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**Country programmes and related matters**

**Country programme document for the Republic of North  
Macedonia (2021–2025)**

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## I. UNDP within the United Nations Sustainable Development Cooperation Framework

1. The Republic of North Macedonia is an upper-middle-income<sup>1</sup> country of 2.08 million,<sup>2</sup> with high human development.<sup>3</sup> The country has undergone considerable economic reform since independence to develop an open economy and is about to open accession negotiations with the European Union.

2. The country experienced a significant decline in unemployment rates; income distribution is becoming more equal, but poverty rates are still high, at over 20 per cent; a further third of the population is at risk of poverty.<sup>4</sup> The economy is stable, but performs below potential, with low productivity, high inactivity<sup>5</sup> and few incentives for advanced technology adoption and innovation. This is due to weak state institutions, a deficient legal framework for business, inconsistent law enforcement and accountability, and political instability.

3. The country is ageing quickly. Out-migration and mismatch between education and market needs create labour-force challenges. A quarter of gross domestic product (GDP) is spent on health, education and social protection, and outcomes are not commensurate.<sup>6</sup> Climate change has led to frequent, intense flooding. Degradation of natural resources, poor air quality and inadequate waste management are additional impediments to sustainable development<sup>7</sup>. The COVID-19 pandemic is expected to reduce real GDP by 5.4 per cent in 2020, with a projected return to growth of 5.5 per cent in 2021.<sup>8</sup>

4. North Macedonia is a state party to 7 out of 9 core human rights treaties, and it is aligning legislation and regulations with European Union and international standards, especially for women and girls, children, ethnic minorities – particularly Roma – persons with disabilities, and refugees.<sup>9</sup> For example, women's labour force participation is a third less than men's,<sup>10</sup> and women own just 12 per cent of agricultural land, while half of women landowners are not active in land management.<sup>11</sup>

5. Four documents constitute a strategic vision for the country: (a) the national strategy for sustainable development; (b) the Government programme for 2020-2024; (c) the economic reform programme, and (d) the national plan for adoption of European Union *acquis communautaire*. Together, they aim for European Union accession, sustainable economic growth, and inclusive prosperity. Sectoral policies and plans emphasize dynamic and inclusive economic growth, high-quality health care, education and social protection, improved governance, environmental protection and disaster risk reduction.

6. The Government and the United Nations system are committed to three strategic priorities and four contributing outcomes in the United Nations Sustainable Development Cooperation Framework. Expected results address system weaknesses existing prior to the pandemic and promote accelerators to recover better, including investments in innovation, digitization, and public-sector and community resilience to prepare for future shocks. The priorities and outcomes were identified and validated with national sector working groups comprising the Government, the United Nations system, civil society, the private sector, academia and donors. Because of COVID-19, consultations done virtual, and the timeline was adjusted for

<sup>1</sup> United Nations, North Macedonia common country analysis for the Cooperation Framework and the 2030 Agenda, 2020. Per capita income of \$15,670, World Bank, [GNI per capita, PPP 2020](#).

<sup>2</sup> Government of Republic of North Macedonia, State Statistical Office, [2002 Census](#), 2005..

<sup>3</sup> UNDP, Human Development Report, 2019, [North Macedonia](#), May 2020. Human Development Index: 0.759 (2018).

<sup>4</sup> Common country analysis 1.5; World Bank, Systematic Country Diagnostic 2018, 26-27.

<sup>5</sup> *Ibid.* 1.4.

<sup>6</sup> *Ibid.* 4, 27-28

<sup>7</sup> *Ibid.* 1.5, 1.6.

<sup>8</sup> International Monetary Fund, [World Economic Outlook, October 2020](#), Statistical Appendix, 145.

<sup>9</sup> United Nations General Assembly, Human Rights Council, [Report of the Working Group on the UPR: North Macedonia](#), A/HRC/41/11, 9 April, 2019.

<sup>10</sup> North Macedonia is ranked 36 of 162 countries, Gender Inequality Index, Human Development Report, 2019, North Macedonia.

<sup>11</sup> United States Agency for International Development/North Macedonia, [Gender Analysis Report 2019](#), 7-8.

parliamentary elections on 15 July 2020. Surveys were conducted to identify people's priorities for the future and factors driving out-migration.

7. The goal of the Sustainable Development Cooperation Framework is a more prosperous, inclusive and resilient North Macedonia by 2030. Success will depend upon sustained and inclusive economic and social development (priority 1); enhanced climate action, natural resources and disaster risk management (priority 2); and more transparent and accountable governance (priority 3).<sup>12</sup> The UNDP country programme will contribute to all priorities, and three of four outcomes.

8. The country programme builds on the unique positioning of UNDP in the United Nations system. Comparative advantages<sup>13</sup> are: (a) technical expertise, offering integrated and cross-sectoral solutions and combining policy and regulatory advice with capacity development; (b) strong and agile operational presence; (c) established multi-stakeholder partnerships for action on priorities for European Union accession and the Sustainable Development Goals; and (d) trusted relations with all levels of government. UNDP will engage in United Nations joint programmes for integrated service provision, disability, climate change, air pollution, youth, and gender equality.

9. The UNDP integrator role in North Macedonia comprises thought leadership, a platform approach, and programmatic focus on innovation and resilience. These will be applied to Framework priorities and outcomes where UNDP has comparative advantage: (a) strengthening the effectiveness and accountability of institutions, particularly at municipal levels; (b) job creation; (c) green and inclusive economic development; and (d) facilitating citizen engagement in decision-making and climate action.

10. **Thought leadership.** UNDP will apply modern data and analytics to join social, economic and environmental analysis to integrated approaches and developing scenarios that address complex development problems, such as COVID-19 recovery, air pollution, corruption, and out-migration.

11. **Platform approach.** UNDP will convene multiple stakeholders – including start-ups, accelerators, international financial institutions and domestic banks – to develop sustainable solutions for national challenges. Existing platforms for disaster risk management and city innovation will be linked with regional and global knowledge and innovation networks.

12. **Innovation.** UNDP will scale up programme innovations, including the Skopje Lab, the Innovation Hub, and platforms for disaster risk management and small and medium-sized enterprises. An Acceleration Lab – part of the global network – will offer world-class expertise to addressing emerging policy areas such as the green, circular economy and the care economy. UNDP will test new solutions to help businesses navigate the COVID-19 economy and will inform government policies for creating sustainable, formal and green jobs.

13. **Resilience** is a key theme of cooperation. It encompasses more effective, transparent governance and rule of law; strengthened social cohesion between citizens and the Government; increased decent employment and living standards; and a shift towards low-emission development, sustainable use of natural resources and green jobs. As a technical lead in the socio-economic response to the pandemic, UNDP will work beyond conventional sector and ministry boundaries system, transformation and renewal helping the Government to navigate high levels of uncertainty.

14. Based on the common country analysis and stakeholder consultations, there are three challenges to which UNDP will bring strategic and value-added solutions to contribute to Framework priorities and outcomes.

<sup>12</sup> United Nations Sustainable Development Cooperation Framework, 13-15.

<sup>13</sup> UNDP, Intercommission panel of experts, North Macedonia draft, November 2019, 35-41.

### **Poverty and economic exclusion**

15. North Macedonia has made progress towards a market economy with greater trade openness and private-sector development. However, the economy is composed of many small firms that are slow to innovate; there is a large grey economy; and growth and productivity are insufficient to narrow the income gap with the European Union,<sup>14</sup> driving the young and educated to seek opportunities abroad.<sup>15</sup> Women, young people, Roma and ethnic minorities risk being excluded from formal-sector jobs and prosperity.<sup>16</sup> This constitutes a major loss of productivity and jeopardizes the economic future.

16. UNDP will engage public and private stakeholders to invest in the business ecosystem with a focus on entrepreneurship, enhanced value chains, and trade. UNDP will support businesses in navigating the economy as it recovers from the pandemic, including digital transformation. Labour market challenges call for digital ‘up-skilling’ programmes. Under the previous programme, UNDP demonstrated its effectiveness by supporting the creation of over 13,000 formal sector jobs and 12,000 new small businesses, accounting for 12 per cent of new companies registered during the period, and 10 new social services serving vulnerable groups.<sup>17</sup>

### **Climate change and natural resource management**

17. The common country analysis highlights significant climate change risks: land degradation, food insecurity, floods, biodiversity loss, and damage to public infrastructure. Drinking water networks and irrigation facilities are in a state of disrepair. Waste management is inadequate, with municipal waste being disposed of in 54 non-compliant municipal landfills.<sup>18</sup> Power depends upon the burning of lignite in outdated generators producing 70 per cent CO<sub>2</sub> emissions<sup>19</sup>. Air pollution is responsible for about 2,600 deaths annually, with economic losses estimated at 3.2 per cent of GDP.<sup>20</sup> This highlights the critical environment-health nexus and the need for affordable, clean energy. Flooding accounts for 50 per cent of natural disasters and 95 per cent of economic damage.<sup>21</sup> The country lacks a national disaster-risk strategy in line with the Sendai Framework, and there are significant challenges in complying with European Union legislation and standards.

18. UNDP will strengthen policy frameworks and local capacities for climate change adaptation and mitigation; efficient management of ecosystem resources, especially water; and disaster risk reduction. This will contribute to reducing greenhouse gas emissions and increasing coping capacities and rural livelihoods, boosting a green and resilient recovery from the pandemic. UNDP comparative advantages were illustrated by the Strumica river watershed, which increased land under sustainable agriculture from almost nothing to 360,000 hectares, and demonstrated capacities of national institutions to meet commitments under the Paris Agreement with a national climate monitoring system. UNDP also “built back better” 5 dams, 4 bridges, 22 km of roads, 102 km of riverbeds and channels, and areas affected by landslides.

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<sup>14</sup> World Bank, [North Macedonia](#), May 2020. The grey economy accounts for up to 40 per cent of GDP.

<sup>15</sup> (1) The World Bank estimates that approximately 25 per cent of the current population (around 500,000 Macedonians) and 32 per cent of high-skilled workers have migrated. World Bank systematic country diagnostic, 35.

<sup>16</sup> *Ibid.* 4.1, 10.

<sup>17</sup> Families at risk of poverty; female-headed households with dependent children; unemployed; victims of domestic violence; ethnic minorities; lesbian, gay, bisexual, transgender and intersex people; people with disabilities; migrants, refugees; people under detention. United Nations common country analysis, 14.

<sup>18</sup> United Nations common country analysis, 4.4.

<sup>19</sup> World Bank systematic country diagnostic, 174-176. Renewable energy comprised 7 per cent of power by 2016.

<sup>20</sup> *Ibid.* 4.

<sup>21</sup> Annual Disaster Statistical Review, 2016.

## Effective, people-centred governance and rule of law

19. North Macedonia has grappled with improving overall governance of public/state institutions in terms of rule of law, transparency, voice and accountability.<sup>22</sup> Policymaking is excessively centralized, business regulations are opaque, and civil society is marginal to service delivery. There is a low level of trust in state institutions, particularly the judiciary. Public concerns about corruption, expressed in recent perception surveys, exceed those about the economy and jobs.<sup>23</sup> Despite efforts to increase youth participation and volunteerism, too few young people take part in civic activities.<sup>24</sup> These challenges reinforce inequities, with a disproportionate impact on vulnerable groups.

20. UNDP will support strategic planning, regulatory and oversight capacities at the central level, and municipal-level capacity development for analysis, decision-making, budgeting and execution. These changes will contribute to transparent and accountable governance and social cohesion, and will reaffirm government commitment to European Union accession and the fundamentals for building trust and counteracting polarization. UNDP has demonstrated expertise in strengthening municipal governance and capacities for economic development, service delivery, and citizen participation in the context of ongoing decentralization.<sup>25</sup>

21. There are opportunities to support North Macedonia in scaling up effective solutions for European Union accession and Sustainable Development Goals achievement: (a) readiness to reform public administration;<sup>26</sup> (b) demands for quality services, highlighting the need for greater municipal capacities, including inter-municipal cooperation and digital infrastructure; (c) interplay of non-communicable diseases and air pollution, illustrating the need for stronger environmental management and low-emission development; and (d) recognition of poverty in the northern regions, calling for more inclusive economic growth, with a focus on local, 'green' economic development and increased smallholder agricultural productivity. UNDP will play an integrator role in these areas to identify policy and programme solutions and take proven interventions to scale.

22. Based upon lessons from programme cooperation,<sup>27</sup> UNDP will: (a) strengthen the ownership and sustainability of interventions with local governments and municipal councils, advocating for greater revenue generating powers, increased staffing and administrative capacity; (b) introduce responsible social contracting for service delivery by civil society organizations and the private sector; (c) enhance gender-responsive measures across all programmes; and (d) increase private sector and civil society engagement.

## II. Programme priorities and partnerships

23. The programme vision is for system transformation, leading to accelerated, more inclusive and greener economic growth. This will enable North Macedonia to prosper as a cohesive, inclusive society and converge with the European Union in terms of income and quality of life, especially for vulnerable groups.

24. Three priorities for cooperation are aligned with the Framework and the UNDP Strategic Plan.<sup>28</sup> In line with the UNDP COVID-19 crisis response and recovery offer and the United Nations system strategy for North Macedonia, programme strategies integrate pandemic response and recovery measures.<sup>29</sup>

<sup>22</sup> World Justice Project Rule of Law Index, 2019, ranks the country 56<sup>th</sup> of 126 countries.

<sup>23</sup> (1) Transparency International, [North Macedonia](#), 2020. (2) Face-to-face survey, Team Institute, 2019

<sup>24</sup> [FES Youth Study North Macedonia 2018-2019](#).

<sup>25</sup> UNDP, Intercommission panel of experts, 25

<sup>26</sup> European Commission, Staff Working Document: [Update on the Republic of North Macedonia](#), 2020 47 2020, 4-5

<sup>27</sup> UNDP, Intercommission panel of experts, chapter 2.

<sup>28</sup> United Nations, Executive Board of UNDP, UNFPA and UNOPS, UNDP Strategic Plan, 2018-2021, DP/2017/38

<sup>29</sup> UNDP, [Beyond Recovery: Towards 2030](#), June 2020

25. Under **priority 1**, UNDP, with United Nations system partners (UNFPA, International Labour Organization, UN-Women, International Organization for Migration), will support economic development that is risk-informed and inclusive:

(a) UNDP will work with the Government and business-serving organizations<sup>30</sup> to implement policy and regulatory solutions for an enabling business environment. This will accelerate the formation and growth of small and medium-sized enterprises and ensure their inclusion in the formal sector. Digital transformation will lead to more resilient, productive businesses that can offer higher-quality jobs. UNDP will support the ‘greening’ of value chains and ensure that the equity and gender dimensions of small business in development policies and incentives are tailored to populations with specific vulnerabilities.

(b) The ‘skilling’ system, including formal and non-formal technical and vocational education and training, will be strengthened, with more engagement of the private sector and increased access to digital learning.<sup>31</sup> UNDP will support new occupational standards and curricula, and will pilot innovative employment support measures, especially for women and people who lost jobs due to COVID-19.

(c) UNDP will address exclusion and strengthen the targeting and delivery of quality social services, with a focus on persons with disabilities, Roma and young people. Mechanisms and policy measures will enable higher activation rates for women and family members providing care services.

26. These results will support government policy directions to increase productive employment, raise living standards, and reform the education system.<sup>32</sup>

27. Under **priority 2**, UNDP, with United Nations system partners (Food and Agriculture Organization, United Nations Office for Disaster Risk Reduction, UN-Women, World Health Organization), will strengthen policies and implementation capacities for climate change adaptation and mitigation, management of ecosystem resources, and disaster risk reduction.

(a) UNDP will work with the Government to strengthen legal, policy, and regulatory frameworks for effective environmental governance directed toward low-emission development and multi-sector resilience to climate change. UNDP will promote system transformation pathways addressing society’s relationship with nature, beyond the environment silo. This will integrate nationally determined contributions and adaptation plans into other sector plans and strategies for green finance and economy, urban planning and housing, health, agriculture, and land-use planning.

(b) Solutions will be identified and scaled up for more efficient use of natural resources and enhanced protection of biodiversity, including improvements to farming systems in the Prespa Lake area. Measures will be evidence-based and gender-sensitive, in line with European Union Green Deal, energy and climate policies, and global environmental agreements. UNDP will assist the country in meeting its transparency and reporting commitments under the United Nations framework on climate change and the Paris Agreement.

(c) UNDP will support the preparation of integrated and data-informed disaster risk and recovery plans. In line with the Sendai Framework,<sup>33</sup> this entails capacity development to analyse disaster risks, strengthen disaster risk governance, enhance disaster preparedness, and ‘build back better’.

(d) UNDP will support the rural population in increasing sustainable agricultural production and farm incomes, focused on small-holders and especially female-headed

<sup>30</sup> Including Social innovation hub, StartUp Macedonia, Social Impact Lab, Centre for Technology Transfer and Innovations

<sup>31</sup> Such as artificial intelligence, Internet of Things, robotics technologies in industries, business incubators for high-tech start-ups

<sup>32</sup> Government programme, 2020-2024; United Nations Sustainable Development Cooperation Framework, 8, 36

<sup>33</sup> Sendai Framework for disaster risk reduction, 2015-2030

households, through strengthened agriculture and rural development strategies and promotion of agri-business value chains.

28. These results will support government policy directions to shift the energy sector to a low-carbon development path and reduce air pollution.<sup>34</sup>

29. Under **priority 3**, UNDP, with United Nations system partners (Office of the United Nations High Commissioner for Refugees, United Nations Children’s Fund, UN-Women, Office of the High Commissioner for Human Rights) will support more effective public administration and transparent and accountable governance.

(a) UNDP will work with governments at all levels, civil society, and private-sector partners to strengthen strategic planning, regulatory, and oversight capacities for transparent policy design and budgeting. UNDP efforts will focus on effective fiscal decentralization and enhanced public financial management, and will support implementation and monitoring of anti-corruption laws. UNDP will support the preparation of gender-sensitive, risk-informed response and recovery measures that reach beyond the health sector to include municipalities and other sector stakeholders. This will assist North Macedonia in preparing for future crises and pandemics.

(b) UNDP will develop local government capacities for enhanced analysis, decision-making, budgeting and execution, and measurement of policy outcomes. This will include the introduction of innovative digital technologies and mechanisms for inter-municipal planning and pooling of resources to address regional and cross-boundary challenges.

(c) UNDP will support legal, policy and institutional reforms related to human rights commitments.<sup>35</sup> This will strengthen rule of law, increase access to justice, create a stronger legal environment for civil society organizations, protect the rights of vulnerable groups, and reduce barriers for gender equality and women’s empowerment.

30. These results will support government policy directions for more transparent and accountable decision-making, judicial reform, and a stronger enabling environment for civil society.<sup>36</sup>

31. The priorities for programme cooperation form a nexus of change and partnerships. These will be expanded with digital outreach and platforms for consultation involving central and municipal governments; parliamentarians; civil society organizations; diverse community-based groups, including women’s rights and youth organizations; and the private sector, including business serving organizations; and financial institutions. Linkages between the outcomes: (a) efforts to stimulate small business development and increase business productivity will depend upon effective governance reform; (b) governance reform, especially for budget transparency, is essential in promoting low emission development and resilience to climate change; (c) preparedness for future health emergencies and pandemics will benefit from UNDP experience in disaster risk reduction. For all priorities, UNDP will advocate to address gaps in legislative and institutional frameworks related to international gender equality commitments.

### III. Programme and risk management

32. This country programme document outlines UNDP contributions to national results and serves as the primary unit of accountability to the Executive Board for results alignment and resources assigned to the programme at the country level. Accountabilities of managers at the country, regional and headquarters levels with respect to country programmes is

<sup>34</sup> Government programme, 2020-2024; United Nations Sustainable Development Cooperation Framework, 8, 41

<sup>35</sup> Partners: Parliament; Ministry of Justice; law enforcement agencies; the Ombudsman; State Audit Office; Commission for Prevention and Protection against Discrimination

<sup>36</sup> Government programme, 2020-2024; United Nations Sustainable Development Cooperation Framework, 8, 45

prescribed in the [Programme and Operations Policies and Procedures](#) and [Internal Control Framework](#).

33. The Harmonized Approach to Cash Transfers will be used in a coordinated fashion with other United Nations organizations to manage financial risks. The programme will be nationally executed under the coordination of the Ministry of Foreign Affairs. UNDP will continue to provide implementation support services at the request of the Government. If necessary, national execution may be replaced by direct execution for part or all of the programme to enable response to force majeure. The Harmonized Approach will be used in a coordinated fashion with other United Nations organizations to manage financial risks. Cost definitions and classifications for programme and development effectiveness will be charged to the concerned projects.

34. UNDP will participate in Government-United Nations coordination mechanisms, including the Sustainable Development Cooperation Framework Joint Steering Committee. Programme and project boards will be established in line with the [Social and Environmental Standards and Accountability Mechanism](#). A partnerships and resource mobilization strategy will be developed. New sources of finance will be identified, including blended finance and other flows for Sustainable Development Goals-related country priorities. Since North Macedonia is an upper-middle-income country, the Government will contribute 75 per cent of UNDP local office costs.<sup>37</sup>

35. Risks for programme cooperation are: (a) possible changes in the process and requirements for European Union accession, and potential impasse around the economic reform programme; (b) unfavourable global economic and trade trends; (c) further deterioration of public trust in the Government and disruptions to social cohesion; (d) major talent and labour gaps created by population ageing and out-migration; and (e) natural hazards and insufficient institutional and local preparedness to respond. Each of these risks is worsened by the COVID-19 pandemic, with its strain on health systems, governance, economy and society.

36. Risk management will involve: (a) cross-sector coordination and partnerships; (b) impartial Sustainable Development Goals-based advocacy and policy dialogue; (c) cost-sharing with government and alternative financing and funding options; (d) regular results monitoring; and (e) review and updating of contingency plans for disasters and emergencies.

#### **IV. Monitoring and evaluation**

37. Monitoring and evaluation will be carried out based on the outcome and output indicators in the results and resources framework, aligned with indicators related to European Union accession and the national indicator framework for the Sustainable Development Goals. This demonstrates a clear linkage between the support provided by UNDP, the Framework outcomes, and sustainable development results.

38. Data for baselines and targets will be disaggregated by sex, area, income, and sub-populations, especially vulnerable groups. The programme will reinforce innovative tools to manage data collection and analysis at the country programme outcome and output levels.

39. Good practices and lessons learned from national and international sources will shape policy advice, advocacy, and project design and implementation. Evaluations will be pursued for accountability and learning. Emphasis will be on national ownership and capacity development in evaluations. An independent evaluation of the country programme will be conducted in 2024.

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<sup>37</sup> DP/2013/45

**Annex. Results and resources framework for North Macedonia (2021-2025)**

<p><b>NATIONAL PRIORITY OR GOAL: European Union membership, accelerated economic growth, sustainable development, modern education, care for all</b></p> <p><b>Reform package N° 2. Economy</b> (a) Invest in workforce development, job readiness, and labour market information systems; (b) Support access of firms to finance; (c) Reduce labour restrictions European Union acquis chapters: 11. Agriculture and rural development; 19. Social policy and employment; 20. Entrepreneurship and industrial policy; 26. Education and culture</p> <p><b>Reform package N° 3. Human capital</b> (a) Strengthen the quality and relevance of education; (b) Achieve gender parity in employment European Union acquis chapters: 26. Education and culture, 19. Social policy and employment.</p>				
<p><b>United Nations Sustainable Development Cooperation Framework (UNSDCF) OUTCOME INVOLVING UNDP: Inclusive prosperity.</b> Outcome 1. By 2025, the living standard of all people in North Macedonia is improved through equal access to decent work and productive employment generated by an inclusive and innovative business ecosystem.</p>				
<p><b>RELATED STRATEGIC PLAN OUTCOMES:</b> 1. Eradicate poverty in all its forms and dimensions; 2. Accelerate structural transformations for sustainable development</p>				
UNSDCF OUTCOME INDICATOR(S), BASELINES, TARGET(S)	DATA SOURCE AND FREQUENCY OF DATA COLLECTION, AND RESPONSIBILITIES	INDICATIVE COUNTRY PROGRAMME OUTPUTS <i>(including indicators, baselines, targets<sup>38</sup>)</i>	MAJOR PARTNERS / PARTNERSHIPS FRAMEWORKS	INDICATIVE RESOURCES BY OUTCOME (\$)
<p><i>1. Indicator:</i> Annual growth rate of real GDP per employed person <i>Baseline:</i> - 1.3 (2019) <i>Target:</i> 2.7</p> <p><i>2. Indicator:</i> Global Competitiveness Index 4.0 <i>Baseline:</i> 57.3 points (2019); rank 82/141 <i>Target:</i> Rank 67</p>	<p><i>Source:</i> State Statistical Office (SSO) <i>Frequency:</i> Annual</p> <p><i>Source:</i> World Economic Forum <i>Frequency:</i> Annual</p>	<p><i>Output 1.1.</i> Solutions introduced to accelerate small and medium enterprise (SME) creation and strengthen value chains for decent work and innovation</p> <p><i>Indicator 1.1.1:</i> N<sup>o</sup> full-time jobs created with UNDP cooperation <i>Baseline:</i> Total: 13,065; Male: 8,411; Female: 4,654; Young people, 15-29 years (YP): 4,290; Roma: 409; People with disabilities (PWD): 216 <i>Target:</i> T: 14,500; M: 9,200 ; F: 5,300 YP: 5,000 ; Roma: 600; PWD: 350 <i>Data source:</i> ESA, UNDP</p> <p><i>Indicator 1.1.2:</i> N<sup>o</sup>-part-time jobs created with UNDP cooperation <i>Baseline:</i> T: 2,559; M: 447; F: 2,112; YP: 983; Roma: 76; PWD:10 <i>Target:</i> T: 4,160; M: 860; F: 3,300; YP: 1,500; Roma: 220; PWD: 30 <i>Data source:</i> ESA, UNDP</p> <p><i>Indicator 1.1.3:</i> N<sup>o</sup> SMEs created, formalized or supported with UNDP cooperation <i>Baseline:</i> 12,558 <i>Target:</i> 13,100 <i>Data source:</i> ESA, UNDP</p>	<p>Ministry of Labour and Social Policy (MLSP) Cabinet of Deputy Prime Minister responsible for Economic Affairs Employment Service Agency (ESA) Ministry of Education and Science (MES) State Statistical Office (SSO) National Fund for Innovation and Technology Development Ministry of Economy (MOE) Municipalities; Civil society organizations (CSOs) Academia</p>	<p>Regular: \$680,000 Other: \$11,785,142</p>

<sup>38</sup> Targets here and below are provisional, pending finalization of government plans and enterprise resource planning.

		<p><i>Indicator 1.1.4: N<sup>o</sup> value chains strengthened with UNDP-supported business services</i>  <i>Baseline: 0</i>  <i>Target: 8</i>  <i>Data source: UNDP</i></p>		
<p><b>3. Indicator:</b> Employment rate (20-64%)  <i>Baseline:</i>                  Total: 59,2                  Female: 48,4                  Male: 69,8                  Youth (15-29): 34,4%                  Youth female: 28,0%                  Youth male: 40,4%</p> <p><i>Target:</i>                  Total: 63,12                  Female: 49,2                  Male: 74,3                  Youth (15-29): 34,9                  Youth female: 28,2                  Youth male: 41,8</p>	<p><i>Source:</i> SSO; Labour force survey  <i>Frequency:</i> Annual</p>	<p><i>Output 1.2. Unemployed, including vulnerable groups, enjoy a supportive environment and increased access to employment measures and a more dynamic skilling system</i></p> <p><i>Indicator 1.2.1: N<sup>o</sup> people benefiting from employment activation and support services</i>  <i>Baseline:</i> T: 3,715; M: 2,037; F: 1,678;                  YP: 1,557; PWD: 40; Roma: 2,037  <i>Target:</i> T: 6,000 ; M: 3500; F: 2,500;                  YP: 2,500; PWD: 290 Roma: 3,500  <i>Data source:</i> ESA, UNDP</p> <p><i>Indicator 1.2.2: N<sup>o</sup> end-beneficiaries with access to social services</i>  <i>Baseline:</i> T: 53,250; M: 25,713;                  F: 27,537 ; PWD: 5,064;  <i>Target:</i> T: 60,000; M: 30,000; F: 30,000;                  PWD: 6,000  <i>Data source:</i> ESA, UNDP</p> <p><i>Indicator 1.2.3: N<sup>o</sup> beneficiaries having completed training programmes per employers' needs</i>  <i>Baseline:</i> 1,163  <i>Target:</i> 2,163  <i>Data source:</i> ESA, UNDP</p>		
<p><b>4. Indicator:</b> Percentage of young people (15-29 years) neither in employment, education or training  <i>Baseline:</i>                  Total: 24,5%                  Female: 28,3%                  Male: 20,9%</p> <p><i>Target:</i>                  Total: 22%                  Female: 28,2%                  Male: 20%</p>	<p><i>Source:</i> SSO; Labour force survey  <i>Frequency:</i> Annual</p>	<p><i>Output 1.3. Enhanced policy and regulatory measures developed to address exclusion and strengthen targeting and delivery of social services for vulnerable groups, including those in the care economy</i></p> <p><i>Indicator 1.3.1: N<sup>o</sup> policy papers developed on inclusive social service delivery and monitoring</i>  <i>Baseline (current cycle): 10</i>  <i>Target: 20</i>  <i>Data source:</i> UNDP</p> <p><i>Indicator 1.3.2: N<sup>o</sup> new models and tools introduced to promote inclusion and innovation in business ecosystem</i>  <i>Baseline: 8</i></p>		

		<p><i>Target: 16</i>  <i>Data source: UNDP</i></p> <p><i>Indicator 1.3.3: N<sup>o</sup> new services designed to support employment activation of long-term unemployed and vulnerable populations</i>  <i>Baseline: 14</i>  <i>Target: 20</i>  <i>Data source: UNDP</i></p> <p><i>Indicator 1.3.4: N<sup>o</sup> response and recovery measures to address COVID-19 and other shocks that affect the economy implemented, with support from UNDP</i>  <i>Baseline (2020): 7</i>  <i>Target: 15</i>  <i>Data source: UNDP</i></p>		
<p><b>NATIONAL PRIORITY OR GOAL:</b> Environmental protection and green development  <b>Reform Package N<sup>o</sup> 4: Green Energy</b> (a) Shift the energy sector to a low-carbon development path, (b) comprehensive approach to reducing air pollution.          European Union <i>acquis</i> chapters: 15. Energy; 27. Environment.</p>				
<p><b>UNSDCF OUTCOME INVOLVING UNDP: Climate action and environmental sustainability (outcome 3).</b> By 2025, people in North Macedonia benefit from ambitious climate action, sustainably managed natural resources and well-preserved biodiversity through good environmental governance and disaster-resilient communities.</p>				
<p><b>RELATED STRATEGIC PLAN OUTCOME:</b> 2. Accelerate structural transformations for sustainable development; 3. Build resilience to crises and shocks</p>				
<p><i>1. Indicator:</i> Greenhouse gas emissions (Gg CO<sub>2</sub>)  <i>Baseline:</i> 8,021 (2016)  <i>Target:</i> 6,196 (with measures scenario)</p>	<p><i>Source:</i> MOEPP (3<sup>rd</sup> biennial update report)  <i>Frequency:</i> Periodic</p>	<p><i>Output 3.1.</i> Enabling policy and regulatory environment strengthened for low-emission development and resilience to climate change</p> <p><i>Indicator 3.1.1:</i> N<sup>o</sup> policies and laws that mainstream low-emission development and climate resilience  <i>Baseline: 10</i>  <i>Target: 15</i>  <i>Data source:</i> MOEPP, MOAFW, MOE</p> <p><i>Indicator 3.1.2:</i> Availability of clean technologies and green jobs innovation platform  <i>Baseline: No</i>  <i>Target: Yes</i>  <i>Data source:</i> Fund for Innovation and Technology</p> <p><i>Indicator 3.1.3:</i> (a) Availability of integrated national adaptation plan incorporating gender-responsive strategies and disaggregated data; (b) proportion of priority actions implemented</p>	<p>Ministry of Environment and Physical Planning (MOEPP)          Ministry of Agriculture, Forestry and Water Economy (MOAFW)          Crisis Management Centre          Protection and Rescue Directorate          City of Skopje          National Fund for Innovation and Technology Development          Municipalities          CSOs          Academia</p>	<p>Regular: \$690,000          Other: \$39,016,810</p>

		<i>Baseline:</i> (a) No; (b) 0 <i>Target:</i> (a) Yes; (b) 30% <i>Data source:</i> MOAFW, MOEPP		
<p>2. <i>Indicator:</i> Proportion of a country-designated total area that is protected  <i>Baseline:</i> 10,34 (2019)  <i>Target:</i> 15<sup>39</sup></p> <p>3. <i>Indicator:</i> Degree of integrated water resources management implementation (0-100)  <i>Baseline:</i> 33 (2020)  <i>Target:</i> 60</p>	<p><i>Source:</i> MOEPP, United Nations Environment Programme  <i>Frequency:</i> Annual</p> <p><i>Source:</i> MOEPP; European Union progress report  <i>Frequency:</i> Annual</p>	<p><i>Output 3.2.</i> Solutions identified and scaled up for sustainable and inclusive management of natural resources</p> <p><i>Indicator 3.2.1:</i> N<sup>o</sup>. persons benefiting from locally implemented measures  <i>Baseline:</i> 0  <i>Target:</i> T: 1400; M: 700; F: 700  <i>Data source:</i> MOEPP, MOAFW, Ministry of Local Self-Government (MLSG)</p>		
<p>4. <i>Indicator:</i> Annual mean levels of fine particulate matter PM10 (µg/m3)  <i>Baseline:</i> 88.2 (2019)  <i>Target:</i> 40 µg/m3</p>	<p><i>Source:</i> MOEPP  <i>Frequency:</i> Annual/periodic</p>	<p><i>Output 3.3.</i> Capacities at central and local levels strengthened to prevent and respond to air pollution</p> <p><i>Indicator 3.3.1:</i> Total emission of particulate matter PM10  <i>Baseline:</i> 15.68 Kilotons (2018)  <i>Target:</i> ≤ 15 Kilotons  <i>Data source:</i> MOEPP</p>		
<p>5. <i>Indicator:</i> INFORM risk index, 2020 (on a scale from 1-10, where 1 is very low and 10 is very high)  <i>Baseline:</i> Low, 2.6 (2020)  <i>Target:</i> Very low, 2.0</p>	<p><i>Source:</i> Inter-agency Standing Committee Reference Group  <i>Frequency:</i> Periodic</p>	<p><i>Output 3.4.</i> Capacities at central and local levels strengthened to identify multi-hazard risks and to plan, finance and implement effective disaster risk reduction (DRR)</p> <p><i>Indicator 3.4.1:</i> N<sup>o</sup>. data-informed and gender-responsive<sup>40</sup> DRR plans  <i>Baseline:</i> 4  <i>Target:</i> 6  <i>Data source:</i> MOEPP, MLSG</p>		
		<p><i>Indicator 3.4.2:</i> people benefiting from early-warning and public alert systems  <i>Baseline:</i> T: 195,000; M: 97,500; F: 97,500  <i>Target:</i> T: 544,632; M: 272,316; F: 272,316  <i>Data source:</i> MLSG, Emergency agencies</p>		
<p>6. <i>Indicator:</i> System for integrated pest management in place  <i>Baseline:</i> No system in place (2020)  <i>Target:</i> System in place and fully functional</p>	<p><i>Source:</i> MOAFW  <i>Frequency:</i> Periodic</p>	<p><i>Output 3.5:</i> Adverse effects of apple farming in Prespa watershed reduced</p>		

<sup>39</sup> National biodiversity strategy and action plan, 2018-2023

<sup>40</sup> Assessment based upon United Nations Office for Disaster Risk Reduction, [Making Disaster Risk Reduction Gender-Sensitive: Policy and Practical Guidelines](#)

		<p><i>Indicator 3.5.1:</i> N<sup>o</sup>-hectares of apple production under sustainable farming practices  <i>Baseline:</i> 400 ha (2019)  <i>Target:</i> 600 ha  <i>Data source:</i> MOEPP, Municipality of Resen</p> <p><i>Indicator 3.5.2:</i> Number of households applying sustainable farming practices  <i>Baseline:</i> 200 (2019)  <i>Target:</i> At least 350  <i>Data source:</i> MOEPP, Municipality of Resen</p>		
<p><b>NATIONAL PRIORITY OR GOAL:</b> Social cohesion, efficient good governance and strong institutions; rule of law. <b>Reform Package N<sup>o</sup> 1: Governance.</b> (a) Strengthen mechanisms ensuring freedom of the press and of CSOs; (b) Increase the transparency and accountability of Government decision-making and build public sector capabilities; (c) Ensure independence, accountability, and professionalism of the judicial system          European Union acquis chapters: 23. Justice and fundamental rights; 24. Justice, freedom and security</p>				
<p><b>UNSDCF OUTCOME INVOLVING UNDP: Transparent and accountable democratic governance.</b> By 2025, people in North Macedonia benefit from improved rule of law; evidence-based, anticipatory and gender-responsive policies; greater social cohesion; and effective service delivery by transparent, accountable and responsive institutions</p>				
<p><b>RELATED STRATEGIC PLAN OUTCOMES:</b> 1. Eradicate poverty in all its forms and dimensions; 2. Accelerate structural transformations for sustainable development; 3. Build resilience to crises and shocks</p>				
<p><i>1. Indicator:</i> Worldwide Governance Indicators  <i>Baseline:</i> 49.72 (2018)          Voice and accountability          Political stability and absence of violence/terrorism          Government effectiveness          Regulatory quality          Rule of law          Control of corruption  <i>Target:</i> To be determined (TBD) by end 2020</p> <p><i>2. Indicator:</i> Open budget index (Transparency)  <i>Baseline:</i> Score (2019) 41/100  <i>Target:</i> &gt;=45</p>	<p><i>Source:</i> World Bank  <i>Frequency:</i> Annual</p> <p><i>Source:</i> Open Budget Survey  <i>Frequency:</i> Annual</p> <p><i>Source:</i> Official Gazette of the Republic of North Macedonia; MOF, International financial management information system  <i>Frequency:</i> Periodic</p>	<p><i>Output 4.1.</i> Strategic planning, regulatory, and oversight capacities strengthened for evidence-based, gender-responsive policy design and budgeting</p> <p><i>Indicator 4.1.1:</i> N<sup>o</sup>. strategic and policy-design documents developed through an inclusive and transparent process  <i>Baseline:</i> 33  <i>Target:</i> 50  <i>Data source:</i> UNDP monitoring system</p> <p><i>Indicator 4.1.2:</i> government bodies and partners with enhanced digital data collection and reporting  <i>Baseline:</i> TBD (Empowering Municipal Councils assessments, 2020)  <i>Target:</i> TBD  <i>Data source:</i> UNDP monitoring system and annual index of active transparency</p> <p><i>Indicator 4.1.3:</i> strategic documents and plans that integrate resilience concerns and are gender-sensitive and risk-informed  <i>Baseline:</i> 0</p>	<p>National Assembly          MLSG          Ministry of Finance (MOF)          Ministry of Information Society and Administration          Ministry of Interior          State Commission for fight against corruption          Bureau for Regional Development, State Audit Office          National Fund for Innovation and Technology Development          Association of Local Self - Governance Units          Regional development centres          Municipalities          Ombudsman's office          CSOs</p>	<p>Regular: \$702.000,00          Other: \$15.102.020,00</p>

<p>3. <i>Indicator:</i> The country has a system in place to track and make public allocations for gender equality and women's empowerment  <i>Baseline:</i> No (2020)  <i>Target:</i> Yes (2025)</p>		<p><i>Target:</i> 5  <i>Data source:</i> UNDP monitoring system  <i>Indicator 4.1.4:</i> N<sup>o</sup> COVID-19 response and recovery measures implemented with support from UNDP  <i>Baseline:</i> 0  <i>Target:</i> TBD  <i>Data source:</i> UNDP monitoring system</p>		
<p>4. <i>Indicator:</i> Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group  <a href="https://www.scoreforpeace.org/en/methodology">https://www.scoreforpeace.org/en/methodology</a>  <i>Baseline:</i> (2020) 19.8  <i>Target:</i> 25</p> <p>5. <i>Indicator:</i> Level of general satisfaction with public services at local level, by sex and place  <i>Baseline:</i> 2020  Total: 3.07  Male: 3.02  Female: 3.12  Urban: 3.09  Rural: 3.05  <i>Target:</i>  Total: 3.5  Male: 3.4  Female: 3.6  Urban: 3.5  Rural: 3.5</p>	<p><i>Source:</i> UNDP citizens' perception annual survey, 2020  <i>Frequency:</i> Periodic</p> <p><i>Source:</i> UNDP annual survey, 2020  <i>Frequency:</i> Periodic</p>	<p><i>Output 4.2.</i> National and municipal capacities strengthened to improve decision-making and accountability, strengthen social cohesion, and deliver quality services</p> <p><i>Indicator 4.2.1:</i> Use of data-driven decision-making and evidence-based policies by Government  <i>Baseline:</i> Partially ensured (2019)  <i>Target:</i> Moderately ensured  <i>Data source:</i> UNDP monitoring system; Annual European Commission country report</p> <p><i>Indicator 4.2.2:</i> N<sup>o</sup> municipalities with service-sharing agreements per the law on inter-municipal cooperation  <i>Baseline:</i> 62 (2015)  <i>Target:</i> 70  <i>Data source:</i> UNDP monitoring system</p> <p><i>Indicator 4.2.3:</i> N<sup>o</sup> municipalities with mechanisms and tools to increase accountability and cooperation with CSOs and the private sector  <i>Baseline:</i> M: 60; I: 14  <i>Target:</i> M: 70; I: 25  <i>Data source:</i> UNDP monitoring system</p> <p><i>Indicator 4.2.4:</i> Extent of improvement in municipal budget formulation and execution  <i>Baseline:</i> Revenue gap: 27%; expenditure gap: 30% (2018)  <i>Target:</i> Revenue gap: 25; Expenditure gap: 28  <i>Data source:</i> Annual report, fiscal decentralization</p>		
<p>6. <i>Indicator:</i> Gender Equality Index  <i>Baseline:</i> 62 score points (2019)  <i>Target:</i> 65</p>	<p><i>Source:</i> MLSP European Institute for Gender Equality  <i>Frequency:</i> Periodic</p>	<p><i>Output 4.3:</i> Legal, policy and institutional reforms developed to support rule of law, protect human rights, increase access to justice, and remove structural barriers to gender equality and women's empowerment</p>		

		<p><i>Indicator 4.4.1: N<sup>o</sup> legal, policy and institutional reforms developed for adoption</i> <i>Baseline: 8</i> <i>Target: 10</i> <i>Data source: UNDP monitoring system</i></p> <p><i>Indicator 4.4.2: N<sup>o</sup> mechanisms and instruments developed to address sexual, gender-based and domestic violence, and to increase access to justice</i> <i>Baseline: 25</i> <i>Target: 27</i> <i>Data source: UNDP monitoring system</i></p>		
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