

## **NON-STATE ACTORS IN ACTION**

IPA II is envisaged to be a more flexible instrument. The coherence in approach will be achieved by better involvement of stakeholders in the programming process. The identification of core sectors is critical to a successful accession process which in turn will give stronger impact and better sustainability of the proposed actions. The Sector Wide Approach (SWAp) means dealing with sectors instead of projects and pooling resources together to improve policy dialogue and governmental sector. Such an approach is expected to improve the cooperation between the government, the EU and the other key sector stakeholders, but also to dramatically improve public spending and resource allocation within the sectors specified, thereby achieving greater coherence between policies, spending and results, and by reducing transaction costs. The transparent process of consultations envisaged with other relevant state and non-state actors is expected to build greater political consensus of the main development policies of the countries concerned.

### **Ground Work**

The Country Strategy Papers (CSPs) are developed by the European Commission (DG Enlargement) in partnership with the beneficiary-countries. These top strategic planning documents targeting country-specific priorities for the next 7 years, lay down the specific sectors by policy areas, the level of assistance and types of actions. Clear targets and indicators to measure achievements are an important part of the document.

Two parallel processes seem to be going on currently in Macedonia, one initiated by the Government, and another initiated by the EU delegation in Skopje.

The Government has defined 7 sectors and composed working groups for each of them, those being: 1) Business Sector Development, Science and Innovation (composed of representatives from the Secretariat for European Affairs (SEA), NIPAC, Deputy Prime-minister for Economic Affairs (DPMEA), Ministry of Economy (MoE) and Ministry of Finance (MoF), 2) Human Resource Development (with representatives from SEA, NIPAC, Ministry of Labour and Social Policy (MLSP), Ministry of Education (MoE), Ministry of Health (MoH), and MoF, 3) Agriculture and Rural Development (with representatives from SEA, NIPAC, Ministry of Agriculture, Forestry and Water Economy (MAFWE), IPARD Agency, Food and Veterinary Agency (FVA), and MoF, 4) Environment and Climate Change (with representatives from SEA, NIPAC, Ministry of Environment (ME), MoF, DPMEA, and Ministry of Transport (MoT), 5) Transport (with representatives from SEA, NIPAC, MoT and National Roads Agency (NRA), 6) Justice and Home Affairs (with representatives from SEA, NIPAC, Ministry of Internal Affairs (MIA), Ministry of Justice (MoJ), MoF, and Ministry of Defense (MoD), and 7) Public Administration Reform (with representatives from SEA, NIPAC, Ministry of Information Society and Administration (MISA), MoF, and the General Secretariat of the Government (GS).

According to the consultation process with non-state actors that took place in the period 22-30 April 2013 organised by the EU Delegation in Skopje, more or less the same priority sectors were proposed: 1) Private Sector Development, 2) Social and Human Development, 3) Agricultural and Rural Development, 4) Environment and Climate Change, 5) Transport and Energy, 6) Justice, Home Affairs and Fundamental Rights, 7) Public Administration Reform, and 8) Support for Horizontal Programmes. The draft document went through two changes and the latest version foresees the following sectors: 1) Democracy and Governance, 2) Rule of Law and Fundamental Rights, 3) Environment and Climate Change, 4) Transport, 5) Competitiveness and Innovation, 6) Education, Employment and Social Policies, 7) Agriculture and Rural Development and 8) Cross-border Cooperation which will in turn be treated as a horizontal issue.

## **Our Contribution**

Unfortunately, the Sectoral Working Groups (SWGs) of the Government do not include members of civil society or other non-state actors therefore their opinions are not considered at this point of the programming process. At the same token, the consultation process with the non-state actors conducted by the EU delegation last April did not produce the expected outcomes. Although invited, most of the credible civil society organisations (CSOs) did not participate in the consultation events. Instead, the participants that did show up were members of the private sector, mainly consultants. The main reason for their absence of interest to get involved was the lack of capacity and the doubt that they give meaningful input. Namely, most of the CSOs that we spoke with expressed their opinion that they could hardly contribute to a process that they did not fully understand.

Following up on the consultation efforts of the EU delegation, during 2013 a group of CSOs<sup>1</sup> decided to take a step further by sending an official letter to the Deputy Prime Minister in charge of EU Integration, Fatmir Besimi, asking to be directly involved in the programming of IPA II and demanding transparency and openness of the process of development of the CSP. A follow-up meeting with the Secretariat for European Affairs (SEA) also took place. The same group of CSOs organized a meeting with the EU delegation the conclusion of which was that civil society needs to be additionally consulted in a more meaningful manner.

Subsequently, the previously mentioned CSOs established formally the so-called *IPA-Minding Network* and led by Eko-svest submitted a project-proposal to the USAID call for proposals. The most immediate task of the Network within the project was to organize a forum to consult credible CSOs active in their respective fields on the contents of the last draft of the CSP. This forum took place 27-28 February in Ohrid where 112 CSO representatives<sup>2</sup> had the opportunity to express their views on the draft CSP. The concept of the forum was a plenary session, followed by 7 separate workshops (excluding the Cross-border Cooperation sector since it is envisaged as a horizontal issue) and ending with another concluding plenary session. The results of that forum are incorporated into this policy paper.

At this point, we need to stress that the new set of indicators were not available at the time therefore they are not part of this analysis. That said however, the participants were provided with a strategic framework that included Strategy Europe 2020, Southeast Europe Strategy 2020<sup>3</sup> and the seven flagship initiatives to guide them through the process of securing meaningful recommendations.

## **General findings**

The findings of this 2-day event can be divided into two parts – general findings and sector-specific findings. All of the groups, for example, agreed that the problems of their respective sector were properly identified although seen from a very broad spectrum in accordance with the nature of this top programming document. Almost all groups agreed that the indicators could be improved to secure better outcomes.

Finally, all groups expressed their satisfaction with the fact that civil society shall be treated as a horizontal issue in all sectors which makes great sense. If the final outcome of IPA II is to fully prepare the country for EU membership, then the role of civil society must be much more substantial, especially considering the Bulgarian and Romanian experience. In the course of negotiations, the EU (and the EU Member-States) can impose requirements as much as it wants provided they fall within the scope of the Copenhagen criteria. Once the negotiations end and the country becomes a EUMS, then the only thing at the disposal of the EU to ensure the rule of law is a well-established,

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<sup>1</sup> The CSOs that initiated this process are: 1) Centre for Environmental Research and Information Eko-svest, 2) Macedonian Centre for European Training, 3) Analytica, 4) Front 21/42, 5) Reactor, 6) Centre for Civic Communication, 6) European Policy Institute, and 7) Zenith. A representative of the Balkan 1

<sup>2</sup> Find the list of participating CSOs in Annex 1.

<sup>3</sup> <http://www.slideshare.net/erletshaqe1/see-2020strategydocumentdraft1>

functioning democracy with independent institutions and a vibrant civil society that can monitor and act as a corrective of the ill-trends of society.

This is also in line with the Motion for a Resolution of the European Parliament (EP) from 7<sup>th</sup> November 2013 on the 2013 Progress Report on the Republic of Macedonia, prepared by Richard Howitt on behalf of the Committee of Foreign Affairs<sup>4</sup>. The Resolution points out that the EP “*Reiterates its call for the Commission and the Government to agree to devote a minimum quota of the next programming period of the Instrument for Pre-Accession to secure 15 per cent payments to Non State Actors and that technical assistance to civil society organisations be managed by civil society itself; also that the IPA II is further employed to support efforts to help leverage a target of 9 per cent of the country's own budget to be delivered through decentralised regional and local government*”. All CSO present at the consultative event in Ohrid expressed their satisfaction with this recommendation of the European Parliament.

## **1. Democracy and Governance**

This sector consists of the 4 sub-sectors elaborated hereinafter.

*Public Administration Reform* – The participants agreed with the problems identified in the draft CSP. Overemployment in the public sector and administration is indeed a burden to the budget along with the inappropriate management of human resources that disregards the merit system. Transparency can also be dramatically improved. Conflict of interest among civil servants prevails due to ineffective monitoring instruments.

Some of the solutions to these problems identified by the participants that could become part of the sector programme are the following: support for the development of a study on the optimal size of the public sector, introducing indicators for measuring effectiveness and efficiency, monitoring the application of the principles of independence and merit based promotions, support for implementing the Open Government Partnership Action Plan, effective prevention of conflict of interest, implementation of grant schemes for CSOs to monitor the implementation of policies etc.

The additional indicators for this sector include: 1) Share of public sector employees, including public administration, within the overall workforce, 2) Share of public sector salaries of budget expenditure, 3) Indicators for measuring effective and efficient public expenditure introduced, 4) Effective application of merit-based hiring and promoting in the public sector, 5) Access to public information made easy, 6) Effectiveness of government (assessment), 7) Burden of government regulations (assessment), and 8) Assessment of the level of responsiveness of the administration towards the SMEs.

*Economic Governance and Sound Public Finance Management* – Some of the problems identified by the participants in this sub-sector were the lack of transparency of public finance, including data of internal and external debt and the management of IPA funds, lack of mid-term budgeting, lack of transparency on absorption of Union funds etc.

Publishing periodically the data on the absorption of EU funds, especially IPA, per sector and per sub-sector should be envisaged along with the information available in the form of annual and semi annual reports.

The indicators measuring the success achieved could include; 1) Progress made towards meeting the economic criteria, 2) Efficient public finance management in line with the Action Plan, 3) Progress on the ranking list on the Budget Transparency Initiative, 4) Development

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<sup>4</sup> <http://www.europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=B7-2014-0073&language=EN>

of a multiannual fiscal plan, public expenditure policy and budgeting, and 5) Progress made in the assessment of public procurement (OECD) etc.

*Decentralisation and Local Governance* – The problems identified in this sub-sector are: lack of administrative and financial capacity of municipalities, especially the small rural ones, insufficient involvement of civil society in the local government bodies, lack of an institutional instrument for civic participation in the course of budget preparation, implementation, policy making and monitoring and lack of capacity of CSOs to initiate and put of the agenda topics of public interest.

Three indicators should be added onto the list in this sub-sector: 1) Full implementation of Ohrid Framework Agreement related policies for involving non-majority population on the local level, 2) Increased participation of CSOs in local policy making, and 3) Small and rural municipalities demonstrate institutional capacity.

*Support for Civil Society and Non-state Actors* - The findings of the group are similar to those identified in the local governance subsector. Additional indicators were discussed such as: 1) 9% of the general budget allocated for funding civil society, a part of which can be used for co-financing EU projects, as recommended by the European Parliament, 2) 15% of IPA funds allocate for CSOs with co-financing secured by the general budget as specified by the previous indicator, 3) Enabling environment for civil society development.

## **2. Rule of Law and Fundamental Rights**

This sector also consists of the 4 sub-sectors elaborated hereinafter.

*Judiciary* – The participants agreed with the problems identified in the draft CSP. The long-lasting procedures however will be resolved with the adoption of the Law on Proceedings (2011) and the amended Law on Courts. The focus of the justice system should be shifted from quality of the procedures to the quality of the justice secured for the citizens. The need to improve access to justice is real thus resources should be reallocated for that purpose. Strengthening the recruitment system of judges/prosecutors on the basis of merit is not implemented due to the lack of political will. Other problems in this sector include: the frequent violation of the power-sharing principle, the influence of the executive government over the judiciary, especially in the selection of judges/prosecutors, the non-enforcement of the case law of the European Court of Human Rights etc.

In terms of additional indicators for this sector, the CSO activists in this group feel that: 1) independence of the judiciary should also be measured as well as jurisprudence, 2) increased transparency and openness in the operation of the courts should be reflected with appropriate indicators.

*Fight Against Corruption* – According to the participants, the problems in this policy area are well identified. The indicators however, are a different story. Firstly, their number is quite small (only 2), and secondly, they do not correspond with the level of difficulty of the problems identified, i.e., it will probably be impossible to measure progress in a way that would make sense. In addition, the indicators refer to actions that actually represent a legal obligation on the part of the institutions.

Bearing in mind the indicators adopted by the governments as part of the Southeast Europe Strategy 2020, and looking forward at the regional approach in fighting corruption, the national indicators should be defined in a manner that they will allow for comparative analysis of the progress achieved. The practice of using existing indicators of relevant international monitors is good and welcomed by the participants (Global Corruption

Barometre, Control of Corruption Score -World Bank, Global Integrity Index, World Competitiveness Report (Institutions, sub-pillars “Ethics and Corruption” and “Undue Influence”).

From a national perspective, what needs to be measured is the tendency of increased capacity of both the State Commission for Prevention of Corruption (SCPC) and the State Audit Office (SAO). An expected indicator would be an increased number of submitted Asset Declarations, s and Conflict of Interest Statements, as well as an increased number of imposed fines for non-compliance. Indicators demonstrating stricter criteria for the election of members in SCPC and a new professional composition of this extremely important body can prove very stimulating for the fight against corruption.

*Fundamental Rights* – The problems identified in this sub-sector are: lack of administrative and financial capacity of municipalities, especially the small rural ones, insufficient involvement of civil society in the local government bodies, lack of an institutional instrument for civic participation in the course of budget preparation, implementation, policy making and monitoring and lack of capacity of CSOs to initiate and put on the agenda new topics of public interest.

The participants suggested that human rights should be treated as a horizontal issue in all sectors. In addition, horizontal media representation in all sectors should be provided for along with capacity building of independent journalism. For that purpose, the establishment of a Fund for Investigative Journalism was proposed. In the field of Police, the participants are looking forward in seeing more professional human resources that are sensitive to the vulnerable groups. Strategic litigation of national human rights legislation including anti-discrimination policies and treatment of vulnerable groups was also suggested. Full alignment with the European Convention on Human Rights of the Council of Europe should be demonstrated. Civil society has an important role to play in this sector, especially in the field of monitoring.

The participants analyzed the indicators in the CSP and concluded that indicators for the vulnerable groups (especially for the Roma population) and for gender are lacking (increased % of vulnerable groups in the education system, in employment and social protection. In addition, CSP does not have an indicator for measuring the implementation of the ECHR-judgments. The % of the General Budget allocated for fighting cyber-crime should also be increased. The participants also suggested an increased budget for the Agency for Fulfilling the Rights of the Communities<sup>5</sup>. An indicator for the number of cases won against Macedonia in ECHR should be developed along with an indicator to prove that the number of cases is decreasing. An index should be created to measure the freedom of expression.

*Home Affairs* - The findings of the group were mainly related to cyber-crime activities and asylum seekers. The level of preparedness of Macedonia to accept asylum seekers in accordance with the international standards should be thoroughly analyzed. National resources should be secured for the implementation of the Action Plan for fighting cyber-crime and a Centre for Fighting Cyber-crime should be established.

### **3. Environment**

This sector consists of 4 sub-sectors as elaborated hereinafter.

*Water* – The participants agreed with some of the problems identified in the draft CSP. The largest problem of all however, is the utilization of water for the construction of hydro power

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<sup>5</sup> <http://aopz.gov.mk/>

plants without a real vision and plausible strategy. This is only possible because of the inadequate implementation of international agreements for water management. Therefore, the development of a Strategy for Sustainable Water Management which will include the production of electricity along with a plan for permissible and priority areas for the construction of such capacities (plan should include analysis of the areas where these objects should not be built seen from the biodiversity protection strategic viewpoint). In addition, a national monitoring system should be established and the capacity of the Macedonian Environmental Information Centre – in terms of both equipment and training – should increase.

The indicators developed should include the percentage of areas protected from the influence of such works as well as energy stability and quality of electricity supply.

*Air* – The biggest problem in this area is the pollution from transport. Therefore, campaigns on sustainable transport (bicycles, outdoor walking activities) should be implemented. The public transport system should be improved and monitoring the pollution of the air should be conducted on regular basis (expanding the system and determining response protocols). Above all, the legal regulations of fuels (bio fuel, Euro standard etc.) should be drafted and implemented as soon as possible.

The set of indicators should measure the level of greenhouse emissions and polluting substances in the air.

*Nature* – In this policy area, the biggest problem is the small number of protected areas and their poor management. Therefore, a programme for building the capacity and knowledge of enterprises managing protected areas should be put in place, preferably through the implementation of twinning projects. Transposition of the *acquis* will need to continue and a pilot-project for sustainable use of resources and sustainable tourism via grant schemes was suggested by the participants. Financial support of the Ranger Service in the National Parks should be secured and clear competences should be defined within the law.

*Investments in Water and Waste Management* – In this area, the biggest problem is the absence of waste water treatment plants in the cities. The same is true with the waste – absence of a recycling/separation system. Therefore, waste water treatment plants should be constructed in larger cities, Skopje being the priority. In addition, the private sector can be supported in this endeavour. A system for purchasing separated waste or introducing new mechanisms to treat unseparated communal waste should be introduced using the comparative experience of other countries, especially Italy.

The indicators in this sector are quite straight forward: 1) number of erected plants and population covered, 2) the situation of the environment (pollutants), 3) number of private companies (pollutants) that established water treatment plants, and 4) quantity of municipal waste that ends up in landfills.

*Pilot-measures for Introduction of Sustainable Development* – According to the participants, the biggest problem is the uncontrollable use of drinking water. Subsequently, a pilot-project for using water from wells should be looked into. A system for dividing drinking water from technical water should be put in place. A public campaign to raise awareness about saving drinking water and its relatedness with food safety and energy should be launched as soon as possible.

The indicator would be the quantity of saved drinking water.

*Climate Change* – It seems that hardly anything is done to mitigate climate change (stress is put on adaptation only). Forest fires are also dealt with inappropriately. Therefore, the

participants proposed the development of a Strategy on Climate Change on both regional and National level. That would also imply revisiting the existing strategies in Macedonia related to climate change. The greenhouse gasses on municipal/regional level should be entered into an Inventory. Fire protection mechanisms should be established (for example, protected zones). A system for sustainable management of forests (public and private) must be developed.

The participants offered only two new indicators – 1) number of fires, and 2) quantity of emissions.

#### **4. Transport (Energy)**

The draft CSP does not deal with the sector Energy, while energy efficiency is dealt with within the sector environment. On the other hand, Energy is a separate sector in the Southeast European Strategy 2020. The position of the participants is that Energy should be treated as a separate sector<sup>6</sup>. The findings herein refer to both sectors.

*Transport* – Apart from the city transportation, funds must be available for the railway, especially for Corridor 8 that has not been completed yet. Transport is one of the most polluting sectors. Bicycle tracks can be constructed if an awareness raising campaign is implemented at the same time. Stations for hybrid vehicles and plans for imports of such vehicles can be developed for the upcoming period. In addition, the tram is still an idea that can solve the transportation problem in Skopje. Capacity building projects should also be available for the municipalities. Safety can be improved when seen from the data available. One possible solution is to develop a programme for building access roads for cars and tractors.

*Energy* – The participants recommended the following projects for this sector: natural persons should be able to sell electricity from renewable energy sources (RES), and in that case, the share of RES will be bigger. Energy cooperatives, like the ones in Germany and Denmark, should be introduced and able to sell electricity as a commodity.

Macedonia terminated the so-called cheaper electricity tariff. According to the Southeast European Strategy 2020, it is quite likely that such a practice will not return which means that many people will not be able to pay their electricity bills. Therefore, projects are needed to resolve the heating problem – both the individual and the collective forms. Decreasing energy poverty should be a priority.

Bitola needs a central heating project. Kicevo has such a potential. Projects improving the heating market are more than necessary in Macedonia. The development of smart grids – not connected to EVN – using the energy locally could be looked into. A co-generation pilot-project for hospitals including the utilization of solar energy could be quite beneficial for the country. Co-generation can work with schools as well. The capacity of local administrations for developing energy efficiency measures/programmes should be developed. ESCO companies (like the ones in Serbia and Croatia) could prove to be the ideal solution for energy efficiency.

An important priority is the increase of the RES-share without large hydro-energy, meaning paying greater attention (and funds) to better use of the sun, wind and biomass from agricultural activities.

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<sup>6</sup> The organizers of this event tried to identify and invite CSOs dealing with the issue of transport solely but could not find such organisations. All of the CSOs contacted stated that their main area of interest was environmental protection or energy.

Biogas and biomass are a possibility for agriculture. Every agricultural holding can meet its own heating needs. Unfortunately, Macedonia does not have enough companies experienced with biogas and biomass production. Agricultural waste is not used further – it can be used as biomass. Pilot-projects can prove quite beneficial in this policy area. Passive housing are another possibility.

Indicators for this (sub)sector are: 1) up to 2040, above 60% of the energy to come from RES, 2) above 40% saved energy, to come close to EU's energy intensity, 3) decreased CO<sub>2</sub> emissions (on the level of 1990 up to 2050) especially from the energy sector as the biggest polluter, 4) open and liberalized energy sector, 5) established energy organisations in 50% of the municipalities, 6) trained municipal staff etc.

## **5. Competitiveness and Innovations**

The draft CSP pinpoints the actual problems in this policy area. The position of the participants are laid out herein.

*Legal and Institutional Environment* – The current state of affairs in terms of institutional layout, does not correspond with that in the CSP. In that respect, a great deal of the efforts need to be invested in resolving the issue of fragmentation of the institutional system and the operation of a large number of agencies relevant for the sector. The rate of transposition of the EU acquis related to this sector (Economic criteria, Chapters 1-4, Chapter 20 and Chapter -25) is quite slow.

Some of the actions that could be supported in this sector are: to initiate an inclusive debate with stakeholders about the need of undertaking institutional adjustments, CSO representatives should be included in the work of the Competitiveness and Innovation Council, as well as representatives from the business community, educational and research entities in order to undertake timely action to build the capacity required by the new IPA regulation for the period 2014-2020. The best practices from EU need to be shared in the region and the experience of the relevant stakeholders (civil society and business community) taken on board. Regular debates should be initiated as part of the development of the National Programme for the Adoption of the Acquis (NPAA) with relevant stakeholders (business community, professional organisations, economic chambers, CSOs, academic and research organisations etc.). At the same token, the Government should also develop standard practice of consulting stakeholders in the policy-making process and in accordance with the measures envisaged in the Southeast European Strategy 2020.

Some of the indicators proposed by the participants in this sector are related to: 1) absorption capacity of IPA funds, 2) the number of well-developed projects that went through a wide consultation process with respective stakeholders, 3) greater involvement of stakeholders in project implementation, 4) regular participation of stakeholders in NPAA working groups etc.

*Competitiveness of the Private Sector* – In general, the participants agreed with the problems identified in the draft CSP. The most acute problem however, is the current support provided to small and middle-sized enterprises (SMEs) which is not complete. The different treatment of foreign investors compared to national investors is also a problem that could have greater consequences.

The actions that should be included in draft CSP include: increased support (legal and financial) for start-ups and business incubators, increased micro-loan and guarantee schemes (financial and non-financial), support provided for developing innovation and ICT capacities, establishing guarantee funds for SMEs, changing the practices that favour foreign investors

compared to national investors (legal, non-formal, etc.), initiating a dialogue with national investors (chambers, employers, businesses, CSOs etc.) regarding the need to improve national investment climate, and putting in place simpler procedures (in accordance with the European and regional practices) for improving the role of SMEs in economic development.

Apart from the indicators already included in the draft CSP, the participants agreed that the following should also be measured: 1) increased participation of SMEs in the national economy, 2) increased number of start-ups on annual basis and their sustainability on the market, and 3) increased share of SMEs in the GDP.

*Local and Regional Competitiveness* – The participants added some new problems in the list such as the lack of support for new economic activities (for example, alternative tourism), a large disparity between economic activities in the capital city compared to the activities happening in the rest of the country (synergy with the sectors Environment and Transport) etc. Therefore, a public debate on improving alternative tourism should be initiated, especially in the border regions as an income generation mechanism (this activity could be seen from the perspective of territorial cooperation allowing local governments and local stakeholders to find mutual ways to entice EU-funds for developing alternative methods for attracting foreign investments), investing in local infrastructure (roads, railway, optical and wi-fi access), national investments in digitalizing rural environments as to increase their competitiveness, formalizing and improving social dialogue with all relevant parties, including CSOs, and further development of public-private-partnerships (PPPs).

The indicators that will measure this progress are the following: 1) increased economic activities in the planning regions, 2) increased digital access for rural environments, 3) developed strategies on alternative sectors upgrading local competitiveness, 4) increased synergy in securing multi-sectoral approach, and 5) participation in the sector of territorial cooperation.

*Innovations* – The participants stressed the fact that the number of innovations in the private sector is quite small, and that there was lack of incentives and development funds as well as limited knowledge about the measures that could be used from EU funds. Therefore, it is extremely important to implement properly the National Innovation Strategy, to initiate a debate with stakeholders (especially the academic and think-tank community) on the necessary measures to support and increase innovations, to increase the innovative capacities of SMEs by increasing the financial, research and development component of the Innovation and Technical Development Fund, and to create an Innovations Institute that can be entrusted with the role of regional networking.

In terms of indicators, the participants proposed the following: 1) increased share of innovations in the GDP, 2) increased funds in the Innovations and Technical Development Fund, and 3) increased participation of stakeholders in improving innovation policies.

## **6. Education, Employment and Social Policies**

The draft CSP has identified the actual problems in this policy area. The participants dealing with this sector were also quite satisfied with the actions envisaged in the upcoming period. The target groups are well recognized (women, young people, unemployed, social cases and vulnerable groups etc.), although the Roma community could be stressed separately in each sub-sector.

Having analyzed the draft CSP within the framework of the Southeast European Strategy 2020, the participants proposed a new sub-sector in this sector – Health. A separate sub-

sector could dramatically improve the coordination efforts between National IPA II and the regional efforts financed through Multi-beneficiary IPA and provided for in the SEE Strategy 2020 titled “Jobs and Prosperity in a European Perspective”.

Therefore, this sector was discussed by participants active in 4 policy areas – education, employment, social policies and health. Most of the discussions focused on looking into new indicators that would secure the delivery of the actions identified in the draft CSP. The findings of the participants are laid down per sub-sector herein.

*Employment policy* – The participants recognized that the actions envisaged will improve the situation in the field of employment policies. The discussion concentrated on the indicators on the basis of which progress will be measured. The additional indicators, as agreed by the participants are as follows: 1) employment rate divided in accordance to age, gender, ethnicity, place of living (urban/rural), vulnerable groups (especially disabled, and Roma population); 2) GDP per person, 3) the amount of the minimum wage paid, 4) number of employees working outside the capital city Skopje, 5) number of local advisory councils for socio-economic development (including representatives from the business and civil society sector, as well as educational institutions).

*Education and Training – Building Skills for Jobs and Growth* – In this sub-sector the actions envisaged were also recognized as appropriate by most of the participants. The additional indicators proposed by the participants in this sub-sector were the following: 1) number of informal and non-formal education provided by public educational institutions, 2) number of educational mediators working with the Roma pupils and students, 3) statistics on the number of persons outside the formal educational system divided by age, gender and ethnicity; 4) number of educational institutions that do not have pupils/students in the governing structures, 5) percentage of the general budget allocated for educational institutions, 6) percentage of the general budget allocated for the separate forms of pupil/student participation, and 7) percentage of students with the grade 3 and below 3 in the PISA competition.

*Social Policy* – In this sub-sector, the participants also recognized that the actions envisaged will certainly improve the social fabric of the country. As in the previous policy areas, the discussions mostly focused on the additional indicators, as agreed by the participants, those being: 1) rate of absolute and relative poverty, 2) number of informal and non-formal education provided by public educational institutions, 3) GINI Index, 4) statistics on the number of persons receiving social assistance divided by age, gender, ethnicity, place of living (rural/urban), vulnerability (Roma, disabled, LGBT etc.).

*Health* – The CSP does not deal with this sector at all. However, the SEE Strategy 2020 provides for separate health policy. Subsequently, the participants saw an opportunity to push the health policy area as part of the CSP. The guiding principle behind this approach was the fact that better coordination and implementation of the actions envisaged as part of the SEE Strategy 2020 can be secured if compatible actions were implemented on national level as well.

The indicators proposed by the participants in this sub-sector were the following: 1) number of registers for health data established, 2) number of scholarships for the regional public health studies provided in accordance with criteria related to gender, age, ethnicity and vulnerability (especially the Roma since health is one of the policy areas treated with the Roma Decade).

## **7. Agriculture and Rural Development**

In this sector, the participants also recognized the fact that the problems were well identified. The position of the participants per sub-sector are laid out herein.

*Institutional Capacity Building and Acquis Related Actions* – The participants agreed that the stakeholders of this sector are hardly consulted in the course of developing national strategies. The programmes adopted are never consulted with the farmers or the CSOs, not to mention public debates organized during policy-making. In other words, the Government is not utilizing the capacities of the sector to the fullest. The IPA monitoring body is not transparent and the existing Governmental Unit for Cooperation in the Field of Agriculture and Rural Development is not really functional (for example, it does not receive any guidance, nor assistance). Capacity building will be very important for both administrative bodies and grant beneficiaries. There is no direct link to the European Commission.

Subsequently, the participants felt that more public debates should be organized and stakeholders must be consulted on regular basis. An effective link between the administration and the stakeholders must be established. Local IPARD offices could be opened for better communication with stakeholders along with the appropriate communication infrastructure. The opportunities offered by IPARD should be further promoted and training made readily available for interested parties.

The participants added new indicators such as: 1) number of organized public debates, 2) number of changes stemming from consultation of stakeholders, 3) decreased number of legal gaps, 4) reporting on the adoption and implementation of the *acquis*, 5) better communication with the stakeholders as a result of which an increased number of joint initiatives/projects can be identified, 6) capacity of stakeholders built, 7) number of successful IPA projects steadily increases on annual basis, 8) amended programmes as a result of consulted EC desk officers and improved national consultation process.

*Agriculture* – The participants pointed out that the number of farmers is quite large, but they lack the capacity to implement IPA projects. The development programme does not correspond with the needs of the farmers. The investments in the sector are made without a clear timetable of activities that could maximize growth. There is a large proportion of agricultural land that is not arable and no strategy exists for putting it into the sphere of development. No young farmers are coming into the sector. It is quite obvious that apart from IPA and the National investment programme, no development programmes are related to this sector.

The new indicators added by the participants are the following: 1) restructured agricultural sector relevant to the capacity and requirements of IPA; 2) Increased number of registered farmers and organized sector fully capable to implement IPA projects; 3) Increased number of submitted IPA projects; 4) Appropriate and effective credit lines to support the agricultural sector and increased investments in the sector are timely opened; 5) Increased number of well implemented IPA projects, 6) An automatic system for payment and financing established to guarantee independence; 7) Increased number of IPA applications for green field investments; 8) Increased quantity of equipment in the sector using available funds; 9) Simplified application form; 10) Increased number of young farmers, as well as applications submitted by other vulnerable groups (Roma, LGBT, rural women etc.); 11) Increased number of joint projects; and 12) Increased revenue in the sector.

*Rural Development* – The participants believe that certain criteria, requirements and strategic goals are impossible to accomplish short-term (for example, organic production). The register of arable land categorization is still not in place as well as the problems related to land

ownership. A good credit line is still missing along with favourable business climate for attracting foreign investments. CSOs cannot apply for IPARD grants due to lack of co-financing capital. Basic criteria cannot be accomplished (for example, access roads to some mountainous areas, lack of electricity, water supply) which makes it impossible to apply for projects. Ownership rights are yet another big problem especially if the agricultural plot is within the boundaries of a municipality without adopted General/Master plans.

Subsequently, some additional actions need to be envisaged in the draft CSP such as: international links for transferring knowledge and know-how within the sector; restructuring of the sector, especially in terms of statistics and data; and establishing bodies for capacity building and training of stakeholders.

The participants added some new indicators such as: 1) greater absorption of IPA/IPARD funds, 2) policies that reflect the objectives of the EU, but that are appropriately adjusted to the actual state of affairs, 3) increased size of arable land by using evidence-based analysis, 4) established link for placing products on the market, 5) increased number of IPA applications, simplified procedures resulting with increased number of investments, and 6) increased rate of return in the sector due to which many people (especially young people) are interested in the sector.

*Absorption Capacity of Farmers* – The participants listed some of the more obvious problems such as: the lack of capacity on the part of the beneficiaries; the slow and complicated procedures that tend to discourage farmers from applying for grants; not knowing English language burdens the communication therefore translations are necessary as well as training and assistance; lack of precise information/guidelines on what needs to be done, and even the ones existing tend to change frequently making it impossible for the farmers to follow the amendments; lack of funds available for meeting some requirements (for example, for proving the genetic origin of an animal); and the lack of young farmers.

Therefore, the participants listed some additional actions that can prove beneficial to the sector. Simplifying the procedure is just one of the proposals, but that measure must be accompanied by providing appropriate expert assistance and regular training available to the sector. The capacity of the farmers needs building as well. Making funds available (loans/grants) for meeting essential requirements before applying for IPA funds can prove quite helpful for the potential beneficiaries. By presenting the opportunities of the sector in an appropriate manner, many young people may decide to go into agriculture.

The indicators were also discussed by the participants, and some new ones added to the list: 1) Increased number of IPA-application submitted by the farmers (especially young farmers) by capacity building of potential beneficiaries; 2) Increased number of farmers, and data divided by age, gender, vulnerability factor etc.; 3) Increased income for the farmers; and 4) Increased number of young farmers.

## **ANNEX 1**

The following civil society organisations were consulted in the following sectors:

### **1. Democracy and governance – moderated by Zenith**

1. Association Zenith
2. BCSDN
3. Kulturna riznica
4. Multiculture
5. Center for Civic Initiatives
6. Women's action
7. Citizens association
8. Macedonian Center for International Cooperation
9. Societas Civilis / Institute for Democracy
10. Institute for Human Rights
11. Helsinki Committee
12. Institute for Dynamic Development - Sphera Nova
13. MPPS
14. Foundation Open Society Macedonia
15. Center for civic communications

### **2. Rule of law and fundamental rights – moderated by the MCET**

1. Macedonian Centre for European Training (MCET)
2. Transparency Macedonia
3. Borka
4. Studiorum
4. CSO Infocenter
5. International Hotline Provider Macedonia
6. Center Makleader
7. Umbrella
8. Macedonian Association of Young Lawyers
9. SKUP Macedonia
10. Coalition Sexual and Health Rights of Marginalised Communities
11. Institute for Human Rights
12. Center Media Development
13. HERA
14. Action Plus Resen
15. Youth Educational Forum
16. Forum- Center for Strategic Research and Documentation
17. National Roma Centre NRC

### **3. Environment – moderated by Eko-svest**

1. Center for environmental research and information Eko-svest
2. Eco Action
3. Macedonian ecological society
4. Greener
5. Milieukontakt Macedonia
6. Grashnica
7. Ekoscop
8. Biosfera
9. Enhalon
10. Adriatic Watershed
11. Bela Vista
12. Florit
13. Eco-logic
14. Eko vita
15. Natura Struga

#### **4. Transport/Energy – moderated by Analytica**

1. Analytica
2. CeProSard
3. Center for Research and Policy Making
4. GEO SEE Institute
5. Center for Sustainability and Advanced Education
6. Macedonian Centre for European Training

#### **5. Competitiveness and innovation – moderated by European Policy Institute**

1. European Policy Institute
2. CEFE Macedonia
3. Macedonian Centre for European Training
4. Consumers Association
5. Foundation for Local Development and Development of IT
6. Association for Education, Design, Development, Research and Monitoring E-prim 2000
7. Foundation for the Development of Small and Medium-sized Enterprises
8. CESOR
9. Association Radika DE
10. Connect

#### **6. Education, employment and social policy – moderated by Reactor**

1. Reactor
2. Macedonian Centre for European Training
3. Message Our- Kumanovo
4. Association Against Discrimination Women's Solidarity Resen
5. Macedonian Platform against Poverty
6. SIRMAKumanovo
7. Students organisation "Exit"

8. RENAISSANCE Prilep (charity and social action)
9. Association Humanity
10. PREDA Plus
11. Youth Educational Forum
12. Association for education YOUNG INFO
13. Umbrella
14. National Roma Centre

#### **7. Agriculture and rural development – moderated by Front 21/42**

1. Front 21/42
2. Eco-logic
3. Regional Chamber of Crafts Kumanovo
4. Rural Development Network
5. 8th September
6. Pure Water- Clean Food
7. Biosfera
8. Slow Food Bitola
9. Association Krstec
10. CeProSard
11. Aronia
12. RC Ovchepolka Stip
13. Agricultural society Masinski krug
14. ZZP Agroproduct Stip
15. UO of the Youth Association