



Key findings of the 2022 Report on North Macedonia

Brussels, 12 October 2022

The reporting period was characterised by intense efforts, which led to the start of the accession negotiation process. The holding of the first Intergovernmental Conference in July 2022 was a historic moment and marked a new phase in the EU accession process for North Macedonia. This was a clear recognition of the determination of North Macedonia to implement EU related reforms.

On the **political criteria**, North Macedonia continued its efforts to strengthen democracy and the rule of law, despite some challenges. The country has shown its commitment to continuing to deliver results in key areas of the fundamentals. Local elections took place in October 2021. The Office for Democratic Institutions and Human Rights of the Organisation for Security and Cooperation in Europe (OSCE/ODIHR) assessed that they were competitive and fundamental freedoms were widely respected. However, limited progress was made over the reporting period in addressing the outstanding recommendations made by the OSCE/ODIHR and the Venice Commission. As mentioned in the previous reports, the electoral legislation should be comprehensively reviewed to address existing inconsistencies and the relevant laws need to be adopted in a timely, inclusive and transparent manner, well before the next elections. In this regard, the authorities need to step up their efforts and show political will to further improve the electoral process.

The work of **Parliament** was marred by political polarisation, which delayed the adoption of many pieces of legislation. Following intense debates, Parliament adopted conclusions on the proposal which paved the way for the opening of accession negotiations. Parliament needs to play an active and positive role in the EU accession negotiation process. Joint and prompt efforts by all parties are needed as a matter of priority to strengthen Parliament's role as a forum for constructive political dialogue, particularly on the EU reform agenda. Parliament and government committed to launch and achieve as a matter of priority the relevant constitutional changes, with a view to including in the Constitution citizens who live within the borders of the state. Proper planning and consultations are necessary to limit the use of fast-track procedures in order to allow for effective scrutiny of and consultation on legislation. Oversight of the executive through parliamentary questions to ministers should be conducted on a more regular basis. The proposals for internal reform of Parliament agreed during the third round of the 'Jean Monnet Dialogue' in early 2020 should be implemented without further delay. Criminal responsibility for those who orchestrated or committed violence in the attack on Parliament on 27 April 2017 continued to be established, including with second instance verdicts. The government continued to work on the EU reform agenda and on addressing the consequences of the COVID-19 pandemic and of the war in Ukraine. Decisive efforts are needed to build momentum for reforms and move forward on the EU accession negotiation process. Particular focus is needed on ensuring the effective implementation of existing legislation rather than launching ad hoc initiatives. Inter-ethnic relations remained stable and the Ohrid Framework Agreement continued to be implemented.

Civil society organisations (CSOs) continue to operate in an enabling environment, including with the adoption of the strategy of cooperation with and development of civil society 2022-2024. Civil society continued to play an important role in decision-making processes and in monitoring the activities of the state. However, efforts are needed to improve transparency in policymaking and the inclusiveness of consultation processes. The legal and financial frameworks still need to be improved and implemented in practice.

North Macedonia implemented a comprehensive reform of its **intelligence services**. However, the country needs to strengthen its capacity for parliamentary oversight over the intelligence services.

North Macedonia remains moderately prepared in terms of its **public administration reform**. It made limited progress in implementing last year's recommendations. It adopted the new 2022-2025 public financial management reform programme. However, the adoption of the legislation on organisation and operation of state administrative bodies and the new legal framework for human resources management (revision of the Law on Administrative Servants and the Law on Public Service Employees and a new Law on Top Management Service) have been delayed. The new framework aims to improve the management of human resources across the administration and

provide greater assurance for merit-based recruitment, promotion and dismissal, including at senior management level. The new organic budget law was adopted in September 2022. The State Commission for Prevention of Corruption has been proactive in addressing cases of nepotism, cronyism and political influence in the process of recruiting public sector employees and in appointing members of supervisory and management boards.

The **judicial system** of North Macedonia has achieved some level of preparation / is moderately prepared. Some progress was achieved in the field of the judiciary, through the steady implementation of the judicial reform strategy, thereby addressing the recommendations made by the Venice Commission and the Senior Experts' Group on systemic rule of law issues. The preparation of a new judicial reform strategy has started, in an inclusive manner, building upon the lessons learnt from the previous one. Implementation of the updated action plan on the judicial reform strategy has continued but needs to become more systematic. The judiciary has demonstrated its commitment to protect its integrity and independence. The pace of implementation of the human resources strategies for the judiciary and prosecution services needs to be stepped up. Judicial institutions have implemented consistently the new rules for the appointment, promotion, discipline and dismissal of judges and prosecutors. Promotions in the higher courts faced a delay and scheduled retirements further decreased the number of judges and prosecutors. The Judicial Council and the Council of Public Prosecutors continued implementing the strategic plans. Any new draft law on the Academy for Judges and Prosecutors should maintain the Academy as the sole entry point to the judiciary and prosecution and should ensure that access to these professions is fair and transparent. Work was undertaken to upgrade the software system aiming at putting into practice the provisions of the Law on case flow management for automatic and random distribution of cases in the courts, through the automated court case management information system (ACCMIS).

The country has achieved some level of preparation / is moderately prepared in the prevention and **fight against corruption**. Some progress has been made as the country continued to consolidate its performance on investigating, prosecuting and trying several corruption cases, including at a high level. The cases initiated by the former Special Prosecutor's Office (SPO) continued to move forward, establishing accountability for the illegal wiretaps. A number of cases were subject to first-instance rulings. In line with previous years' recommendations, the State Commission for the Prevention of Corruption (SCPC) has been proactive in providing policy guidance to public institutions on preventing corruption and it opened several cases, including cases against high-level officials. The conclusions of its regular reports should be addressed in full. Efforts to improve the functioning of the SCPC should continue with a further allocation of financial and human resources. Additional human and financial resources should be made available to the Public Prosecution Office, investigative centres and law enforcements units in charge of investigating corruption. Sectors most vulnerable to corruption require targeted risk assessments and dedicated actions.

North Macedonia has some level of preparation in the **fight against organised crime**. It has made some progress, mainly in operational cooperation with international partners, as well as in improving the coordination of activities to combat organised crime. More needs to be done to improve the effectiveness of law enforcement in fighting certain forms of crime, such as money laundering and financial crimes. The investigative centres at the Basic Public Prosecution Office need to be strengthened to achieve their objectives of increasing the efficiency of investigations and improving coordination between prosecutors, the police and other relevant bodies.

Some progress has been made in the **fight against terrorism and preventing/countering violent extremism** in line with the objectives set out in the joint action plan on counter-terrorism for the Western Balkans and the bilateral implementing arrangement. A national strategy for the prevention of money laundering and financing terrorism (2021-2023) was adopted in 2021. Work should continue on reintegration and resocialisation of returnees as well as on de-radicalisation in prisons.

The legal framework on the protection of **fundamental rights** is largely in line with European standards. The deinstitutionalisation process is progressing with the resettlement of persons with disabilities to community-based care. The Ministry of Labour and Social Policy continues to invest in community services, including support for victims of gender-based violence. It is of particular importance to implement all the provisions of the Law on prevention and protection from violence against women and domestic violence. Continued improvements can be noted in gender mainstreaming and respect for women's rights. The recommendations made by the European Committee for the Prevention of Torture regarding the treatment of detainees and convicts were not adequately addressed. Implementation of the legislation on hate speech and of the national action plan for the Istanbul Convention's provisions needs to be improved. The civilian external oversight mechanism over the police is still not fully functional and it lacks representatives from civil society organisations.

North Macedonia has achieved some level of preparation/ is moderately prepared in the area of **freedom of expression**. Overall, it made limited progress during the reporting period to address the previous recommendations. The general context is favourable to media freedom and allows for critical media reporting, although there were some tensions during the 2021 local elections. Action on self-regulation of the media should resume and produce practical results in advancing professional standards of journalism. Greater transparency is needed to regarding media advertising by state institutions and political parties. The authorities need to step up their efforts to reform the public service broadcaster, ensuring its independence, professional standards and financial sustainability. The reform process of the public service broadcaster, in line with its five-year development strategy, is constrained by delays in appointing members of its programming council. The council of the Agency for Audio and Audiovisual Media Services still needs to be appointed. The labour rights of journalists still need to be addressed.

On **regional cooperation**, the country maintained good relations with other enlargement countries and continued its engagement in regional initiatives. Existing bilateral agreements, including the Prespa Agreement between North Macedonia and Greece as well as the Treaty of Friendship, Good Neighbourliness and Cooperation with Bulgaria, need to be implemented in good faith by all parties.

On the **economic criteria**, North Macedonia has made some progress and has achieved a good level of preparation in developing a functioning market economy. In 2021, the economy largely recovered from the COVID-19 pandemic. The government continued to implement fiscal support measures to help the recovery. Helped by rebounding tax revenue, the fiscal deficit fell to 5.4 % of GDP in 2021, while debt levels stabilised after rising significantly in 2020. With the rise in food and energy prices accelerating in early 2022, the government adopted a new set of fiscal measures to contain the negative impact on the economy, though the fiscal measures could have been better targeted. The central bank tightened its policy stance in view of rising inflationary pressures. Important policy reforms to improve fiscal governance and the sustainability of public finances stalled. After long delays, the new organic budget law, which provides for fiscal rules and a fiscal council, was adopted by the Parliament in mid-September. The management of public investment needs further improvement. The banking sector remained sound. Regulatory measures to ease borrowing requirements were phased out in 2021. The business environment continues to be held back by the large size of the informal economy and by slow progress in streamlining para-fiscal charges.

North Macedonia has made some progress and is moderately prepared to cope with competitive pressure and market forces within the EU. Integration with the EU in trade and investment remained at a high level in 2021, in spite of lockdowns and disruptions of supply chains domestically and in trade partner countries. The share of high-value products in exports increased further. There was further progress towards improving vocational educational training, but major skills shortages persist to meet labour market needs, entailing a long school-to-work transition. These issues, as well as large gaps in transport and energy infrastructure, low investment and innovation spending are holding back the country's potential for growth. The digitalisation of the economy is advancing, but the competitiveness of domestic businesses could be improved through a wider offering of public e-services.

As regards its ability to assume the obligations of membership, North Macedonia is moderately prepared in most of the areas covered by **Cluster 2 on the internal market**, namely the free movement of goods, services and capital, intellectual property, competition policy, financial services and consumer and health protection. The country has achieved a good level of preparation on company law, although it is still at an early stage on freedom of movement for workers. In the reporting period, North Macedonia made good progress on free movement of capital and some progress on company law and financial services. No progress was made on competition policy. Overall, more progress is needed in the coming year in the areas covered by this cluster as it will feed into North Macedonia's preparations to meet the requirements of the EU's internal market. Work on this cluster of highly relevant for the development of the Common Regional Market.

Overall, North Macedonia is moderately prepared in most of the areas covered by **Cluster 3 on competitiveness and inclusive growth**, including in digital transformation and media, taxation, enterprise and industrial policy, education and culture and economic and monetary policy. It has achieved a good level of preparation in science and research and in the customs union. Some progress was made in most of the areas covered by this cluster. Good progress was made in the area of economic and monetary policy, following the adoption of the Organic Budget Law in September 2022. More efforts are needed, however, particularly in areas where limited progress was made, such as digital transformation and media as well as education and culture.

On **Cluster 4 on the Green Agenda and sustainable connectivity**, North Macedonia has achieved a good level of preparation in trans-European networks. The country is moderately prepared on transport policy and energy and has achieved some level of preparation on environment and climate

change. Some progress was made in the areas of environment and climate change. Substantial efforts are needed in the areas where limited progress was made such as in energy, transport policy and trans-European networks. The country needs to accelerate the implementation of the Economic and Investment Plan and of the Green Agenda for the Western Balkans over the upcoming period.

North Macedonia is moderately prepared in most areas of **Cluster 5 on resources, agriculture and cohesion**. It has achieved a good level of preparation in the area of food safety, veterinary and phytosanitary policy and is at an early stage of preparation in financial and budgetary provisions. Over the reporting period, some progress was made in agriculture and rural development and in food safety, veterinary and phytosanitary policy. However, further efforts are needed, in particular in areas where limited or no progress was made, such as in fisheries, financial and budgetary provisions, and in regional policy and the coordination of structural instruments.

Concerning **Cluster 6 on external relations**, North Macedonia is moderately prepared in the area of external relations and has reached a good level of preparation with regard to the common foreign and security policy. The country made limited progress during the reporting period on common commercial policy. North Macedonia has made very good progress by fully aligning with the EU common foreign and security policy, following Russia's aggression against Ukraine. By doing so, North Macedonia has shown it can be a reliable partner.

North Macedonia remains one of the main transit routes for migration movement. The country continues to play a constructive role in the management of **mixed migration flows**. It cooperates effectively with neighbouring countries and EU Member States, including with guest officers from the EU Member States on the ground. Efforts to ensure basic living conditions and services for all migrants staying in the country continued. The registration of migrants and adequate protection-sensitive profiling remains a priority and needs to be carried out in a more systematic manner. In August 2022, the Commission negotiated a status agreement with North Macedonia that would allow the European Border and Coast Guard Agency (Frontex) to deploy the European Border and Coast Guard standing corps to the country. The agreement is expected to be signed before the end of the year. The country should take a more systematic approach to fighting the smuggling of migrants.

Key dates

June 2003: The EU-Western Balkans Thessaloniki Summit confirms the EU perspective for the Western Balkans.

March 2004: North Macedonia submits its application for EU membership.

April 2004: The EU-North Macedonia Stabilisation and Association Agreement enters into force.

December 2005: The European Council grants North Macedonia candidate status for EU membership.

October 2009: The European Commission recommends for the first time the opening of accession negotiations.

December 2009: Visa-free travel to the Schengen area for citizens of the country.

March 2012: High Level Accession Dialogue with the Commission launched.

November 2015: The European Commission makes its recommendation to open EU accession negotiation conditional on the continued implementation of the Pržino agreement and substantial progress in the implementation of the "Urgent Reform Priorities".

February 2018: The European Commission adopts its strategy for "A credible enlargement perspective for and enhanced EU engagement with the Western Balkans".

April 2018: The European Commission recommends that the Council decides that accession negotiations be opened with the country in light of the progress achieved.

May 2018: EU-Western Balkans Summits are relaunched, starting with a Summit held in Sofia, during which leaders confirmed the European perspective of the region and set out a number of concrete actions to strengthen cooperation in the areas of connectivity, security and the rule of law.

June 2018: The Council sets out the path towards opening accession negotiations with the country in June 2019, depending on progress made.

February 2019: The EU is notified officially about the entry into force of the Prespa agreement.

May 2019: The European Commission recommends opening of accession negotiations with North Macedonia.

February 2020: Revised methodology, presented by the Commission, to drive forward the enlargement process with a stronger political steer and in a more credible, predictable, dynamic way.

March 2020: The members of the European Council endorsed the General Affairs Council's decision to open accession negotiations with North Macedonia.

July 2020: Presentation of the draft negotiating framework to the Member States.

October 2020: The European Commission adopts an Economic & Investment Plan to support and bring the Western Balkans closer to the EU.

July 2022: First Intergovernmental Conference on accession negotiations (IGC) - the analytical examination of the acquis ("screening") starts.

For More Information

[North Macedonia Report 2022](#)

[2022 Communication on EU Enlargement Policy](#)

[North Macedonia Factograph](#)

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