

Annex 1: Monitoring Matrix on the 2022 Action Plan

PILLAR	RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES			NEXT STEPS	EXPECTED TIME OF REALISATION
						Achieved	Completed	Ongoing implementation		
						Partially achieved				
PRIORITY						Not achieved				
Measure										
Activity										
PILLAR 1: Economic Analysis, Macroeconomic and Fiscal Framework										
PRIORITY 1: Revenue Forecasting and Reporting										
			Variance in revenue composition between planned and actual figures (as used in PEFA R3) Indicator 1. BCG aggregate revenue deviation - under 9%; Indicator 2. BCG revenue composition variance - under 15%;	Targets - indicators based on PEFA Pillar 3 (defined based on past trends) Indicator 1. BCG aggregate revenue deviation - under 9%; Indicator 2. BCG revenue composition variance - under 15%;	Not achieved					
Considering that the target is not determined in the Action Plan for 2022, it is defined by this Report										
MEASURE 1: Improving tax and customs reporting in accordance with the EU best practices			Number of published reports per year	Prepared and published 5 reports (Tax Expenditures, VATGAP Report, Coefficients for tax buoyancy and tax elasticity, Income inequality report and CEfficiency)	Not achieved					
ACTIVITY										
1. Reviewing availability of data needed for revenue analysis and preparation of Action Plan for submission of the required data	MoF	Q4/2022	/	/	/			Ongoing implementation. Two workshops have been held, aimed at considering the current state-of-play related to the availability of data necessary for analysis and Action Plan for submitting the required data to MoF.	Preparation of a review of the current state-of-play related to the availability of data necessary for analysis, and preparation of Action Plan for submitting the required data to MoF; Drafting a Protocol for submitting the necessary data to MoF, for the purpose of projecting the public revenues.	
2. Preparing reports in line with EU best practices	MoF	Q4/2025	/	/	/			Ongoing implementation. Workshop has been held, and Report on Assessed Tax Expenditures and Report on VAT Gap have also been prepared. In the period from June to December 2022, and considering that the Twinning project "improving revenue collection and tax and customs policy" was suspended and then canceled, the planned activities did not start with their implementation.	In the coming period, the possibilities for continuing the activities that were started with the Twinning project, and thus the implementation of this Measure by using the EU Integration Facility mechanism within the framework of the IPA for financing a new project, will be considered.	
MEASURE 2: Enhancing tax and customs modeling capacity			Number of provided tailor-made training	6-Trainings for opensource programming languages (Python and R), T-SQL, Power BI, R Markdown and Shiny etc.) and implemented 3-models in day-to day work models developed by Twinning project "improving revenue collection and tax and customs policy."	Not achieved					
ACTIVITY										
1. Trainings in open-source programming languages (Python and R)	MoF	Q4/2025	/	/	/			Ongoing implementation. Basic trainings were held, related to programming languages with open source (Python and R), in the previous years. In the period from June to December 2022, and considering that the Twinning project "improving revenue collection and tax and customs policy" was suspended and then canceled, the planned activities did not start with their implementation.	In the coming period, the possibilities for continuing the activities that were started with the Twinning project, and thus the implementation of this Measure by using the EU Integration Facility mechanism within the framework of the IPA for financing a new project, will be considered.	
2. Implementation of models developed in the Twinning Project "Improving Revenue Collection and Tax and Customs Policy"	MoF	Q4/2025	/	/	/			Ongoing implementation. In the period from June to December 2022, and considering that the Twinning project "improving revenue collection and tax and customs policy" was suspended and then canceled, the planned activities did not start with their implementation.	In the coming period, the possibilities for continuing the activities that were started with the Twinning project, and thus the implementation of this Measure by using the EU Integration Facility mechanism within the framework of the IPA for financing a new project, will be considered.	

PILLAR	RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES			NEXT STEPS	EXPECTED TIME OF REALISATION	
PRIORITY											
	Measure					Achieved	Completed	Ongoing implementation	Not commenced		
	Activity					Partially achieved					
PRIORITY 2: Economic Analysis, Macroeconomic and Fiscal Framework											
			Impact assessments and economic analyses published in the Ministry of Finance's reports	Trainings provided	Partially achieved						
			New macroeconomic models used during the preparation of the budgetary documents and Economic Reform Programme	Trainings and workshops provided	Partially achieved						
			Comprehensive reporting (Fiscal Risks Statement) on: liabilities of central and local governments, PPP associated risks; summary of risks identified by the biggest SoEs; comparison of macro-fiscal forecast scenarios	Trainings and workshop provided	Partially achieved						
			Established operational Fiscal Council and a body for professional administrative support	Elected members of the Fiscal Council and established body for professional and administrative-technical support	Partially achieved						
MEASURE 1: Capacity building for economic analyses											
ACTIVITY											
	1. Increasing the scope of economic analyses	MoF (MPD, BD, TD, PDD)	2025	/	/	/	Ongoing implementation: First part of the financial programming training has been carried out, including the following activities: - fundamentals of financial programming, processing, mapping and updating data - dissemination of data in Jometra+ and processing high frequency data - training for preparation of a Screening Report, which is tool for a comprehensive analysis of the economy - Fiscal sector analysis			In 2023 it is planned to create basic and alternative scenarios for the growth of the economy, using financial programming. - Total of 25 working days are envisaged for training of which 20 working days on-site.	Q3 2023
MEASURE 2: Developing new macroeconomic models											
			New macroeconomic models used during the preparation of the budgetary documents and Economic Reform Programme	Trainings provided	Partially achieved						
ACTIVITY											
	1. Develop macroeconomic forecasting tools	MoF (MPD)	2025	/	/	/	Ongoing implementation: Creation of a short-term model for inflation projection by World Bank experts and training provided to MoF staff. Additional consultations carried out in order to overcome some of the technical problems for model implementation and for identifying alternative data for the model.			Additional online meetings are planned with the experts in order to strengthen the staff skills in operating the model. Also, additional consultations will be made with the experts to monitor the functionality of the model and overcome potential issues. At part of the WB Project for Strengthening Fiscal Governance in Western Balkans, the following activities are planned to be realized in 2023: - Updating the "Nowcasting" model tool - Basic econometrics training - Creation of new VAR model for projection of the economic growth	Q2-Q4/2023
MEASURE 3: Fiscal risks											
			Comprehensive reporting (Fiscal Risks Statement) on: liabilities of central and local governments, PPP associated risks; summary of risks identified by the biggest SoEs; comparison of macro-fiscal forecast scenarios	/	/						
ACTIVITY											
	1. Strengthening the capacity for fiscal risk assessment	MoF (BD)	2025	/	Trainings provided	Not achieved	Not commenced.			In the upcoming period, in cooperation with the international partners, technical assistance will be provided for carrying out trainings aimed at strengthening the capacities and analysing the fiscal risks.	2024-2025
MEASURE 4: Establishing Fiscal Council											
			Established operational Fiscal Council and a body for professional administrative support	Elected members of the Fiscal Council and established body for professional and administrative-technical support Preparation of by-laws	Partially achieved						
ACTIVITY											
	1. Legal framework – preparation of bylaws for establishment and operationalization of Fiscal Council	MoF, Assembly of the RNM, Fiscal Council	2023	/	/	/	Ongoing implementation: - The new Law on Budgets was adopted in September 2022. - Notifications have been submitted to the Government, Parliament, MASA, NBRNM and SAO about the provisions of the Law on the establishment of the Fiscal Council and requests for nomination of members of the Fiscal Council (MASA, NBRNM and SAO) in December 2022.			During the first half of 2023, the competent institutions (MASA, NBRNM and SAO) will nominate members of the Fiscal Council, which will be followed by their election by the Assembly, and then members of the body for professional and administrative-technical support will be selected. Next, the preparation of the by-laws for the operationalization of the work of the Fiscal Council is planned, for which technical support is provided through a WB project.	Q2-Q4/2023
	2. Building administrative capacity	MoF, Assembly of the RNM, Fiscal Council	2025	/	/	/	Ongoing implementation: - The new Law on Budgets was adopted in September 2022. - Notifications have been submitted to the Government, Parliament, MASA, NBRNM and SAO about the provisions of the Law on the establishment of the Fiscal Council and requests for nomination of members of the Fiscal Council (MASA, NBRNM and SAO) in December 2022.			Capacity building for the fiscal council and expert body to analyze the implementation of fiscal rules, deviations from the rules, reporting on the analysis and communicating with the public (WB Project). Within the scope of the WB project, it is foreseen to develop an internal procedure in the Ministry of Finance for internal coordination for reporting on compliance with fiscal rules and for the development of ex-ante and ex-post assessment and reporting on the implementation of fiscal rules.	Q2-Q4/2023

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PRIORITY	Measure										
						Achieved	Completed	Ongoing implementation	Not commenced		
Activity						Partially achieved					
PRIORITY 3: Strengthening Debt Management											
MEASURE 1: Reduction of operational risks in public debt management			Improved debt refinancing risk indicators	/	/						
			Increased grade in SIGMA report	/	/						
			Number of external debt orders paid electronically	50% of external debt orders to be realized electronically	Achieved						
			Increased number of employees responsible for public debt management	13 employees for public debt management	Partially achieved 2 persons were engaged through the Temporary Employment Agency						
			Procedure for Quarterly debt reconciliation with foreign creditors	/	/						
ACTIVITY											
	1. Introducing e-banking with NBRNM for external debt repayment	MoF	Q1/2025	/	/	/	Completed. Digitalised payments towards foreign creditors have started to be introduced, by introducing electronic banking with NBRNM, through which repayments to foreign creditors are being made. Activity has been completed considering that the target has been achieved, envisaging 50% of the external debt orders to be paid electronically.				
	2. Strengthening public debt management capacities	MoF	Q4/2025	/	/	/	Ongoing implementation. In the course of 2022, 2 persons were engaged through the Temporary Employment Agency, thus the activity has been partially implemented.	It is necessary to employ full-time employees, on the basis of a job announcement, as well as to carry out candidate selection and appointment process.		Q4 2025	
MEASURE 3: Issuance of new financial instruments											
			Diversification of debt instruments	Structural bond issued for financing the municipalities	Partially achieved						
ACTIVITY											
	1. Issuance of new financial instruments	MoF	Q4/2025	/	/	/	Ongoing implementation. Under the modifications and amendments to the Law on Financing Local Government Units, structural bonds, stand-by loans, as well as issuance of municipal bonds, are envisaged as instruments to overcome the financial instability. Law on Financing Local Government Units is in parliamentary procedure, pending its adoption.	Following the adoption of the Law on Financing Local Government Units, preparation of the issuance of the structural bond should commence, which will be issued should a need arise at certain municipalities facing financial instability.		Q4 2025	
PILLAR: II: Revenue Mobilisation											
PRIORITY 1: Tax and Customs Policy											
			Progress made toward fulfilment of the EU accession criteria (steady progress in the respective Chapters 16 and 29)	Ch.29: Good level of preparation Good progress Ch.16: Moderately prepared Some progress	Partially achieved						
MEASURE 1: Improved revenue legislation framework, harmonized with the EU acquis											
ACTIVITY											
	1. Gap analysis of national legislative provisions (laws and bylaws and methodology) compared to the latest EU legislation and best practices, in the area of tax and customs legislation	MoF	2025	/	/	/	Ongoing implementation. In the period January - June 2022, the following activities were implemented: - reviewing the results from the carried out gap analysis of the PIT Law, and preparation of recommendations for its improvement; - reviewing the results from the carried out gap analysis of Customs Administration Law and preparation of recommendations for its improvement; and - reviewing the results from the carried out gap analysis of the Law on Property Taxes, and preparation of recommendations for its improvement. In the period from June to December 2022, and considering that the Twinning project "Improving revenue collection and tax and customs policy" was suspended and then canceled, the planned activities did not start with their implementation.	In the coming period, the possibilities of continuing the activities that were started with the Twinning project, and thus the implementation of this measure by using the EU Integration Facility mechanism within the framework of the IPA for financing a new project, will be considered.		2025	
	2. New legal acts and/or amendments to the existing national tax and customs legislation (laws and by-laws) drafted on the basis of the EU legislation in force	MoF	2025	/	/	/	Ongoing implementation. In the period January - June 2022, the following activities were implemented: - preparation of new draft Customs Code; - preparation of draft amendments to the Law on Value Added Tax, and - preparation of draft amendments to the Profit Tax Law. In the period from June to December 2022, and considering that the Twinning project "Improving revenue collection and tax and customs policy" was suspended and then canceled, the planned activities did not start with their implementation.	In the coming period, the possibilities of continuing the activities that were started with the Twinning project, and thus the implementation of this measure by using the EU Integration Facility mechanism within the framework of the IPA for financing a new project, will be considered.		2025	

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PRIORITY											
	Measure					Achieved	Completed	Ongoing implementation	Not commenced		
	Activity					Partially achieved					
PRIORITY 2: Tax Administration				% percentage of digitized tax services	83%	Achieved					
				Improved rate of tax payment on time (VAT)	Rate on number of timely payments - 90% Rate on amount of timely payments - 70%	Partially achieved Achieved: 58% Achieved: 75%					
				Improved age structure of the tax debt (VAT) - reduced share of the debt older than 12 months in the total tax debt	Share of VAT debt (principal debt) over 12 months old in the total VAT debt at the end of FP - 77%	Partially achieved This indicator will be determined by the Report on the implementation of the MMU, which is expected in February 2023.					
Measure 1: Strengthen administrative capacity for better revenue collection and tax compliance				Increasing the amount of the established tax guarantee	Increase the amount of the established tax guarantee by 10% compared to 2021.	Not achieved. The monitoring of the measure started in 2022, and we do not have comparative data in relation to 2021.					
				Increasing the collection of tax debt based on an established tax guarantee	Increase in the amount of debt collected based on the established tax guarantee by 5% compared to 2021.	Not achieved. The monitoring of the measure started in 2022, and we do not have comparative data in relation to 2021.					
				Value of collectible core tax arrears in FY end in percent of total core tax revenue collection for FY	VAT debt / VAT income ratio 16%	Partially achieved This indicator will be determined by the Report on the implementation of the MMU, which is expected in February 2023.					
				Increase in the amount of additionally assessed tax with audit compared to the previous year	Additional tax assessed per audit program increased per 3% compared to the results from the previous year	Not achieved. The monitoring of the measure started in 2022, and we do not have comparative data in relation to 2021.					
ACTIVITY											
	1.Strengthening the institutional capacity of the tax administration, especially in management of the overdue tax debt and the tax compliance	PRO	2025	/	/	/	Completed. Guidelines for the methodology and procedure for determining a tax guarantee and collection of a debt from a tax guarantor as another tax debtor have been adopted, number 20-6566/1 dated 12/13/2022. The Register of Risks 2023-2025 was adopted. and additions to the tax procedure law - it is partially aligned with the Ministry of Finance, but has not been put into the adoption procedure (partially implemented)			Future steps that should be taken in the next period to improve the implementation of the activities and achieve the planned result are activities until full compliance for the processes that should be regulated by the legal amendments to the Law on Tax Procedure, drafting a proposal for a Compliance Plan for personal services for companies that offer personal services, such as hairdressers, beauty salons, car washes and auto mechanics, and with the aim of combating the gray economy as well as establishing a Center of Excellence in the scope of the collection and debt management function.	2023-2025
Measure 2 : Digital transformation of the PRO with the establishment of an Integrated Tax Information System (ITIS)				Number of institutions with which the Integrated Tax Information System exchanges information	20	Achieved					
				Completion of modules for the new IT S	least 1 module in use	Not achieved					
ACTIVITY											
	1.Implementation of the activities envisaged in the Strategic Plan of the PRO related to the completion of the Integrated Tax Information System	PRO	2025	/	/	/	Ongoing implementation. Within the framework of Component 2: Support of the tax reforms of the IT strategy of the PRO and promotion of the integrated tax information system (or ITS), from the project with the World Bank, a working meeting was held in June 2022 with the experts from the World Bank regarding the definition of the remaining projects / modules to complete the IT system, as well as the overall project management. Part of this project is the establishment of a data warehouse and tools for business intelligence - Data Warehouse and BI and the establishment of a Disaster Recovery Center, which are part of this Program. In the period January-June 2022, the PRO continued with the activities to complete the remaining modules from IDS. A technical specification for the development of new modules for the integrated tax information system is under preparation: for e-commerce and e-invoice. In the area of development and restructuring of the IT subsystems of the PRO, they are currently being adjusted depending on the requirements and legal changes.			Future steps to be taken in the next period to improve the implementation of the activities and achieve the planned result is further coordination of all relevant parties to start the project with the World Bank, timely adoption of legal amendments and improvement of the tender specifications.	2023-2025

Pillar	Responsible Institution	Deadline	Performance Indicator	Target FY 2022	Indicator Outcome FY 2022	Progress of Implementation of Activities	Next Steps	Expected Time of Realisation
Priority								
Measure								
Activity								
PRIORITY 3: Customs			Percentage of physical controls that resulted in the detection of irregularities in relation to the total number of physical controls performed using the new equipment					
			Implemented at least two (2) new IT systems / modules from the EU Multiannual Strategic Plan (MASP) at national level on appropriate hardware (ICS2 and e-commerce)					
MEASURE 2: Modernization of customs services and their digitalization			Average yearly availability of the new customs IT systems for interconnectivity with the EU systems Conducted appropriate professional trainings for the employees of the Customs Administration and the economic operators for implementation of systems (number of events)	10	Partially achieved			
ACTIVITY								
	1. Implementation of modern systems in order to comply with the Multiannual Strategic Plan of the EU (MASP), integration with European systems and procurement of appropriate hardware	Customs Administration	2025	/	/	Completed. In the period January - June 2022, 2 trainings were carried out within the framework of the EU-IPA 2018 training project "Improvement of revenue collection and tax and customs policy". This project has been interrupted in August 2022. In the period June - December 2022 8 trainings have taken place from various sources (organized by Customs Administration - 6, organized by external resources: 4)	In 2023, 12 trainings are planned, financed from various sources.	Q4 2023
PILLAR III: Planning and Budget								
PRIORITY 1: Budget Planning								
MEASURE 1: Improving medium-term planning			Reduction of the budget deficit as % compared to the previous year	4.3% on 5Q11 - compared to the previous year	Achieved			
			Changes in relation to the initial projections / achievements (Fiscal deficit)	10-11%	Partially achieved			
ACTIVITY								
	1. Medium-Term Fiscal Strategy based on a sectoral approach	Ministry of Finance/ Budget and Funds Department	2025	/	/	Ongoing implementation. The 2023-2025 Fiscal Strategy of the Republic of North Macedonia (with prospects until 2027) aimed at undertaking activities, which contribute to improving the medium-term planning, includes new tables and charts for the Central Budget and local government budget, as well as data on projects financed with IPA funds. The following is presented: Main financial indicators for public enterprises and fully state-owned companies (Denar million), PROJECTED TOTAL REVENUES AND EXPENDITURES IN PEs and JSCs in the period 2022-2027, and tables for comparison purposes with the revised 2022-2026 Fiscal Strategy.	According to the adopted new Law on Budgets, the content of the Fiscal Strategy has been supplemented with indicators aimed at improving fiscal discipline, stable medium-term fiscal projections for the current and the next five years.	Continuously
	2. Improving planning through tools- baseline scenario and new initiatives	Ministry of Finance/ Budget and Funds Department	2025	/	/	Ongoing implementation. Ministry of Finance, collects, on continuous basis, data on the baseline scenario and new initiatives, as a basis for preparing the maximum expenditure ceilings set under the Fiscal Strategy of the Republic of North Macedonia and the Budget Circular.	Delivery of a circular letter with the aim of collecting data related to the strategic priorities of the Government, current and projected macroeconomic indicators, a basic scenario for the next 5 fiscal years, guidelines for mid-term estimates of inflows and outflows for the basic scenario and new initiatives.	Continuously
	3. Strengthening medium-term planning at public enterprises and companies at central level	Ministry of Finance/ Budget and Funds Department	2025	/	/	Ongoing implementation. In April, circular letter was submitted to all public enterprises and state-owned companies at central level requiring data on the financial operations of these entities in the period 2022-2027, to the end of their consolidation and presentation in the Fiscal Strategy of the Republic of North Macedonia. The data for the period 2022-2027 are provided.	Development of a Fiscal Strategy according to a sectoral approach and publishing bylaws for baseline scenario tools and new initiatives.	Continuously
MEASURE 2: Improved Budget planning and developing measurable performance indicators			First line number of budget users and home budget users	About 100	Achieved			
ACTIVITY								
	1. Preparation and implementation of bylaws and several types of classifications - administrative / organizational, economic, program, functional and classification of sources of funding	Ministry of Finance	2025	/	/	Ongoing implementation. Activity is included in the new Organic Budget Law. Its realization will start by implementing the new Organic Budget Law. At the same time, additional indicators for monitoring the results are introduced in the 2022 Budget. At the same time, trainings for preparing bylaws are being carried out under the IPA Project.	In September 2022, the New Law on Budgets was adopted, within which the implementation of this activity was determined. At the same time, through the IPA project and other international institutions, trainings for the preparation of by-laws are being implemented.	2025
	2. Developing and monitoring of performance indicators in the implementation of budget policies	Ministry of Finance/ Budget and Funds Department	2025	/	/	Ongoing implementation. Activity is included in the new Organic Budget Law. Its realization will start by implementing the new Organic Budget Law. At the same time, additional indicators for monitoring the results are introduced in the 2022 Budget. At the same time, trainings for preparing bylaws are being carried out under the IPA Project.	In September 2022, the New Law on Budgets was adopted, within which the implementation of this activity was determined. At the same time, through the IPA project and other international institutions, trainings for the preparation of by-laws are being implemented. With the new Fiscal Strategy, indicators will be introduced at the level of policies through which implementation and their success will be measured.	2025
MEASURE 3: Fiscal consolidation for gradual and sustainable reduction of budget deficit			Share of capital in total expenditures	14%	Partially achieved			
ACTIVITY								
	1. Reducing the current expenditures in the total expenditure structure by determining spending standards and defined allocation criteria	Ministry of Finance and Government	2025	/	/	Ongoing implementation. Adopted Fiscal Consolidation Plan aimed at supporting macroeconomic stability, accelerating economic growth and strengthening the growth potential of the national economy by improving the collection of budget revenues, reducing and restructuring budget expenditures and changes in funding sources of the budget deficit.	Reduction of current expenditure by redesigning public expenditure in total expenditure through increased investment in infrastructure. With the RSM Budget for 2023, as well as the Revised FS 2023-2027 (adopted in 2022), capital expenditure is planned at the level of 5% of GDP.	Continuously

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PRIORITY												
	Measure						Achieved	Completed	Ongoing implementation	Not commenced		
	Activity						Partially achieved					
PRIORITY 2: Strengthened Public Investment Management												
				PEFA score for indicator PI - 11: Public Investment Management (dimensions 11.1: Economic analysis of investment projects, 11.2: Investment project selection, 11.3: Investment project costing, 11.4: Investment project monitoring).	/	/						
MEASURE 1: Planning sustainable Levels of Investment				Average effectiveness score of institutions 2, 3 and 6 of PIMA	/	/						
ACTIVITY												
1.Strengthen the role, the supporting legal framework and the institutional set up of the MoF in PIM system		MoF	Q4/2025	/	/	/			Ongoing implementation. For the purpose of strengthening the role, the supporting legal framework and the institutional setup of MoF in the PIM system, draft internal acts on MoF organisational setup and systematisation have been prepared, aimed at establishing a new Public Investment Management Department. In end - December 2022, the Ministry of Finance adopted the new acts on organizational setup and operation and systematization of working posts, envisaging establishment of a new PIM Department.	Equipping the Public Investment Management Department, training of staff and developing methodological acts and working procedures.	Q4/2025	
MEASURE 2: Improved project appraisal, selection and allocation of resources for capital Investments				Average effectiveness score of institutions 4 and 10 of PIMA	/	/						
ACTIVITY												
1.Provide training to professionals of the MoF on project appraisal and review of preinvestment studies		MoF	Q4/2023	/	/	/			Not commenced. This activity should start upon staffing the Public Investment Management Department in 2023.	Equipping the Department with initial number of employees by June 2023.	Q3/2023 - Q4/2025	
2.Develop a general project appraisal methodology and determine shadow prices		MoF	Q4/2023	/	/	/			Not commenced. This activity should start upon staffing the Public Investment Management Department in 2023.	Equipping the Department with initial number of employees by June 2023.	Q3/2023 - Q4/2024	
PRIORITY 3: Effective Instruments under the Growth Acceleration Plan												
				Accumulated public and private investments in millions of euros using the new financial instruments.	Public investments = 800 million euros Private investments = 4039 million euros	Partially achieved						
MEASURE 1: Establishment of different funds in the state institutions and development of different financial instruments				Number of established funds in the institutions	6	Partially achieved 2						
1.Establishment of Hybrid National Green and Digital MSME Fund for start-ups and innovative enterprises		FTD	>2025	/	/	/			Not commenced.	Establishment of the Fund	2023	
2.Establishment of "Greening Business" Facility		FEZ	>2025	/	/	/			Ongoing implementation.Law on Free Economic Zones is in three process of being amended. With the amended Law, the Directorate for Foreign economic zones will be allowed to establish and manage the fund.	Establishment of the Facility	2023	
3.Establishment of Guarantee fund		Development bank	>2025	/	/	/			Completed. Guarantee fund Facility has been established within the Development Bank of the Republic of North Macedonia.	Calls for proposals		
4.Establishment of Energy Efficiency fund		Development bank	>2025	/	/	/			Ongoing implementation. Foreign experts are engaged, with the task of offering several alternatives for the establishment of the Energy Efficiency Fund within the DBRNM. Options regarding the establishment of the respective Fund have been presented to the employees with the DBRNM and the MoF. Final option regarding the Fund establishment, will be offered in the course of the second half of 2022.	Establishment of the Fund	2023	
5. Establishment of Research and Development Fund		Development bank	>2025	/	/	/			Completed. Research and Development Fund has been established within the Development Bank of the Republic of North Macedonia.	Calls for proposals		
6. Establishment of Local and Regional Development Fund		Agency for local and regional development	>2025	/	/	/			Not commenced.	Establishment of the Fund	2025	
MEASURE 2: Strengthening the capacities of various institution				Establishing of new units in the institutions	3	Partially achieved						
ACTIVITY												
1.Establishment of a Delivery unit for infrastructure projects coordination		Government		/	/	/			Not commenced.	Commencing activities for establishment of a Delivery Unit for infrastructure project coordination.	2023	
2.Establishment of Project Monitoring unit		Government		/	/	/			Ongoing implementation. Whole documentation for establishment of the project monitoring unit is prepared and waiting on the approval for budget needs.	Commencing activities for establishment of a Project Monitoring Unit.	2023	
3.Establishment of a Capacity Building and Training Unit for strengthening management and institutional capacities		NOT SPECIFIED		/	/	/			Not commenced.	Commencing activities for establishment of a Capacity Building and Training Unit.	2023	

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PRIORITY	Measure										
					Achieved	Completed	Ongoing implementation	Not commenced			
Activity					Partially achieved						
PILLAR IV: Public Procurement											
PRIORITY 1: Public Procurement Policy											
MEASURE 1: Strengthening the institutional capacity			Percentage one bid tenders	/	/						
			Percentage cancelled procedures	/	/						
			Established new system for education within PPB	Analysis of the system for education within PPB	Partially achieved						
			Number of new methodological tools		Achieved. 2 Handbooks and 1 Brochure are published on the PPB website.						
			Established an advisory group consisting of experts and/or officials from the key procurement institutions and communication on regular basis according the agreed schedule	Established an Advisory group	Achieved. Advisory group is established						
			Number of received requests for opinion in relation to implementation of the PPL	1580	Achieved. 613						
			Number of implemented Technical Dialogue (Preliminary market consultation)	400	Not achieved. 165						
ACTIVITY											
	1.Adopting an overall Strategy for improvement of the public procurement system in Republic of North Macedonia 2022-2026	PPB MF: GRNM	Q2 2022	/	/	/		Completed: The strategy was adopted with Action plan for 2022 by the Government .			Q4 2022
	2.Improving the cooperation among the key institutions in the public procurement system	PPB	Q4 2025	/	/	/		Ongoing implementation: Target for 2022 is achieved - Memorandum of cooperation is signed by key institutions in the public procurement system; Advisory group is established and one working meeting is held.			Q4 2023
	3.Introducing new system for education within PPB	PPB	Q4 2025	/	/	/		Ongoing implementation: This analysis is ongoing.	The concept of certification and re-certification of public procurement officers will be re-examined through the rationalization of the training program and the creation of an improved, expanded and more flexible program. The conducted analysis should allow to continuously increase the knowledge, skills and good practices of the persons who are implementing public procurements		Q4 2023
MEASURE 2: Improvements in statistical data and analysis of the open data			Functional tool for downloading of the published information from the contract award notices in workable format for further analysis	Developing module in ESPP for downloading of the published information from the contract award notices in workable format for further analysis	Achieved						
ACTIVITY											
	1.Improving the statistical database	PPB	Q1 2023	/	/	/		Completed.The measure and the activity are completed and the target is achieved. The tool for downloading published data from notices of concluded contracts has been installed on the ESPP application, which ensures more transparency and opening of data for further processing by all interested groups such as, participants in public procurement, relevant institutions and the general public.			
PRIORITY 2: Public Private Partnership (PPP)											
MEASURE 2: Completion of the legal and regulatory framework in the field of public-private partnership			1)Number of concluded agreements for establishing a public/private partnership 2.Effective and consistent implementation of the obligations of the contracting parties in accordance with the agreements for establishment of public/private partnership.	/	/	/					
			Adoption of the new bylaws by the Minister of Economy and their publication in the Official Gazette of RNM	Publication of 12 bylaws in the Official Gazette of RSM which prescribe in more detail the rules for: Register of awarded contracts for establishing public-private partnership, UES/PPP, criteria for preparation of PPP projects, Feasibility study, PPP agreements, planning reporting e.t.c	Not achieved						
ACTIVITY											
	1.Preparation of the bylaws that will arise from the Law on Public Private Partnership	MoE	2022	/	/	/		Not commenced. After the adoption of the Law on Public Private Partnership the process of preparing the Draft bylaws will begin.			Q4 2023
	2.Adoption of the bylaws that will arise from the Law on Public Private Partnership	MoE	2023	/	/	/		Not commenced. Realization of this activity depends on the completion of the process of enacting the Law on Public Private partnership. The by-laws will describe in more detail the rules for the Register of awarded contracts for PPP, EES/JPP, the criteria for the preparation of projects for PPP, the feasibility study, the contract for PPP, planning, reports, etc. The success of the implementation of this measure depends on the completion of the process of passing the Law.	After the adoption of the Law on Public Private Partnership, 12 by-laws will be adopted by the Minister of Economy and they will be published in the Official Gazette of the Republic of North Macedonia.		Q2 2024

PILLAR	RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES			NEXT STEPS	EXPECTED TIME OF REALISATION
PRIORITY										
Measure					Achieved	Completed	Ongoing implementation	Not commenced		
Activity					Partially achieved					
PRIORITY 3: Appeal Mechanism			1) Number of appeals; 2) Number of appeals before both the Administrative Court and the Higher Administrative Court.	Reduction by 0.5% of appeals as well as reduction by 5% of the annulled Decisions of the State Commission	Achieved					
MEASURE 2: Strengthening the administrative capacity of the SAC			Strengthening the administrative capacity of the SAC through the employment of a sufficient number of qualified experts to work on the tasks of the core competence of the SAC is considered one of the preconditions not only for achieving the required level of efficiency of the SAC, but also for proper functioning of the public procurement in general.							
ACTIVITY										
1. Development of a new WEB page of the SAC	SAC	2022	/	/	Achieved	Complete. The new WEB page of SAC was created and put into use at the beginning of the month of February and the novelty in it is that it is possible to search by keyword.				
PILLAR V: Integrated Public Finance										
PRIORITY 1: Implementation of an Integrated Financial Management Information System (IFMIS) to Support the implementation of Public Financial Management Reforms and Organic Budget Law			Annual budget, including climate and gender tagging, prepared and executed through new IFMS	Defined indicators	Not achieved					
			The required time for the processing of payments through IFMS and Treasury Single Account interface was reduced (efficiency)	Few days	Not achieved					
			Ratio of budget coverage and comprehensiveness (central government budget managed and reported through IFMS, %) improved	65%	Not achieved					
			Open Budget Index Score (transparency) increased	/	/					
MEASURE 1: IFMIS is fully operational to support the implementation of OBL reforms			The stage of IFMS development and implementation	IFMS procurement initiated	Not achieved					
			Dedicated OBL Reform Unit established	OBL Reform Unit key staff (4) recruited	Not achieved					
ACTIVITY										
1. Development of IFMS as an integrated centralized webbased system supporting decentralized operations.	MoF	Q1/2024	/	/	/	Ongoing implementation. In November 2022, the Assembly of the RSM adopted a Law on borrowing of Republic of North Macedonia with a loan from the World Bank to finance the project for building effective, transparent and accountable institutions for managing public finances. With the adoption of this law, the necessary legal conditions for starting the implementation of IFMS have been provided				
2. Expansion of MoF ICT infrastructure (in line with wholeof- government approach) to host new IFMS.	MoF	Q1/2024	/	/	/	Ongoing implementation. In November 2022, the Assembly of the RSM adopted a Law on borrowing of Republic of North Macedonia with a loan from the World Bank to finance the project for building effective, transparent and accountable institutions for managing public finances. With the adoption of this law, the necessary legal conditions for starting the implementation of IFMS have been provided				
3. Capacity strengthening (PFM Reform Unit), training and change management to support OBL reforms and countrywide IFMS operations.	MoF	Q1/2024	/	/	/	Ongoing implementation. With the adoption of the Law on borrowing with a loan from the World Bank to finance the project for building effective, transparent and accountable institutions for the management of public finances, a procedure for the establishment of a project implementation unit began, through the publication of a public announcement for a coordinator of the IPU			Once the coordinator of the project unit is appointed for the implementation of the project, its staffing follows, and the next step is also the formation and staffing of a working body for the implementation of the project	
PRIORITY 2: Strengthen the Accounting of Budgets and Budget Users			Percentage of budget users that apply new accounting practices	0	/					
MEASURE 1: Strengthening the accounting system by applying of new accounting practices			Adoption of new accounting standards	Adopted Strategy for improvement of the accounting of budgets and budget users and adopted New Law on accounting of budgets and budget users	Partially achieved					
ACTIVITY										
1. Preparing a Strategy for Improvement of the Budget Institutions's Accounting with a gap analysis, setting priorities and goals and action plan	MoF departments (Financial System, Treasury, Budget)	Q2/ 2022	/	/	/	Ongoing implementation. An Analysis on the introduction of accrual accounting in the Republic of North Macedonia has been prepared.				The strategy should be prepared by June 2023
2. Adopting a new regulatory framework on accounting of budgets and budget users and bylaws	MoF	Q4/2022	/	/	/	Not commenced. First, it is necessary to adopt the Strategy so as to be able to launch the adoption of the new regulatory framework.			Upon adopting the strategy, preparatory activities for the new regulatory framework will commence.	March 2024
MEASURE 2: Capacity building of public sector accountants			Number of certified public sector accountants	0	/					
ACTIVITY										
1. Preparing training and exam curriculum for public sector accountants	MoF	Q2/2023	/	/	/	Not commenced. This activity will start following the adoption of the Strategy for Improvement of Budget Institutions' Accounting.				

PILLAR		RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES			NEXT STEPS	EXPECTED TIME OF REALISATION
PRIORITY											
	Measure						Achieved	Completed	Ongoing implementation	Not commenced	
	Activity						Partially achieved				
PRIORITY 3: Public Finance Academy											
MEASURE 1: Establishment of the Public Finance Academy											
				Management's perception of whether the Academy adds value to their employees (low, medium or high level of value added perception)	/	/					
				Established functional Public Finance Academy in the Ministry of Finance	Employed a total of 5 people	Not achieved					
					Total amended 3 laws in the field of PFM	Partially achieved (2 laws in the field of PFM have been amended/supplemented)					
				Staffed and equipped Public Finance Academy	Organized 2 trainings /workshops for the employees of the Academy	Not achieved					
ACTIVITY											
	1.Creating a legal basis for the establishment and functioning of the Public Finance Academy	MoF	Q4/2025	/	/		Completed. The Public Finance Academy was established by the Rulebook on Internal Organization and Work of the Ministry of Finance No. 01-11277/1 of 29.12.2022.				
	2.Strengthen the human resources capacities of the Public Finance Academy, through staffing, training and equipping	MoF	Q4/2025	/	/		Ongoing implementation. A working group was formed with the aim of providing coordination and technical support for the smooth implementation of the activities for the establishment of the Academy of Public Finance. (Decision by the Minister of Finance on 29.11.2022).			Staffing of the Academy should begin in 2023	Q4 2025
MEASURE 2: Development and implementation of a curriculum											
				Prepared manuals and instructions for work and bylaws	Prepared Manual for organizing and developing trainings	Partially achieved (a draft version of two manuals has been prepared)					
					Three bylaws prepared	Not achieved					
				Prepared annual work program and curricula	Work program and curricula prepared for 2023	Not achieved					
				Satisfaction of the participants from the conducted trainings (low, medium or high level of satisfaction)	/	/					
				Number of organized trainings	/	/					
ACTIVITY											
	1.Preparation of methodological tools for implementation of the activities of the Public Finance Academy	MoF	Q4/2023	/	/		Ongoing implementation. Draft version of Manual on Training Organising and Developing has been prepared. With expert support from CEF, Ljubljana, a Draft Guideline for the localization of the PACT project in the Republic of North Macedonia has been prepared.			After staffing and starting work of the Academy, a final version of these documents will be prepared	Q4 2025
	2.Preparation of an Annual Work program	MoF	Q4/2025	/	/		Not commenced.			After staffing and starting work of the Academy	Q4 2025
MEASURE 3: Inter-institutional cooperation											
				Signed cooperation agreements with domestic and foreign institutions	3 contracts	Not achieved					
ACTIVITY											
	1.Establishment of cooperation with domestic and foreign institutions	MoF	Q4/2025	/	/		Not commenced.			After staffing and starting work of the Academy	Q4 2025

PILLAR	RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES				NEXT STEPS	EXPECTED TIME OF REALISATION	
PRIORITY	Measure	Activity				Completed	Ongoing implementation	Not commenced				
					Achieved							
					Partially achieved							
PILLAR VI: Public Internal Financial Control												
PRIORITY 1: Financial Management and Internal Control												
MEASURE 1: Establishment of a comprehensive system of financial management controls based on risk management			Percentage of implemented recommendations given during quality checks	0	/							
			Prepared Manual for financial management and control	Prepared and published on the MF website Manual for financial management and control	Partially achieved (Draft Financial Management and Control Manual has been prepared.)							
			Adopted and published Guidelines for manner to conduct a review of the quality of financial management and control	Adopted and published Guidelines for manner to conduct a review of the quality of financial management and control	Partially achieved (Draft Guidelines on the Manner of Checking the Quality of Financial Management and Control have been prepared.)							
			Strengthen the capacities of CHU	Employed a total of 7 people Trainings	Partially achieved (1 person is employed)							
			Number of institutions in which quality checks have been performed	6	Not achieved							
			Number of institutions member of the web platform	0	/							
ACTIVITY												
	1. Preparation of Financial Management and Control Manual and its publication on the Ministry of Finance's website	MoF	Q2/2023	/	/	/	Ongoing implementation. Draft Financial Management and Control Manual has been prepared.				Prepared/harmonised final versions of the documents for publication on MoF's website, following the adoption of the Law on Public Internal Financial Control System.	Q1 2024
	2. Adoption and publication of Guidelines on the Manner of Checking the Quality of Financial Management and Control	MoF	Q1/2023	/	/	/	Ongoing implementation. Draft Guidelines on the Manner of Checking the Quality of Financial Management and Control have been prepared.					
	3. Strengthen the capacity of the CHU to check the quality of financial management and control	MoF	Q4/2025	/	/	/	Ongoing implementation. Within the framework of the Central Harmonization Unit with the Rulebook on Internal Organization and Work of the Ministry of Finance No. 01-11277/1 of 29.12.2022, a Unit for Quality Check of Financial Management and Control and the Operations of Internal Audit was established.				The staffing of this unit should begin in 2023	Q4 2025
PRIORITY 2: Internal Audit												
MEASURE 1: Strengthening the quality of work of the internal audit units in the Ministries			Percentage of implemented recommendations given during quality checks	0	/							
			Number of internal auditors in the Ministries	50	Partially achieved (32 internal auditors in ministries)							
			Percentage of implemented recommendations	66	Partially achieved (60%)							
			Number of ministries with an approved plan for organisation of internal audit	16 ministries	Partially achieved (activities are underway to act on the Government's conclusion)							
			Reorganized and staffed Internal Audit Units in the ministries	50 internal auditors	Partially achieved (activities are underway to act on the Government's conclusion)							
			Strengthen the capacities of CHU	Employed a total of 7 people.	Partially achieved (1 person is employed)							
			Number of institutions in which quality checks have been performed	6	Not achieved							
ACTIVITY												
	1. Preparation and approval of "Internal Audit Organization Plan" for all Ministries by the Government	MoF	Q4/2022	/	/	/	Ongoing implementation. In accordance to the Conclusion of the Government of RNM for the Annual Report on the functioning of the system for public internal financial control in the 2021, the submission of Plans for the organization and staffing of the internal audit units in the ministries to CHU is underway by the ministries				The Ministry of Finance - CHU, based on the received data from the ministries, should analyze them and prepare and submit information to the Government of RNM by 31.03.2023.	Q2/2023
	2. Modifying and amending the Ministries' internal acts for organization and systematization in accordance with the "Internal Audit Organization Plan"	MoF	Q1/2023	/	/	/						
	3. Strengthening CHU's capacities for checking the quality of operations of the internal audit units	MoF	Q4/2025	/	/	/	Ongoing implementation. Within the framework of the Central Harmonization Unit with the Rulebook on Internal Organization and Work of the Ministry of Finance No. 01-11277/1 of 29.12.2022, a Unit for Quality Check of Financial Management and Control and the Operations of Internal Audit was established.				The staffing of this unit should begin in 2023	Q4 2025
MEASURE 2: Centralization of the powers and the capacities for advanced types of internal audits (performance audit and IT audits) in the Ministry of Finance												
			Number of conducted performance audits and IT audits	0	/							
			Signed Charter for conducting IT audits and performance audits with the ministries	16	Not achieved							
ACTIVITY												
	1. Establishment of a Department for Centralized Conducting of IT Audits and Performance Audits	MoF	Q4/2025	/	/	/	Not commenced.				After the adoption of the Draft law on the system for internal financial control in the public sector, an analysis will be carried out on the legal basis of the establishment of the sector.	Q4/2025

PILLAR	RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES			NEXT STEPS	EXPECTED TIME OF REALISATION
PRIORITY	Measure	Activity								
					Achieved	Completed	Ongoing implementation	Not commenced		
					Partially achieved					
PRIORITY 3: Financial Inspection										
			Number of employment / promotion of financial inspectors who can independently perform financial inspection	6	Not achieved					
			Number of conducted inspections to control compliance with the provisions of the laws regulating the financial inspection	546	Partially achieved 384					
			Number of received applications/reports	300	Achieved 2.866					
			Amount of funds returned in the Budget of RNM	600 000	Partially achieved 268.394					
MEASURE 1: Strengthening the institutional basis of the financial inspection function			Adopted new Law on financial inspection in the public sector	Adopted new Law on financial inspection in the public sector	Partially achieved					
			Granted award for the best inspector in accordance with legally established criteria	Granted award for the best inspector in accordance with legally established criteria	Not achieved					
			Prepared methodological tools for application of analytical and inspection techniques and techniques for financial inspection in public sector	Adopted Procedure for conducting financial inspection with annexes to the procedure	Partially achieved					
			Adopted methodology for gathering and processing of statistical data with indicators for monitoring, measuring and evaluating the effectiveness of the financial inspection in the public sector	Adopted methodology for gathering and processing of statistical data with indicators for monitoring, measuring and evaluating the effectiveness of the financial inspection in the public sector	Partially achieved					
			Adopted Rulebooks on organization and systematization of MoF job posts	Adopted Rulebooks on organization and systematization of MoF job posts	Achieved					
			Number of employment / promotion in financial inspection in public sector	6	Not achieved					
			Conducted exam for obtaining a license for financial inspector	1	Not achieved					
			ACTIVITY			1.Improving the legal framework	MoF	Q4/2022	/	/
2. Introducing a system of performance-based annual remuneration for financial inspectors	MoF	Q4/2025				/	/	Not commenced. Adoption of the new Law on Financial Inspection in the Public Sector, pending parliamentary procedure, is a precondition for implementing this activity.	Upon the adoption and the entry into force of the new Law on Financial Inspection in the Public Sector, a system of performance-based annual remuneration for financial inspectors, will be introduced.	January 2024 Considering that it is an activity that would be carried out every year, the deadline of January 2024 refers to the annual award for 2023
3.Improved methodologies and systematization (increasing the added value of the financial inspection function)	MoF	Q4/2025				/	/	Ongoing implementation. Methodological tools for application of analytical and inspection techniques and techniques for financial inspection in the public sector have been prepared, there are ongoing preparatory activities for the methodology for gathering and processing statistical data with indicators for monitoring, measuring and evaluating the effectiveness of the financial inspection in the public sector, there are no new employments/promotion in the public sector financial inspection and no exam for obtaining a financial inspector license has been conducted. Adopted amended rulebooks on organisational setup and systematisation of work posts in the MoF.	Preparation of a methodology for gathering and processing statistical data with indicators for monitoring, measuring and evaluating the effectiveness of the financial inspection in the public sector, promotion/new employments in the public sector financial inspection, conducting exam for obtaining a financial inspector license.	September 2023
MEASURE 2: Strengthening the Capacity of Financial Inspection Human Resources						Adopted Program for theoretical training and practical work	Adopted Program for theoretical training and practical work	Not achieved		
			Adopted Program for taking the exam and manner of conducting the exam for obtaining a license for financial inspector	Adopted Program for taking the exam and manner of conducting the exam for obtaining a license for financial inspector	Not achieved					
			Adopted Program for trainings for conducting financial inspection	Adopted Program for trainings for conducting financial inspection for 2022	Achieved					
ACTIVITY			1.Designing a concept for obtaining a license for financial inspector	MoF	Q4/2022	/	/	Not commenced. Adoption of the new Law on Financial Inspection in the Public Sector, pending a parliamentary procedure, is a precondition for implementing this activity. Programme for Theoretical Training and Practical Work and Programme for Taking and Conducting the Exam for Obtaining a Financial Inspector License, will be prepared within the Twinning Project, starting November 2022.	Following the adoption and the entry into force of the new Law on Financial Inspection in the Public Sector, Programme for Theoretical Training and Practical Work and Programme for Taking and Conducting the Exam for Obtaining a Financial Inspector License, will be adopted.	September 2023
			2. Preparing an annual training program for financial inspectors	MoF	Q1/2025	/	/	Completed. 2021-2022 Programme for Training of Financial Inspectors has been prepared, containing detailed review of topics and contents, implementation periods, lecturers from different areas.		

PILLAR	RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES			NEXT STEPS	EXPECTED TIME OF REALISATION
PRIORITY										
Measure					Achieved	Completed	Ongoing implementation	Not commenced		
Activity					Partially achieved					
PILLAR VII: External Control and Parliamentary Oversight										
PRIORITY 1: External Audit			Established amount of funds that have not been paid in the Budget of RNM Established amount of funds in awarding public procurement contracts where irregularities have been identified with the audits	≥ 8.100 EYP ≥ 9.800 EYP	Achieved Achieved					
MEASURE 1: Strengthen the legal framework for external audit			Strengthen constitutional, financial and operational independence of the SAO	Draft amendment to the Constitution of the RNM for regulation of the SAO as a constitutional category prepared and submitted to the authorized proposer of the constitutional amendment to be submitted to the Parliament of the RNM. - New draft State Audit Law for strengthening SAO financial and operational independence	Achieved					
ACTIVITY										
1. Initiating constitutional changes to achieve constitutional independence of the SAO in accordance with the principles, standards and guidelines of INTOSA	SAO	Q4/2025	/	/		Completed. Draft amendments have been prepared within the Twinning Project for amending and supplementing RNM Constitution aimed at regulating SAO as a constitutional category. These draft amendments are submitted to the Assembly, Ministry of Justice and Government.		Expecting procedure for adoption of constitutional amendments to be initiated by the Parliament.		Q4/2025
2. Strengthening external audit legal framework aimed at strengthening financial and operational independence of SAO in line with INTOSA principles, standards and guidelines	SAO	Q4/2022	/	/		Under implementation. Draft State Audit Law has been prepared within the Twinning Project. In 2022, opinion on the draft law has been provided from the twinning partners - SAJ of Croatia and SAJ of Bulgaria, as well as from DG Budget. Auditor General has handed over the Draft State Audit Law to the authorized proposer i.e. the Ministry of Finance for further action.		Expecting procedure for adoption of the Draft State Audit Law by the Parliament.		Q4/2023
MEASURE 2: Strengthening the institutional capacity and human resource capacities of the SAO			Percentage of implementation of the SAO Development Strategy 2022-2026 Percentage of audit scope of total public expenditures Perception of stakeholders on SAO value added	Percentage of implementation of the SAO Development Strategy 2022 – 2026 20% ≥59% Percentage of positive perception of stakeholders on SAO value added ≥70%	Achieved Achieved Achieved					
ACTIVITY										
1. Preparation of new and improved strategic, planning and methodological acts of the SAO	SAO	Q4/2025	/	/		Completed. Within the Twinning project, draft SAO Development Strategy 2023-2027 has been prepared. SAO adopted the new Development Strategy 2023-2027 as well as new SAO methodology acts. Other strategic documents and methodology acts will be prepared in cooperation with other SAs and international organizations in the upcoming period.		New SAO Development Strategy is expected to implemented in 2023. New Strategic documents will be prepared on the base of the SAO Development Strategy. The remaining methodology acts will be prepared in accordance with SAO strategic and planning documents and INTOSA framework.		Q4/2025
2. Strengthen the capacity to conduct audits	SAO	Q4/2025	/	/		Completed. Activities for strengthening audit capacities have been carried out in accordance with SAO Annual Plan for continuous professional development for 2022 and SAO Strategy for the Development of Human Resources 2021-2023.		Activities for further strengthening of audit capacities are expected to be carried out in accordance with SAO strategic and planning act and SAO Annual Plan for continue professional development for 2023.		Q4/2025
3. Increasing the visibility of the SAO and communication with the stakeholders	SAO	Q4/2025	/	/		Completed. Activities for increasing SAO visibility and communication with stakeholders have been carried out in accordance with SAO Communication Strategy 2020-2023. During 2022, new internal procedures have been adopted for timely and improved presentation of audit activities and results as well as for improvement of SAO internal and external communication and in the same time the number of stakeholders to which audit report are sent has increased.		Activities to further increasing of SAO visibility and communication with stakeholders will be carried out in accordance with SAO Communication Strategy 2020-2023 and planned project activities. In the period to come, activities will be undertaken for drafting a new Communication Strategy 2024-2027.		Q4/2025

PILLAR		RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES				NEXT STEPS	EXPECTED TIME OF REALISATION
PRIORITY												
	Measure						Achieved	Completed	Ongoing implementation	Not commenced		
	Activity						Partially achieved					
PRIORITY 2: Parliamentary oversight												
				Percentage of external audit recommendations for which corrective measures have been taken	≥70%		Achieved					
MEASURE 1: Establishing mechanism for reviewing audit reports and measures taken upon audit recommendations by the Assembly of RNM												
				Number of audit reports submitted and scrutinized by the Assembly	/	/						
ACTIVITY												
	1.Signing of a Memorandum of Cooperation between the Assembly of RNM and SAO	SAO	Q4/2022	/	/	/		Completed. Memorandum of Cooperation has been signed on the closing event of the Twinning project on 21.10.2022	/			Implemented
	2.Preparation of procedures in the SAO and the Assembly of RNM for submission and review of audit reports and other documents	SAO	Q4/2022	/	/	/		Under implementation. SAO and RNM Assembly have prepared procedures for submitting and reviewing audit reports and other documents. They will be final after the adoption of the new Law on State Audit and adjustment of the content of the procedures with it.		Adoption of the new Law on State Audit, adjustment of the content of the procedures in line with the law and their approval is expected.		Q4 2024
MEASURE 2: Strengthening the institutional capacities for reviewing audit reports in the Assembly of RNM												
				Number of MPs trained on the role of the SAO	Number of MPs trained on the role of the SAO 5		Not achieved					
ACTIVITY												
	1.Preparation of amendments to the existing Manual "Introduction to Audit Reports"	SAO	Q4/2022	/	/	/		Completed. New Manual titled "The role of the State Audit Office and the Assembly in strengthening efficiency in public finance management" has been prepared.		Printed Manual will be distributed to the Parliament, to MP, the relevant staff in the Parliament and other stakeholders or partners of the SAO.		Q3 2023
	2.Preparing Training Plan for the Members of Parliament and Administration in the Assembly of RNM in order to facilitate the understanding of the audit reports and preparation for a debate on the audit reports	SAO	Q2/2022	/	/	/		Not commenced. The activity planned within the framework of the Twinning project was canceled by a letter from the Parliament. The main reason for the non-implementation of the activity was the unsigned Memorandum of Cooperation in the period when the activity was supposed to be implemented. The Memorandum of Cooperation was signed at the closing of the project, at the Final Conference held on October 21, 2022.		Preparation of a Training Plan for MPs and Assembly administrative staff in order to facilitate the understanding of the audit reports and preparing for a debate on the audit reports will be carried out after the adoption of the new State Audit Law.		Q4 2024
	3.Conducting trainings in accordance with the Training Plan for the Members of Parliament and the administration in the Assembly of the RNM in order to facilitate the understanding of the audit reports and preparation for the debate on the audit reports	SAO	Q4/2025	/	/	/		Not commenced. This activity planned within of the Twinning project was canceled by a letter from the Parliament. The main reason for the non-implementation of the activities was the unsigned Memorandum of Cooperation during the period when the activities were supposed to be implemented. The Memorandum of Cooperation was signed at the closing of the project, at the Final Conference held on October 21, 2022.		SAO in cooperation with the Assembly will initiate organization of trainings after the adoption of the Training plan for MP and Assembly staff.		Q4 2024
	4.Implementation of activities for strengthening the cooperation with the Committee on Finance and Budget, the Parliamentary Institute at the Assembly of RNM and the Parliamentary Budget Office of the Assembly of RNM	SAO	Q4/2025	/	/	/		Not commenced. The activity will be implemented after the adoption of the new State Audit Law.		Initiating activities for strengthening cooperation with the Finances and Budget Committee, the Parliamentary Institute of RNM Assembly and the Parliamentary Budget Office of RNM Assembly will be implemented after the adoption of the new State Audit Law.		Q4 2024

PILLAR	RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES			NEXT STEPS	EXPECTED TIME OF REALISATION
PRIORITY										
	Measure					Achieved	Completed	Ongoing implementation	Not commenced	
	Activity					Partially achieved				
PILLAR VIII: PFM at Local Level										
PRIORITY 1: Fiscal Decentralization										
			percentage of increased municipal revenues compared to 2020	15%	Partially achieved (% will have to be confirmed with an annual statement of the municipalities)					
			percentage of VAT which is transferred to the municipalities as a grant	5%	Achieved					
			percentage of the collected personal income tax which is transferred to the municipalities	4%	Achieved					
MEASURE 1: Improving fiscal capacity and increasing municipal revenues										
			New law on financing of local self-government units and new bylaws that arise from the new Law on Financing of Local Self- Government Units	New Law on Financing Local Government Units	Not achieved					
			Revised Property Tax law	Report with analysis for amendments to the Property tax law	Not achieved					
			Number of new own revenues	/	Not achieved					
			Number of revised decrees on block grants, earmarked grant and New Decrees for distribution of capital grants	Two new decrees for block grants	Not achieved					
ACTIVITY										
	1. New / revision of the Law on Financing Local Government Units	MoF - Budget and Funds Department	Q4/2024	/	/			Not commenced. This activity was not realized in 2022, bearing in mind that for its realization it was previously necessary to adopt the new Law on Budgets in the Assembly of the RSM, which was adopted in September 2022. With this activity, it is planned to harmonize the law on the financing of the local self-government units with the provisions of the new Budget Law. With the technical assistance of UNCP in 2022, an assessment of the existing Law on the financing of local self-government units was made, and the conclusions and recommendations obtained will be a good basis for preparing for the adoption of a new Law.	The next steps, starting from 2023, are the adoption of the new Law on financing the local self-government units and the adoption of by-laws arising from the Law.	Q4 2023
	2. Increasing the own revenues of the municipalities, increasing the funds allocated to the municipalities from the Central Budget and introducing criteria for good performance and equalization	MoF - Budget and Funds Department MoF - Tax and Customs Policy Department	Q4/2025	/	/			Ongoing implementation:An excel tool was created for the distribution of revenues from the VAT subsidy and the new Decree for the distribution of revenues from the value added tax. Also, the revenues of the municipalities have increased, taking into account the latest changes in the Law on Property Taxes, which refer to the property tax rates, while the basic property tax rates have not changed, but the rate for property that is not is used for more than six months during the year by the owner or is not leased, as well as the rate if it is not reported whether the real estate is used or not. The legal amendments are applied from 01.01.2022.	The next steps are in the direction of monitoring the increase in the income of the local self-government units and finding opportunities for new sources of financing that will enable an increase in income.	Q4 2025
	3.Revision of the criteria for allocation of block and earmarked grants and determination of criteria for allocation of capital grants	MoF - Budget and Funds, MoES, MLSP, MoCult, MoDef, other ministries and institutions, wherefrom capital grants are transferred	Q4/2025	/	/			Ongoing implementation:In cooperation with the competent ministries from which the block and dedicated subsidies are transferred, the possibilities for changing the criteria according to which these funds are distributed by municipalities are being considered. Within the technical assistance of UNDP, it was requested to make a comparative analysis with experiences in neighboring countries and EU member states for the distribution of capital transfers.	In cooperation with the competent ministries from which block and dedicated subsidies are transferred, the possibilities for changing the criteria for the distribution of these funds by municipalities are analyzed. Within the technical assistance of UNDP, a comparative analysis will be made with some of the neighboring countries and EU member states for the distribution of capital transfers, the experiences will be analyzed and a Decree on the distribution of capital grants will be prepared.	Q4 2025
MEASURE 2: Regional and local development										
			Established Agency for regional and local development	Established of a working group composed of representatives of different ministries and stakeholders and analysis of the legal possibilities for establishing the Agency	Achieved					
ACTIVITY										
	1. Establishment of the Agency for Regional and Local Development and achieving balanced regional development	Ministry of Local Government	Q4/2024	/	/			Ongoing implementation: A working group was formed for the preparation of legal solutions for the establishment of the Agency for Regional and Local Development, consisting of representatives of the Ministry of Local Self-Government, the Ministry of Finance, the Bureau of Regional Development, the Cabinet of the Deputy Prime Minister in charge of economic affairs, the Ministry for Justice, Ministry of Political System and Inter-Community Relations, Ministry of Information Society and Administration and ZELS. With technical assistance from USAID, a local expert was hired and a comparative analysis was made with experiences from countries that have this type of institutions.	In the coming period, it is expected to analyze the proposed models, hold consultations with all stakeholders regarding the proposed models and select an appropriate model.	Q4 2024

PILLAR	RESPONSIBLE INSTITUTION	DEADLINE	PERFORMANCE INDICATOR	TARGET FY 2022	INDICATOR OUTTURN FY 2022	PROGRESS OF IMPLEMENTATION OF ACTIVITIES			NEXT STEPS	EXPECTED TIME OF REALISATION
PRIORITY										
Measure					Achieved	Completed	Ongoing implementation	Not commenced		
Activity					Partially achieved					
PRIORITY 2: Financial Discipline, Transparency and Accountability at the Local Level										
			Percentage of reduction of the amount of due unpaid liabilities in the current year compared to 2020 (the year taken as a baseline)	10%	Not achieved (+10%)					
			Reduction of the number of municipalities with blocked account in the current year compared to 2020 (the year taken as a baseline)compared to the base year 2020	2 municipalities	Not achieved (municipality) (+1					
			Percentage of municipalities out of the total number of municipalities (81) that have published financial documents (annual, semi-annual and quarterly reports) on their websites	70%	Partially achieved (85%)					
MEASURE 1: Increasing the financial discipline										
			Percentage of realized revenues in relation to the planned ones during the current year	75%	Achieved (80% will have to be confirmed with an annual statement of the municipalities)					
			percentage of share of capital expenditures in relation to the total expenditures in the current year	25%	Not achieved (% will have to be confirmed with an annual statement of the municipalities)					
			percentage of share of local revenues in gross domestic product (GDP)	5,8%	Not achieved					
			Internal procedures for declaring financial instability	Internal procedures for declaring financial instability	Not achieved					
			Manual (Guidelines) for declaring financial instability	Manual (Guidelines) for declaring financial instability	Achieved					
			Number of additional employments in the Unit for LGU Budgets, monitoring the financial operations of the municipalities	2	Not achieved					
ACTIVITY										
	1.Realistic planning of the revenues and expenditures of the municipalities	MoF - Budget and Funds Department	continuously	/	/		Ongoing implementation. With the Law on Amendments and Supplements to the Law on Financing Local Self-Government Units, a more realistic planning of the municipalities' budget is possible, whereby the percentage of 30% is returned to 10%, but at the same time an opportunity is given if the municipality achieves realization as of the third quarter of own revenues of the basic budget over 75%, to have the possibility to further increase the planned revenues up to a maximum of 20%. During this period, they regularly monitor and control whether the budgets of LGUs are prepared according to the existing legislation.	In the next period, the provisions related to the revenue planning of the municipalities will be implemented. Continuous monitoring of the actual budget planning of LGUs continues.	Q4 2025	
	2.Rationalization of operations and reduction of unnecessary expenses	MoF - Budget and Funds Department	continuously	/	/		Ongoing implementation. The purposeful spending of funds and reduction of non-productive spending is monitored.	The obtained results will continue to be monitored and analysed.	Q4 2025	
	3.Analysis of the liabilities of the municipalities, declaring financial instability and taking measures for financial consolidation	MoF - Budget and Funds dept., International Financial Relations and Public Debt Measurement dept.	continuously	/	/		Ongoing implementation. Overdue unsettled obligations reported in the ESPEO system are monitored, on a quarterly level the realization of the revenues and expenses of the municipalities is monitored, as well as monitoring of overdue unsettled obligations and fulfillment of the conditions for declaring financial instability, as well as monitoring the indebtedness of the municipalities. municipalities that have high outstanding obligations reported in the ESPEO system as of September 30, 2021 have been given the opportunity until the end of 2022 to submit a request for the use of a structural bond. The Ministry of Finance received requests from 4 municipalities. With the technical support of USAID, the Manual for declaring financial instability has been prepared.	The future steps that will be taken in the coming period include regular monitoring of the actual planning of revenues and expenditures of the municipalities, monitoring of the execution of budgets and dedicated spending, monitoring of outstanding obligations, monitoring of the conditions for meeting financial instability and monitoring of measures that will be undertaken by municipalities to overcome financial instability.	Q4 2025	
MEASURE 2: Increasing the transparency and accountability throughout the operations of the municipalities										
			Number of supervisions conducted by the Financial Inspection in public sector entities at local level	273	Partially achieved 247					
			Number of reports with data on revenues and expenditures of 81 municipalities on a quarterly basis	4	Achieved					
			Number of reports with data on due and unpaid liabilities from the ESPEO system of 81 the municipalities	4	Achieved					
ACTIVITY										
	1.Increasing control by the state	MoFDepartment for Public Sector Financial Inspection and Coordination for combating fraud against EU Funds	continuously	/	/		Ongoing implementation. In order to increase the control by the state during 2022, out of a total of 366 financial inspection procedures initiated at public sector entities at the local level, a total of 247 procedures were carried out, while 119 procedures are ongoing.	Implementation of the remaining 119 procedures and initiation of new financial inspection procedures at public sector entities at the local level.	Q4 2025	
	2. Improving the transparency and timely informing the broader public about the operations of the municipality	MoF - Budget and Funds Department	continuously	/	/		Ongoing implementation.The website of the MoF has published data on the performance of revenues and execution of expenditures of municipalities and arrears from the Electronic System for reporting and recording liabilities for Q4 2021, Q1 2022, Q2 2022 and Q3 2022, the Annual Budget Report for 2021, including the municipality's annual budget report for 2021. With the support of UNDP, the financial indicators from the periodic financial reports of about 40 municipalities have been published on the website of the municipalities and the Ministry of Finance.	The future steps that will be taken in the coming period continue to publish financial data, monitor the transparency of general data, especially the publication of financial data, data data and data published on the websites of the general and the MoF.	Q4 2025	