million euros	87.0	104.6	111.7	97.0	131.4	113.9	112.7	121.1	167.2		
	Passenger transport, total	SSO	Annual	%	100	100	100	100	100	100	100	100	100	100	
	Road passenger transport	SSO	Annual	%	97.7	98.1	98.6	99.0	99.2	98.1	99.1	99.5	99.5	99.5	
	Rail passenger transport	SSO	Annual	%	2.3	1.9	1.4	1.0	0.8	1.9	0.9	0.5	0.5	0.5	
	Freight transport, total	SSO	Annual	%	100	100	100	100	100	100	100	100	100	100	
	Road freight transport	SSO	Annual	%	89.0	91.8	93.2	92.4	94.7	96.0	96.9	96.4	97.2	97.2	
	Rail freight transport	SSO	Annual	%	11.0	8.2	6.8	7.6	5.3	4.0	3.1	3.6	2.8	2.8	
	Share of busses and trains in total passenger transport,% of total inland passenger-km total	SSO	Annual	% of total inland passenger-km total	31.4	30.7	29.0	25.7	27.4	26.0	23.0	20.7	19.6	19.6	

9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	9.2.1 Manufacturing value added as a proportion of GDP	SSO/National Accounts	Annual	%	9.9	11.4	10.2	9.9	11.0	11.8	12.3	12.6	13.3	
	<i>(ii) Manufacturing value added per capita</i>				341.3	418.2	376.8	391.5	453.5	515.4	572.6	609.8	685.8	
	9.2.2 Manufacturing employment as a proportion of total employment	SSO/Eurostat	Annual	%	15.6	15.6	15.1	15.3	15.7	15.8	16.2	16.8	17.3	
9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	9.5.1 Research and development expenditure as a proportion of GDP	SSO	Annual	%	0.2	0.2	0.3	0.4	0.5	0.4	0.4	0.4	0.4	
	9.5.2 Researchers (in full-time equivalent) per million inhabitants	SSO	Annual	Per million inhabitants	301.1	262.0	495.1	457.7	553.9	533.4	545.3	483.5	527.5	
9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities	Employment in high- and medium-high technology manufacturing and knowledge-intensive services	SSO	LFS Annual	% of total employment		27.8	28.2	27.0	27.6	28.7	29.7	30.0	30.6	
9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020	9.c.1 Proportion of population covered by a mobile network, by technology 2G, 3G and 4G	AEK	Annual	%										
	2G - GSM				-	-	-	-	-	98.6	99.0	99.1	99.6	
	3G - UMTS				-	-	-	-	-	97.9	99.4	99.4	99.5	
	4G - LTE				-	-	-	-	-	65.1	96.7	98.6	99.5	

Goal 10. Reduce inequality within and among countries															
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average	Income share of the bottom 40 % of the population	SSO	EU SILC	%	-	-	15.4	16.6	17.8	18.5	18.5	18.8	19.1		
	GDP per capita (real expenditure per capita expressed in PPS _EU28)	SSO		Real expenditure per capita expressed in PPS _EU27_2020	8,600	8,700	8,800	9,200	9,600	10,000	10,500	10,600	11,400		
	Relative median at-risk-of-poverty gap ,% distance to poverty threshold	SSO	EU SILC	%			43.1	39.0	36.1	33.1	32.9	37.3	37.7		
	Income distribution, quintile share ratio		EU SILC	%	11.3	10.6	10.2	8.4	7.2	6.6	6.6	6.4	6.2		
10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	10.2.1 Proportion of people living below 50 per cent of median income, by sex, age	SSO	EU SILC	%	21.1	21.3	21.0	19.1	16.2	15.5	15.9	17.8	16.9		
	<i>10.2.1.a By age group</i>														
	<i>0-14</i>				19.4	20.8	18.7	17.4	12.6	15.0	15.7	17.5	16.4		
	<i>Among youth (15-24 years)</i>				24.5	26.2	25.4	23.6	22.2	20.4	21.5	24.6	24.9		
	<i>Among adults (16 years and over)</i>				20.1	20.0	19.8	17.8	15.2	14.4	14.7	16.5	15.8		
	<i>25 +</i>				19.2	18.8	18.4	16.7	14.1	13.4	13.6	15.1	14.4		
	<i>10.2.1.b By sex</i>														
	<i>Male</i>				21.8	21.3	21.5	19.3	16.3	15.4	15.8	17.7	16.8		
<i>Female</i>	20.4	21.3	20.6	18.9	16.1	15.6	16.0	18.0	17.0						
10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations	10.5.1 Financial Soundness Indicators Liquid assets to short term liabilities (%)	NBRM	Annual	%	46.9	48.9	53.0	54.5	53.2	49.2	50.1	46.9	46.4		
	Capital Adequacy														
	<i>(i) Regulatory capital to risk-weighted assets ratio</i>			%	16.1	16.8	17.1	16.8	15.7	15.5	15.2	15.7	16.5		
	<i>(ii) Regulatory tier I capital to risk-weighted assets ratio</i>			%	13.4	14.1	14.5	14.4	13.7	13.9	13.9	14.2	15.0		
	<i>(iii) Capital to total assets ratio</i>			%	10.6	11.0	11.2	11.3	10.8	10.8	10.6	10.8	10.8		

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable														
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	11.1.1 Population living in a dwelling with a leaking roof, damp walls, floors or foundation or rot in window frames of floor by poverty status	EU SILC Survey Annual		%	24.7	16.6	14.4	14.3	15.2	12.2	14.1	14.3	15.1	
	<i>Below 60% of median equivalent income</i>			%	37.4	25	21.4	25.6	27.7	21.2	27.3	24.1	29.3	
	<i>Above 60% of median equivalent income</i>			%	20.0	13.6	11.9	10.7	11.6	9.8	10.4	11.5	11.1	
	11.1.2 Number of fatalities/million inhabitants on an annual basis in the roads of Republic of North Macedonia			1,000,000 persons	78.8	83.6	64.0	95.9	62.9	71.5	79.6	74.7	64.1	
	Population living in households considering that they suffer from noise, % of population	SSO	EU SILC	%	13.1	11.7	9.7	7.7	7.7	7.5	7.4	5.6	6.9	
	<i>Below 60% of median equivalent income</i>			%	12.6	8.9	6.7	5.4	10.4	6.3	7.1	5.0	7.9	
	<i>Above 60% of median equivalent income</i>			%	13.3	12.7	10.8	8.4	6.9	7.8	7.5	5.8	6.7	
11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	Overcrowding rate , % of population	SSO	EU SILC	%	-	55.2	52.4	50.5	46.2	51.1	50.1	46.3	46.4	
11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	11.6.2 Annual mean levels of fine particulate matter (e.g. PM10) in cities (population weighted)			µg/m3	67.6	99.3	85.0	80.1	74.9	75.1	67.1	64.0	-	
11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	Population reporting occurrence of crime, violence or vandalism in their area	SSO		%	7.0	6.9	4.9	7.3	5.7	5.7	4.8	4.2	5.3	

Goal 12. Ensure sustainable consumption and production patterns														
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
12.2 By 2030, achieve the sustainable management and efficient use of natural resources	12.2.2 Domestic material consumption per GDP	SSO	Eurostat	Euro per KG	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	
12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment	SSO	SSO Bianual	KG per Capita, Total	714		3,714		1,000		336			
	<i>Hazardous</i>	SSO	SSO Bianual	KG per Capita, Total	4		6		2		24			
	<i>Non Hazardous</i>	SSO	SSO Bianual	KG per Capita, Total	710		3,708		998		312			
Goal 13. Take urgent action to combat climate change and its impacts														
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
13.2 Integrate climate change measures into national policies, strategies and planning	Greenhouse gas emissions		MOEPP	CO2 Equivalents	90.4	104.2	119.1	83.4	70.2					
	Greenhouse gas emissions intensity of energy consumption		MOEPP	Index 2000 =100	82.6	84.3	87.3	83.8	81.6					
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss														
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	15.1.1 Forest area as a proportion of total land area		SSO Annual	% of Total Land Area	37.4	38.2	38.5	38.4	38.2	38.7	39.0	38.9	39.2	

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels															
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
16.1 Significantly reduce all forms of violence and related death rates everywhere	16.1.1 Number of victims of intentional homicide per 100,000 population, by sex and age	SSO	SSO Annual	Per 100,000 population	2.1	1.4	1.6	0.9	1.7	1.8	0.9	1.5	1.2		
	<i>16.1.1.a By sex</i>														
	<i>Male</i>				1.5	1.1	1.3	0.6	1.3	1.5	0.6	1.1	0.8		
	<i>Female</i>				0.6	0.3	0.3	0.3	0.4	0.3	0.2	0.4	0.4		
	<i>16.1.1.b By age group</i>														
	<i>0-15</i>				0.0	0.6	0.3	0.0	0.0	0.0	0.0	0.3	0.3		
	<i>16-24</i>				0.6	1.3	2.6	0.0	1.7	0.7	0.4	0.7	0.4		
	<i>25-34</i>				1.9	1.2	1.9	0.9	1.8	3.7	0.9	1.9	1.6		
	<i>35-44</i>				4.4	0.7	1.0	0.7	2.0	4.3	1.0	1.3	1.6		
	<i>45-54</i>				3.1	2.1	1.7	2.8	1.7	2.8	0.7	1.7	2.1		
<i>55 & over</i>	3.0	2.3	2.2	1.0	2.5	0.6	1.7	2.6	1.3						
16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	16.3.1 Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms	SSO	MICS Survey 5 Year Frequency	%	7.0	6.9	4.9	7.3	5.7	5.7	4.8	4.2	5.3		
	Perceived independence of the justice system		Balkan Barometer	%								22.0	23.0	30.0	
	16.3.2 Unsentenced detainees as a proportion of overall prison population			%	18.8	-	-	-	-	10.2	7.9	8.3	13.8		
16.5 Substantially reduce corruption and bribery in all their forms	Corruption perceptions Index		Source: Transparency International	0-100	-	-	43.0	44.0	45.0	42.0	37.0	35.0	37.0	35.0	
16.6 Develop effective, accountable and transparent institutions at all levels	Population with confidence in EU parliament		DG COMM	%	44.0	39.0	40.0	40.0	42.0	41.0	44.0	-	50.0		

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development														
Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Finance														
17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	17.1.1 Total government revenue as a proportion of GDP, by source	MoF	Annual	%	30.2	29.5	29.6	27.9	27.7	28.8	28.5	29.1	28.6	
	<i>Taxes and Contributions</i>			%	25.7	25.6	25.2	24.1	24.5	25.2	25.3	25.5	26.0	
	<i>Taxes</i>			%	16.9	17.0	16.4	15.7	16.1	16.6	16.8	16.9	17.4	
	<i>Contributions</i>			%	8.8	8.6	8.7	8.5	8.4	8.6	8.5	8.6	8.6	
	<i>Non Tax Revenues</i>			%	3.2	2.8	2.7	2.4	2.0	2.3	2.2	2.2	1.9	
	<i>Capital Revenues</i>			%	0.8	0.8	0.9	0.6	0.4	0.4	0.3	0.2	0.3	
	<i>Foreign Donations</i>			%	0.3	0.2	0.7	0.7	0.6	0.8	0.6	1.2	0.5	
	<i>Revenues from Repayment of Loans</i>			%	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
	17.1.2 Proportion of domestic budget funded by domestic taxes	MoF		%	16.9	17.0	16.4	15.7	16.1	16.6	16.8	16.9	17.4	
General government gross debt	SSO/MOF		% of GDP	24.1	27.7	33.7	34.0	38.1	38.1	39.9	39.4	40.6	40.2	
17.3 Mobilize additional financial resources for developing countries from multiple sources	17.3.1 Foreign direct investment (FDI)	NBRM		Euro Million	156.9	344.6	131.1	229.4	197.4	202.8	316.9	180.0	603.7	290.6
17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress	17.4.1 Debt service as a proportion of exports of goods and services		World Development Indicators Database, World Bank	%	4.1	3.8	5.2	10.8	6.5	11.4	7.1	5.8	5.6	

Technology														
17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge-sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism	17.6.2 Fixed Internet broadband subscriptions per 100 inhabitants, by speed	Agency for Electronic Communication	Annual	Subscriptions per 100 inhabitants	12.5	13.6	15.1	16.3	16.6	17.4	17.9	18.4	19.5	21.0
17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology	17.8.1 Proportion of individuals using the Internet (aged 15-74)	SSO	MICS Survey 5 Year Frequency for ICT Survey Annual	%	51.9	56.7	57.5	65.4	68.1	70.4	72.2	74.5	79.2	83.4

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Global SDG Targets	National Indicators	Organization	Data Source & Frequency	Unit	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Finance														
17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection	17.1.1 Total government revenue as a proportion of GDP, by source	MoF	Annual	%	30.2	29.5	29.6	27.9	27.7	28.8	28.5	29.1	28.6	
	<i>Taxes and Contributions</i>			%	25.7	25.6	25.2	24.1	24.5	25.2	25.3	25.5	26.0	
	<i>Taxes</i>			%	16.9	17.0	16.4	15.7	16.1	16.6	16.8	16.9	17.4	
	<i>Contributions</i>			%	8.8	8.6	8.7	8.5	8.4	8.6	8.5	8.6	8.6	
	<i>Non Tax Revenues</i>			%	3.2	2.8	2.7	2.4	2.0	2.3	2.2	2.2	1.9	
	<i>Capital Revenues</i>			%	0.8	0.8	0.9	0.6	0.4	0.4	0.3	0.2	0.3	
	<i>Foreign Donations</i>			%	0.3	0.2	0.7	0.7	0.6	0.8	0.6	1.2	0.5	
	<i>Revenues from Repayment of Loans</i>			%	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
	17.1.2 Proportion of domestic budget funded by domestic taxes	MoF		%	16.9	17.0	16.4	15.7	16.1	16.6	16.8	16.9	17.4	
	General government gross debt	SSO/MOF		% of GDP	24.1	27.7	33.7	34.0	38.1	38.1	39.9	39.4	40.6	40.2
17.3 Mobilize additional financial resources for developing countries from multiple sources	17.3.1 Foreign direct investment (FDI)	NBRM		Euro Million	156.9	344.6	131.1	229.4	197.4	202.8	316.9	180.0	603.7	290.6
17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress	17.4.1 Debt service as a proportion of exports of goods and services		World Development Indicators Database, World Bank	%	4.1	3.8	5.2	10.8	6.5	11.4	7.1	5.8	5.6	

Multiple Indicator Cluster Survey 2018/2019

SDG indicator code	Name of indicator	Unit	2019
1.3.1.	Percentage of household members living in households that received any type of social transfers and benefits in the last 3 months	%	55.1
1.4.1	Percentage of household members using improved sources of drinking water either in their dwelling/yard/plot or within 30 minutes round trip collection time	%	98.8
1.4.1 & 6.2.1	Percentage of household members with a hand washing facility where water and soap or detergent are present	%	99.7
1.4.1 & 6.2.1 (2)	Percentage of household members using improved sanitation facilities which are not shared	%	95.3
2.2.2	Percentage of children under age 5 who fall below of the median weight for height of the WHO standard:		
	(a) minus two standard deviations (moderate and severe)	%	3.4
	(b) minus three standard deviations (severe)	%	0.5
2.2.2 /1	Percentage of children under age 5 who are above of the median weight for height of the WHO standard		
	(a) two standard deviations (moderate and severe)	%	11.2
	(b) three standard deviations (severe)	%	3.5
3.1.2	Percentage of women age 15-49 years with a live birth in the last 2 years whose most recent live birth was attended by skilled health personnel	%	100
3.b.1	Percentage of children age 24-35 months who received the second measles containing vaccine at any time before the survey	%	87.5
3.b.1 & 3.8.1	Percentage of children age 12-23 months who received the third dose of DTP containing vaccine (DTP3) at any time before the survey	%	82.7
3.7.2	Age-specific fertility rate for women age 15-19 years	%	21
3.7.1 и 3.8.1	Percentage of women age 15-49 years currently married or in union who have their need for family planning satisfied with modern contraceptive methods	%	19.9
	Percentage of women age 15-49 years with a live birth in the last 2 years who during the pregnancy of the most recent live birth were attended:		
3.8.1	(a) at least once by skilled health personnel	%	97.3
	(b) at least four times by any provider	%	95.7
	(c) at least eight times by any provider	%	81.1
3.8.1/1	Percentage of household members using improved sanitation facilities	%	97.1
	<i>Percentage of children who successfully completed three foundational reading tasks</i>		
4.1.1	(a) Age 7-14	%	64.3
	(b) Age for grade 2/3	%	42.4
	(c) Attending grade 2/3	%	45.3
	Percentage of children who successfully completed four foundational number tasks		
	(d) Age 7-14	%	40.9
	(e) Age for grade 2/3	%	26
	(f) Attending grade 2/3	%	25.5
	Percentage of children age 3-5 years above the intended age for the last grade who have completed that grade		
4.1.2	(a) Primary school	%	98.3
	(b) Lower secondary school	%	94
	(c) Upper secondary school	%	87.4
4.2.1	Percentage of children age 36-59 months who are developmentally on track in at least three of the following four domains: literacy-numeracy, physical, social-emotional, and learning	%	81.8
4.2.2	Percentage of children in the relevant age group (one year before the official primary school entry age) who are attending an early childhood education programme or primary school	%	49.9
4.5.1	Net attendance ratio (adjusted) for girls divided by net attendance ratio (adjusted) for boys		
	(a) organised learning (one year younger than the official primary school entry age)	%	1.18
	(b) primary school	%	1

4.5.1	(c) lower secondary school	%	0.98
	(d) upper secondary school	%	1.01
	Net attendance ratio (adjusted) for the poorest quintile divided by net attendance ratio (adjusted) for the richest quintile		
	(a) organised learning (one year younger than the official primary school entry age)	%	0.13
	(b) primary school	%	0.97
	(c) lower secondary school	%	0.92
	(d) upper secondary school	%	0.76
	Net attendance ratio (adjusted) for rural residents divided by net attendance ratio (adjusted) for urban residents		
	(a) organised learning (one year younger than the official primary school entry age)	%	0.46
	(b) primary school	%	1.01
	(c) lower secondary school	%	1.02
	(d) upper secondary school	%	1.03
	Foundational learning skills for girls divided by foundational learning skills for boys		
	(e) reading age 7-14 years		1.20
(f) numeracy age 7-14 years		0.76	
4.5.1/1	Foundational learning skills for the poorest quintile divided by foundational learning skills for the richest quintile		
	(e) reading age 7-14 years	%	0.59
	(f) numeracy age 7-14 years	%	0.57
	Foundational learning skills for rural residents divided by foundational learning skills for urban residents		
	(e) reading age 7-14 years	%	0.93
	(f) numeracy age 7-14 years	%	0.88
	Foundational learning skills for children with functional difficulties divided by foundational learning skills for children without functional difficulties		
	(e) reading age 7-14 years	%	1.37
	(f) numeracy age 7-14 years	%	0.95
	5.3.1	Percentage of women age 20-24 years who were first married or in union	
a) before age 15		%	0.3
5.4.1	(b) before age 18	%	7.5
	Percentage of women age 15-49 who are currently married or in union and make their own decisions regarding sexual relations, contraceptive use and health care	%	75.1
6.2.1	a) Percentage of household members with an improved sanitation facility that does not flush to a sewer and with waste never emptied or emptied and buried in a covered pit	%	40.9
	b) Percentage of household members with an improved sanitation facility that does not flush to a sewer and with waste removed by a service provider for treatment off-site	%	7.7
7.1.1	Percentage of household members with access to electricity	%	99.8
7.1.2	Percentage of household members with primary reliance on clean fuels and technologies for cooking, space heating and lighting ¹⁷	%	38.2
8.7.1	Percentage of children age 5-17 years who are involved in child labour ¹⁾	%	2.9
10.3.1 & 16.b.1	Percentage of women age 15-49 years having personally felt discriminated against or harassed within the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law	%	12.5
16.2.1	Percentage of children age 1-14 years who experienced any physical punishment and/or psychological aggression by caregivers in the past one month	%	99.8
16.9.1	Percentage of children under age 5 whose births are reported registered with a civil authority	%	73.1

