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NATIONAL CONVENTION ON THE EUROPEAN UNION IN THE REPUBLIC OF NORTH MACEDONIA

**ADMINISTRATIVE CAPACITY IN PRACTICE: NORTH
MACEDONIA IS NOWHERE NEAR WHAT IT ASPIRES OR
NEEDS TO BE!**



NEWSLETTER

SIXTH SESSION OF WORKING GROUP 6
"ANTICORRUPTION"
- CHAPTER 5/18/32 -

The Sixth Session of Working Group 6 – Anti-Corruption, held on 17 July 2025 in Skopje, brought together relevant national and European experts in a focused dialogue on priority anti-corruption challenges. The discussion highlighted the need for systemic reforms in public administration, with transparency, digitalization, accountability, and depoliticization identified as key prerequisites for reducing corruption and advancing in the EU integration process.



Particular attention was drawn to the Slovak model for monitoring, evaluation, and planning of public healthcare expenditure, implemented by the “Value for Money” Unit within the Ministry of Finance of Slovakia. The model is based on a systematic assessment of the actual benefits that citizens derive from public investments. The conclusion of the session was that through the consistent application of the “value for money” principle, the country can ensure sustainable public finances, more efficient institutions, and tangible benefits for citizens.

Professor Mileva Gjurovska – National Coordinator of NCEU-MK – opened the session by emphasizing the importance of the National Convention on the European Union as a platform for open dialogue and open cooperation among institutions, civil society, academia, the business sector, and other stakeholders. According to her, topics related to public procurement (Chapter 5), statistics (Chapter 18), and financial control (Chapter 32) are highly significant chapters within the “Fundamentals” cluster.

Through them, it is monitored to what extent the principles of the rule of law are implemented and the public interest is protected. In her address, Gjurovska stressed that although the country has achieved solid results in aligning its legislation with EU law, a serious challenge remains the weak implementation of reforms, due to frequent legislative amendments and limited institutional capacities.

**Милева
ЃУРОВСКА**

**National Coordinator of
NCEU-MK; President of
European Movement
North Macedonia**



She underscored the need for transparency, digitalization, accountability, and motivated human resources as prerequisites for reducing corruption.

In conclusion, Gjurovska thanked all stakeholders and emphasized that the Convention has a dual role: not only to contribute professionally to reforms, but also to democratize the negotiation framework by building consensus and trust in the EU integration process.



Goran MINCHEV

**Minister of Public
Administration**

The Minister of Public Administration, Goran Minchev, emphasized in his address that public administration reform represents one of the key priorities for the country's internal development and for progress in the European integration process. According to the new EU negotiation methodology, public administration has, for the first time, been included in the first cluster – “Fundamentals” and represents one of the pillars on which the entire process is based, Minchev stressed.

He expressed readiness and a more clearly defined political will of the Government to pursue reforms in this domain through the continuous implementation of the Public Administration Reform Strategy 2023–2030. The Ministry is actively working on processes of professionalization, depoliticization, and modernization of the administration, and several new laws have already been adopted:

- Law on Administrative Servants,
- Law on Employment in the Public Sector,
- Law on Professional Development and Training,
- Law on Inspection.

These reforms are grounded in the principles of expertise, merit, and integrity, guaranteeing that each employee will be selected and promoted based on competencies and achieved results, rather than political influence.

Special emphasis has been placed on the introduction of a unified electronic platform, with the aim of achieving greater transparency in recruitment procedures through digitalization. The system will enable scoring based on objective criteria, with the right to access information, file complaints, and ensure public review.

According to Minister Minchev, selection procedures will be simplified and shortened, while public interviews and training for selection committees will be introduced in order to reduce the possibility of undue influence. Promotions and performance evaluations will be based on actual performance, measured through clearly defined performance indicators.

The Minister underlined that accountability is a key prerequisite for restoring citizens' trust and announced a new package of laws, namely a Law on Senior Civil Service, a Law on the Organization and Work of State Administration Bodies, and a Law on the Public Sector Salary System. According to him, public administration reform is a long-term process requiring broad cooperation with civil society, trade unions, academia, and international partners.

“Our ultimate goal is to build a competent, accountable, and service-oriented administration that works in the interest of citizens, not the other way around,” Minchev concluded, adding that this is also the most secure and fastest path toward the European Union.

Henrik MARKUS

**Ambassador of the Slovak
Republic to the Republic
of North Macedonia**



Within the framework of the session, the special guest was the Ambassador of the Slovak Republic, Henrik Markus, who was presented with a recognition award for his consistent and continuous support of the European integration process of the Republic of North Macedonia, as well as for his substantive contribution to the development and advancement of the National Convention on the European Union in the country. In his address, the Ambassador reiterated his well-known message that the Republic of North Macedonia must continue, with even greater perseverance and commitment, on the path toward full membership in the European Union, emphasizing that this process is of essential importance for the country's future.

“Over the past years, Slovakia has provided significant financial and expert support, for which we express sincere gratitude and confidence that this partnership will continue in the coming period. The positive energy, trust, and encouragement conveyed through the Convention represent important capital for the Republic of North Macedonia in the process of European integration,” stated Prof. Dr. Mileva Gjuravska while presenting the plaque of appreciation.



Awarding of the plaque of gratitude

In a personal tone, the Ambassador also shared his impressions of life in Macedonia, including his passion for cycling, which enabled him to experience the country in a different and deeper way. He emphasized that diplomacy is not merely a formal process, but also the building of personal relationships and mutual understanding among peoples.

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At the same time, he expressed deep appreciation and respect for the National Convention on the European Union, describing it as one of the most successful and professionally established dialogue models in the country. Markus highlighted the Convention as a vital forum for building consensus around reform priorities and as an important bridge connecting North Macedonia with European institutions and standards.

The Ambassador referred to his experience with the Convention dating back to 2016, when Slovakia first held the Presidency of the Council of the European Union, recalling that this marked the beginning of close cooperation with Macedonian institutions and civil society. He underlined that the National Convention model originated from Slovak experience and has proven to be an exceptionally useful instrument for integration, fostering a culture of transparent and inclusive dialogue.

Dragan TILEV

**Advisor to the Minister for
European Affairs and
Member of the Cabinet**



Dragan Tilev, Adviser at the Ministry for European Integration, spoke about the importance of political, administrative, and financial capacities as key parameters in the European integration process. He emphasized that public administration reform represents one of the most complex, yet at the same time most determinant segments, as it directly affects institutional stability, economic functionality, and the consolidation of democratic practices.

According to Tilev, political parties are carriers of the process of accumulating human and institutional capital, serving as spaces where future policy-makers are formed. The preparation of cadres possessing a deep understanding of the functioning of the institutions of the European Union, as well as of the mechanisms of political alignment and normative Europeanization, is a necessary precondition for successfully conducting the negotiation process and assuming European public policies.

Tilev warned that in the absence of adequate preparation and a developed political culture, there is a serious risk of institutional dysfunctions and strategic errors, which could generate high political and economic costs in the integration process.

Furthermore, capacity-building must not only be reduced exclusively to the portfolio of European affairs, but must be viewed as a comprehensive societal process encompassing all levels of public administration and the broader society—from the media and the legislative branch to the institutions responsible for policy implementation.

With regard to financial capacities, more than 90% of all reforms and investments are financed from the national budget, that is, from public revenues generated by citizens. European funds, such as the Instrument for Pre-Accession Assistance (IPA) and the Growth Plan, can represent a significant additional source of support with a potential of approximately €250 million annually but their effective absorption depends on the existence of mature and sustainable infrastructure projects.



Adam MAREK

**Director of the Department
of Health and Social
Expenditures at the Ministry
of Finance of the
Slovak Republic**

Adam Marek, Director of the Health and Social Expenditure Department at the Ministry of Finance of the Slovak Republic, presented the Slovak experience in establishing the “Value for Money” Unit and its role in improving public spending through systematic expenditure reviews.

As he emphasized, such reviews generate four key benefits:

- Elimination of irrational and inefficient spending,
- Ensuring greater value for the same level of expenditure,
- Redirecting new budgetary resources toward priority areas,
- Increasing transparency and public understanding of the budget.

Through this methodology, the budget process becomes a more effective instrument for public policy making, with a clear orientation toward rationalization, accountability, and strengthening citizens’ trust in institutions.

Some Slovak practices were presented as illustrative models demonstrating how inefficient allocation of resources can undermine the public interest.

Education: A rule providing additional funding for small schools, instead of supporting rural communities, was misused by private schools in urban centers, leading to an irrational distribution of budget funds.

Healthcare: Although approximately half of the budget is spent on salaries, priority should be given to nurses due to shortages and migration rather than to physicians, who enjoy a stronger institutional position and trade union protection.

Mental health: It remains seriously underestimated, even though investments in this area would generate significant economic and social benefits through reduced long-term costs and increased productivity.

The prioritization of infrastructure projects is of essential importance, as frequent political changes often lead to delays and unfinished investments. Therefore, it is necessary to clearly define and publicly disclose priorities, as well as to conduct thorough cost-effectiveness analyses before making financing decisions.

The “Value for Money” Unit, established in 2016 with only three employees, now comprises around 40 experts and simultaneously conducts multiple reviews from general fiscal analyses to sectoral studies such as pharmaceutical expenditures or the functioning of state hospitals. The key to its success, as highlighted, lies in continuous political support, particularly from the Minister of Finance and in the long-term development of its own institutional capacities, strengthened by expertise from international partners.



Dragan TEVDOVSKI

Expert at NKEU-MK;
Professor,
Faculty of Economics
UKIM, Skopje

Professor Dragan Tevdovski emphasized the importance of institutionalizing “value for money” analyses and establishing bodies that would conduct systematic expenditure reviews. The presented Slovak experience represents an outstanding example of how a state can create an analytical unit embedded within the Ministry of Finance, which over time grew from three to forty employees and succeeded in building substantial capacities for assessing public expenditure. Tevdovski believes that there is a serious need in our country for a similar mechanism that would enable greater accountability and transparency in the spending of public funds.

A fundamental challenge for the state is the development of high-quality administrative capacities. The Republic of North Macedonia faces serious difficulties in attracting and retaining qualified and competent personnel in public administration, while the societal perception of administrative services remains predominantly negative. Nevertheless, the state can achieve significant results if it sets clear objectives and ensures effective motivational mechanisms, such as adequate salaries and continuous training, which are crucial for the successful implementation of the reform process and progress in EU integration.

“Value for money” analyses in investment projects must be organically linked to the budget process; otherwise, they risk losing their purpose and relevance. Only in this way can their practical application in budget decision-making and the definition of priority investments be ensured.

Additionally, such analyses should be publicly accessible and presented in a comprehensible manner in order to strengthen transparency and trust in institutions, demonstrating that the state has a strategy for the effective use of public money.

In his conclusion, Tevdovski stressed that the Republic of North Macedonia must move toward building strong institutions with their own analytical capacities, rather than relying on external actors with their own interests. He also underlined the need for political parties to cultivate high-quality personnel capable of competently following EU-related processes, while institutions must remain the primary bearers and guarantors of the state interest.

Gligor BISHEV

President of the Fiscal
Council of the Republic of
North Macedonia



Gligor Bishev, President of the Fiscal Council of the Republic of North Macedonia, reflected on the distinction between formal and substantive reforms in the context of European integration. He pointed out that Macedonia has for too long focused on the formal fulfillment of EU membership criteria, rather than on implementing genuine changes that would enable structural transformation and a higher standard of living. According to him, substantive reforms are painful in the short term and create “winners and losers,” but in the long term, they generate significant societal benefits.

In the 1990s, under the influence of the Washington Consensus, the role of the state was significantly minimized, while private initiative assumed a central role as the generator of economic growth. However, global crises—the financial crisis (2008–2012) and the COVID crisis—demonstrated that without a strong and efficient state, it is not possible to ensure a skilled workforce, innovation, modern infrastructure, and sustainable economic growth.

It was emphasized that the European Union has never abandoned the model of high public expenditure (40–50% of GDP), combined with stable and efficient institutions.

The current situation in North Macedonia is concerning: public expenditure amounts to approximately 39–40% of GDP, of which more than 70% is allocated to social transfers and wages, while public revenues range between 31–33% of GDP. Such a fiscal structure creates limited space for investment in key sectors such as infrastructure, healthcare, education, and innovation.

The solution lies in strengthening institutions, accelerating digitalisation, and reducing the grey economy. At the same time, it is necessary to improve the efficiency of the tax system in order to ensure a stable and sustainable fiscal framework.

The issue of outsourcing public services, that is, transferring competences from the state to the private sector, was also highlighted as requiring careful elaboration. Ensuring efficiency in such services presupposes the existence of strong and functional institutions. One of the key dilemmas requiring broad societal consensus is whether existing institutions will be reformed and strengthened, or whether the state will rely on private alternatives.

In this context, the Fiscal Council recommends:

- Introducing mandatory cost-benefit analyses for every public measure with economic implications;
- Establishing a Merit-Based System in the public sector;
- Creating independent units for managing public funds and investments, along with public disclosure of data; and
- Aligning methodology with European standards.

Biljana IVANOVSKA

Former President of the
State Commission for the
Prevention of Corruption
(SCPC)



Former President of the State Commission for Prevention of Corruption, Biljana Ivanovska, emphasized the importance of substantive reforms and the need for institutions to develop a strong awareness of the public interest as a fundamental precondition for economic and social progress. She stressed that the budget represents “policy expressed in money” and that the concept of value for money should serve as a guiding principle in assessing the effects of public expenditure. She further noted that public finances are burdened with unnecessary and unproductive costs, particularly highlighting the excessive number of advisers in ministerial cabinets as a serious issue that demotivates the existing administration and hinders the development of institutional memory.

There is a clear need to introduce Results-Based Budgeting (RBB), an approach in which budget funds are not planned and allocated solely according to input costs (salaries, equipment, materials), but according to the specific results to be achieved. The objective is to ensure accountability to Parliament and transparency in the management of public resources.

The key elements of such an approach include: defining measurable indicators and targets; linking budget expenditures to national priorities and policies; and regularly monitoring achieved results for citizens (for example, reducing waiting times for medical examinations and surgeries, improving the quality of water supply, etc.). In this way, the focus shifts to the question of “what has been achieved with the invested money,” rather than merely “how much money has been spent.”

In this context, the recommendations of the State Audit Office were also highlighted. The Office regularly points to serious weaknesses in key sectors such as water supply, environment, healthcare, energy, and transport. The conducted audits, prepared in accordance with the international standard ISSAI 3000, clearly demonstrate systemic deficiencies that must be overcome in order to establish a functional, efficient, and accountable public administration.

Human resources are a key factor for institutional effectiveness. Overemployment in public administration represents a paradox, further complicated by the misuse of temporary employment through agencies. Such practices create unfair competition, often evolve into permanent positions, and open space for corruption.

According to Ivanovska, transparency in recruitment and clear systematization criteria are crucial for reducing abuses. The main challenges include:

- Revising the legal framework and the prevention of nepotism,
- Establishing a clear system for staff selection and evaluation,
- Abolishing the temporary employment through agencies,
- Optimizing the number of members of management and supervisory boards,
- Introducing clear criteria for appointing managers and ensuring transparency in appointments.

Ivanovska called for a professional approach and for strengthening capacities within political parties to prevent the misuse of discretionary powers. She concluded that partisan divisions and the culture of “mine versus yours” erode the institutional system and represent a serious obstacle to an effective fight against corruption.

Sanja MADZAREVIC SUJSTER

Senior Economist for the
Western Balkans and
Economist for North
Macedonia at the
World Bank



Sanja Madzarevic-Sujster, Senior Economist for the Western Balkans and Economist for North Macedonia at the World Bank, emphasized the importance of increasing the efficiency of public spending and the need for the country to initiate a systematic expenditure review process. Although public spending reaches approximately 40% of GDP, what is crucial is measuring its quality and impact, not merely its volume. According to her, expenditure reviews should not be understood solely as instruments for cutting costs, but as mechanisms for reprioritization, reallocation, and directing public funds toward strategic priorities.

The Republic of North Macedonia already has initial experience with expenditure review processes, such as reviews in the healthcare and education sectors, implemented with the support of the World Bank and the European Commission. It is time for these experiences to be institutionalized and become an integral part of regular policymaking. Such reviews can significantly contribute to building political consensus and improving the budget process, but this is possible only if there is strong political will, intersectoral coordination, and engagement of all relevant institutions.

This process should be integrated into regular budgeting, with clearly defined accountability, transparency, and systematic monitoring of the implementation of recommendations. In this way, expenditure reviews would not remain isolated initiatives, but would evolve into an instrument for long-term fiscal sustainability and improvement of the quality of public services.

Crises triggered by the pandemic and the war in Ukraine, as well as the necessity of a green and digital transition, create additional pressure on public finances. Consequently, expenditure reviews are becoming an increasingly important tool for maintaining fiscal stability and securing resources for new strategic priorities.

The experience of EU Member States and the recommendations of the Council of the European Union indicate that establishing a system based on the value-for-money principle is a prerequisite for access to European funds. Such a system entails clear measurement of the effects of public expenditure and directing budgetary resources toward programs and projects that generate the highest added value. Through such mechanisms, it is ensured that European funds are used efficiently, transparently, and in accordance with European standards of accountability.

In this context, the European Union also provides technical support through the Technical Support Instrument (TSI). This instrument assists countries in implementing structural reforms through expert and institutional support, exchange of best practices, and access to European expertise. Within the TSI framework, the Republic of North Macedonia and Kosovo are already being supported with projects aimed at improving public financial management and increasing the effectiveness of budget expenditures.

The conclusion of Sanja Madzarevic-Sujster's presentation was that expenditure reviews are necessary to enhance transparency, improve efficiency, and build institutional capacities—preconditions that are essential for successful reforms and for bringing the Republic of North Macedonia closer to the European Union.

Antoni PESHEV

Business sector
representative



Antoni Peshev, a representative of the business sector, emphasized in his remarks that the Republic of North Macedonia must confront reality rather than rely solely on theoretical expectations.

According to him, if the country were to become a member of the European Union tomorrow, it would be completely unprepared, as the economy has developed for decades without a clear vision and strategy. The business sector was left to evolve in an unstructured manner, resulting in the formation of dominant and uncontrolled sectors, while a significant portion of the economy remained marginalized and highly dependent on the state budget.

He recalled that in the early 1990s North Macedonia had construction companies operating globally, whereas today the state lacks the capacity even to implement its own infrastructure projects. Referring to public debt, Peshev stressed that its increase can be justified only if it generates new value for the state. In practice, however, a substantial share of funds ends up with foreign companies through tenders and projects in which domestic firms are systematically excluded. This is a phenomenon he described as a “new, elegant form of corruption”: formally transparent, yet substantively destructive for the national economy.

Regarding artificial intelligence, Peshev pointed to multiple aspects—both positive and negative. One of the concerning effects is the mass loss of jobs among IT professionals globally. North Macedonia is additionally vulnerable, as it lacks developed capacities to address such challenges, while simultaneously facing a dramatic decline in population and workforce.

Paradoxically, the state is becoming increasingly import-dependent even for basic agricultural products, rendering the economy particularly fragile and vulnerable to external shocks. This dependency does not affect only the trade balance, but also directly impacts price stability and food supply security.

An illustrative example is that North Macedonia now imports early-season agricultural products from Egypt, which reveals deep structural weaknesses in the agricultural sector: insufficient productivity, inefficient production organisation, weaknesses in the subsidy system, and limited access to modern technologies and irrigation.

Without thorough reforms and the development of its own production capacities, the country risks becoming a member of the European Union as “poor and unprepared,” thereby entering into long-term dependency and exposure to external influences, instead of strengthening its competitiveness.

Peshev called for reforms to be implemented responsibly and substantively, with a clear strategy and political will, so that the state can ensure stable functioning and sustainable development regardless of whether it is inside or outside the European Union.



**Viktor
MITEVSKI**

**WG-6 Coordinator,
Executive Director, ZMAI**

DISCUSSION

Viktor Mitevski, Coordinator of the Working Group “Anti-Corruption,” moderated the concluding discussion, steering it toward key questions on how to build sustainable administrative and financial capacities that would reduce corruption and increase institutional efficiency.

A central part of the discussion focused on healthcare, where it was emphasized that the current system is unsustainable without reforms, due to insufficient funding and the emigration of medical personnel. Similar concerns were raised regarding the pension system, where the stability of the first pillar is declining because a large number of citizens are insured on minimal contribution bases. Participants also addressed the absorption of European funds, noting that although the country has significant opportunities, limited administrative capacities and weak human resource policies reduce their impact. It was stressed that successful examples from the region demonstrate that the best results are achieved when reforms are designed domestically rather than adopting external models without adaptation.

In agriculture, it was highlighted that the subsidy policy is inequitable—the majority of funds are allocated to a small number of landowners, while actual producers receive insufficient support.

Similarly, in the area of accountability and oversight, it was noted that audit findings in North Macedonia rarely have concrete consequences, unlike in other countries where they directly lead to sanctions.

The discussion concluded that reforms must be built upon the principles of transparency, accountability, and the rule of law. Additionally, participants emphasized that the largest investments should be directed toward education, in order to create generations capable of building the future with knowledge, competence, and integrity.





1. Mandatory Cost-Benefit Analyses

Every public measure and investment with economic implications must be subject to a thorough assessment based on its measurable effects and overall social benefit.

2. Performance-Based Budgeting

Public expenditures should be linked to clearly defined indicators and measurable objectives, ensuring visibility of tangible benefits for citizens.

3. Public Transparency

The results and impacts of public spending must be publicly disclosed and presented in an accessible manner, in order to strengthen public trust in institutions.

4. Merit-Based Public Administration System

Recruitment and promotion must be grounded in merit and clear criteria, enabling greater efficiency and professionalization of public institutions.

5. Institutionalization of Expenditure Reviews

Spending reviews should become an integral component of the regular budgetary process, accompanied by systematic monitoring of the implementation of recommendations.

6. Alignment with European Standards

Methodologies and processes in public financial management must be harmonized with the standards of the European Union as a precondition for access to European funds and more effective utilization of international support.

7. Need for Substantive Reforms

The Republic of North Macedonia has focused for too long on the formal fulfillment of EU criteria, rather than on substantive reforms that would lead to structural transformation, more efficient institutions, and improved living standards.

8. Public Revenues and Expenditures

The current expenditure structure—characterized by a high share of social transfers and wages—leaves limited fiscal space for investment in infrastructure, healthcare, and education. Strengthening institutions and improving the efficiency of the tax system are essential.

9. Public Administration and Human Resources

Overemployment, misuse of temporary contracts, and nepotism undermine administrative efficiency. The public administration must reorient toward reform implementation and professional capacity-building.

10. Economic Structure and the Business Sector

Domestic businesses have developed without a coherent long-term strategy and are often excluded from public procurement processes, creating risks of “elegant” forms of corruption that formally comply with procedures but distort market competition.

11. Demographic and Technological Challenges

Population decline and the rapid advancement of artificial intelligence introduce new systemic challenges that affect healthcare, education, business development, the labor market, and the overall reform trajectory. Addressing these trends requires strategic planning, workforce adaptation, and forward-looking public policies.