

PAR Monitor Report North Macedonia

PUBLIC FINANCIAL MANAGEMENT

2024/2025



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¹A joint initiative of the European Union and the OECD.

ABOUT WEBER 3.0

Building upon the achievements of its predecessors, the WeBER (2015 – 2018) and WeBER 2.0 (2019 – 2023) projects, the **Western Balkan Enablers for Reforming Public Administrations – WeBER 3.0** project is the third consecutive EU-funded grant of the largest civil society-led initiative for monitoring public administration reform (PAR) in the Western Balkans. Its implementation period is February 2023 – July 2026. Guided by the SIGMA/OECD Principles, the first two phases of the initiative laid the foundation for WeBER 3.0's ambition **to further empower civil society organisations (CSOs) to contribute to more transparent, open, accountable, citizen-centric and thus more EU-compliant administrations in the WB region.**

WeBER 3.0 continues to promote the crucial role of CSOs in PAR, while also advocating for broader citizen engagement in this process and inclusive reform measures which are user-tailored and thus lead to tangible improvements. By grounding actions in robust monitoring data and insights, WeBER 3.0 will empower civil society to more effectively influence the design and implementation of PAR. To foster collaborative policymaking and bridge the gap between aspirations and actionable solutions, the project will facilitate sustainable policy dialogue between governments and CSOs through the WeBER Platform and its National PAR Working Groups. Finally, through small grants for local CSOs, WeBER 3.0 bolsters local-level PAR engagement, amplifying the voices of citizens – the final beneficiaries of the public administrations' work.

WeBER 3.0 products and further information about them are available on the project's website at www.par-monitor.org.

WeBER 3.0 is implemented by the Think for Europe Network (TEN), composed of six EU policy-oriented think tanks in the Western Balkans:



By partnering with the Centre for Public Administration Research (KDZ) from Vienna, WeBER 3.0 has ensured EU-level visibility.



EXECUTIVE SUMMARY

Compared to the previous monitoring cycle North Macedonia has made progress in strengthening transparency and efficiency in public financial management (PFM), public procurement, and state audit, but significant challenges remain in inclusiveness, implementation, and usability of information.

While strategic frameworks such as the Programme for PFM Reform “Smart Public Finances” 2022–2025 and initiatives like IFMIS support transparency, citizen participation in budget formulation is minimal. Legal provisions allow public input during early planning, but the actual budget process is closed to non-state actors. Consultations with the civil society and business community are rare and largely symbolic. Although budget and execution reports are published on time, they lack functional classifications, citizen-friendly formats, and clear outcome reporting. The Citizen Budget platform improves access, but information remains overly technical and not easily usable for public monitoring.

The legal and strategic framework in the area of public procurement is strong, emphasizing transparency and competitiveness through the Strategy for Improving the Public Procurement System 2022–2026 and the Law on Public Procurement. The central procurement portal is accessible and data-rich. However, implementation gaps persist. Namely, many contracts are awarded through exceptions or negotiated procedures, limiting competition. Oversight mechanisms exist but are weakened by limited capacity and political influence, while broad use of exceptions undermines transparency.

The State Audit Office (SAO) shows strong commitment to openness and stakeholder engagement. Its Communication Strategy 2024–2027 includes concrete measures for cooperation with civil society, media, Parliament, and other institutions. Legal requirements ensure publication of all key audit documents, and recent reports are accessible, user-friendly, and available in open data formats. The SAO also actively promotes its findings through digital and media outreach.

However, further improvements are needed to simplify technical language, institutionalize engagement with CSOs and the public, and enhance the visibility and policy impact of audit findings.

The assessment of the transparency and openness of public financial management focuses on four critical aspects - 1) inclusiveness and transparency of the budget formulation process, 2) availability and comprehensiveness of budgetary documentation, 3) transparency and competitiveness of the public procurement system, and 4) openness and transparency of supreme audit institutions' work. The first aspect examines the extent to which the budget formulation process is inclusive and transparent, ensuring timely access to information, formal participation opportunities, and proactive involvement of citizens and other external stakeholders by the relevant institution. The second aspect focuses on transparency and quality of budgetary documentation across all stages of the budget cycle, assessing whether medium-term projections, policy impacts, and detailed expenditure data are present, while also examining the timeliness of publishing and budgetary documents' accessibility. When it comes to the public procurement system, emphasis is placed on examining whether the policy, legal and institutional framework promotes open and fair procedures, if those procedures are applied in practice and if the procurements are competitive and regularly reported on. Finally, the last aspect is devoted to assessing whether the supreme audit institutions engage in active communication and cooperation with external stakeholders and ensure regular and accessible publication of activity and audit reports, in user-friendly and open formats. Findings of this report reflect the period since the publication of the PAR Monitor 2021/2022, starting from the second half of 2022, and until the end of 2024.²

² For 2022, only developments not captured by the PAR Monitor 2021/2022 are included.

LIST OF ABBREVIATIONS AND ACRONYMS

CCC	Center for Civic Communications
CEA	Center for Economic Analysis
CHU	Central Harmonization Unit
CSO	Civil Society Organisation
EPPS	Electronic Public Procurement System
EU	European Union
EUR	Euro
FAQ	Frequently Asked Questions
FOI	Freedom of Information
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
INI	Initiative of Unemployed Intellectuals - Vinica
INTOSAI	International Organization of Supreme Audit Institutions
KDZ	Kommunalwissenschaftliches Dokumentationszentrum (Centre for Municipal Science Documentation)
KIs	Key Informants
MF	Ministry of Finance
MKD	Macedonian Denar
MPA	Ministry of Public Administration
OBL	Organic Budget Law
OECD	Organisation for Economic Co-operation and Development
PAR	Public Administration Reform
PFM	Public Financial Management
PIFC	Public Internal Financial Control
PPB	Public Procurement Bureau
PPL	Public Procurement Law
PPP	Public–Private Partnerships
ReSPA	Regional School of Public Administration
SAI	State Audit Institution
SAO	State Audit Office
SIGMA	Support for Improvement in Governance and Management
SMEs	Small and Medium Enterprises
TEN	Think for Europe Network
WB	Western Balkans
WeBER	Western Balkans Enabling Project for Civil Society Monitoring of Public Administration Reform project
ZMAI	The Association for Research and Analysis

I. WEBER PAR MONITOR: WHAT WE MONITOR AND HOW?

I.1 WeBER's approach to monitoring PAR

The Public Administration Reform (PAR) Monitor methodology was developed in 2015-2016, as part of the first Western Balkans Enabling Project for Civil Society Monitoring of Public Administration Reform (WeBER) project. Since the onset, WeBER has adopted a markedly evidence-based approach in its endeavour to increase the relevance, participation and capacity of civil society organisations (CSOs) in the Western Balkans to advocate for and influence the design and implementation of PAR. The PAR Monitor methodology is a cornerstone WeBER product, enabling civil society monitoring of PAR based on evidence and analysis.

In line with WeBER's focus on the region's EU accession process, once the SIGMA *Principles of Public Administration* were revised in 2023, the WeBER PAR Monitor methodology was also redesigned in 2024, building on the Principles,³ and on SIGMA Methodology,⁴ and complementing the monitoring by SIGMA by providing additional observations focused on transparency, inclusiveness, openness or other aspects of state administrations' work depending on PAR area in question. This revision helps maintain the focus of WeBER's recommendations on EU-compliant reforms, thus guiding the governments in the region towards successful EU accession and future membership. The main changes in the revised PAR Monitor methodology are briefly listed below.⁵

3 OECD (2023), *The Principles of Public Administration*, OECD Publishing, Paris, <https://doi.org/10.1787/7f5ec453-en>. Accessed 25 November 2025.

4 Available at: <https://www.sigmaxweb.org/en/publications/documents/2024/assessment-methodology-of-the-principles-of-public-administration.html>. Accessed 25 November 2025.

5 For detailed information on the scope and process of methodology revision please visit <https://www.par-monitor.org/par-monitor-methodology/>. Accessed 25 November 2025.

Table 1: Main changes in the PAR Monitor methodology

Structure

In order to align with the new SIGMA methodological approach, the following structural changes are introduced:

- Introduction of single indicator per PAR area, divided into sub-indicators, further consisting of several sub-indicator elements (i.e. specific criteria assessed), in order to streamline the approach and emphasise the focus on transparency, inclusiveness and openness in each PAR area.
- Introduction of types of sub-indicator elements, ensuring that all following aspects of reform are covered:
 1. Strategy and Policy,
 2. Legislation,
 3. Institutional Setup,
 4. Practice in Implementation, and
 5. Outcomes and Impact.
- Introduction of a 100-point scale, for a more nuanced assessment of progress in each PAR area.

Data sources

- Introduction of interviews with “key informants”, i.e. key non-state actors engaged and familiar with the processes. These interviews serve as a data source for the “Outcomes and Impact” elements instead of the formerly implemented survey of civil society organisations.
- More systematic use of public perception survey results as a data source for “Outcomes and Impact” elements and expanding the scope of the survey to complement the assessment in five PAR areas – all except “Strategy for PAR”.
- Removal of the survey of civil servants as a data source due to persistent issues with ensuring adequate response rates across the region’s administrations.

PAR Monitor reporting

- Six national PAR Monitor reports, one per PAR area (36 in total for the entire PAR Monitor), in order to facilitate timely publication and advocacy for the monitoring results rather than publishing the results of 18 months of research at the end of the process.
- Six regional Western Balkan overview reports, one per PAR area (6 in total).

I.2 Why and how WeBER monitors the “Public Financial Management” area

The manner in which public resources are planned, allocated, spent, and reported on has a direct influence on the efficiency and integrity of public administration. Thus, transparent, accountable, and well-managed public finances reflect the government’s commitment to serving citizens’ needs and using resources responsibly. WeBER’s focus on participatory budget formulation and transparent budget execution, therefore, aims to assess how open and accountable the management of public finances is in practice. The monitoring focus extends to the accessibility and user-friendliness of budget documentation, as they enable citizens and civil society to meaningfully participate and oversee the entire budget cycle. Additionally, WeBER looks into whether the legal and institutional framework for public procurement provides a sound ground for conducting transparent and competitive processes, and whether a transparent and competitive public procurement system exists practice. Finally, equally important aspect of external oversight of public finances is observed through the transparency of work of supreme audit institutions and their practice of proactive engagement of the public. Weaknesses in transparency, inclusiveness, or accountability mechanisms risk fostering inefficiency and corruption, while strong and open PFM systems strengthen public trust, fiscal responsibility, and the overall credibility of public administration reform.

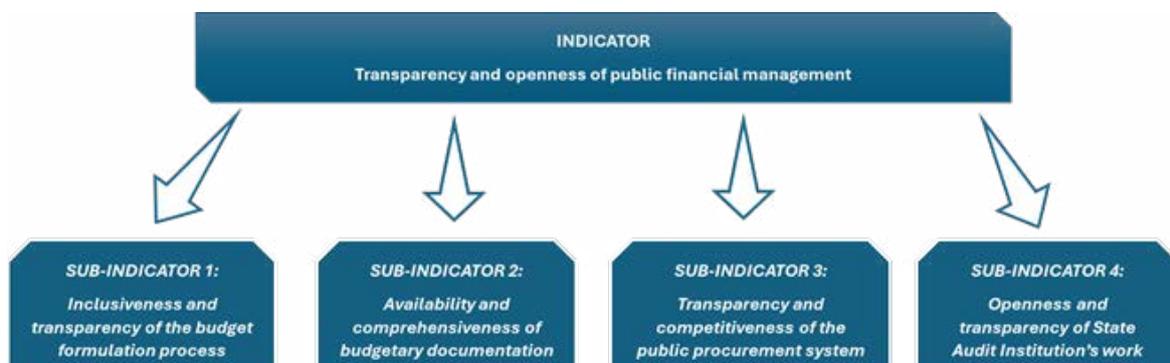
Monitoring in **the Public Financial Management area** is based on six SIGMA Principles in this area:

-  **Principle 23:** The annual budget is comprehensive and formulated within a credible and rolling medium-term framework, balancing policy needs with fiscal constraints.
-  **Principle 25:** The government implements the budget in line with estimates and reports on it in a comprehensive and transparent manner, allowing for timely scrutiny.
-  **Principle 26:** Public administration bodies manage resources in an effective and compliant manner to achieve their objectives.
-  **Principle 28:** Public procurement legislation, including public-private partnerships and concessions, is based on principles of equal treatment, non-discrimination, transparency, proportionality and competition, and supported by a sound governance framework.
-  **Principle 29:** Contracting authorities conduct public procurement operations, including public-private partnerships, efficiently and economically.



Principle 31: All public funds are effectively audited by an independent auditor that provides assurance on the use of public resources and helps improve the functioning of the public sector.

These Principles are assessed from the perspective of the availability and accessibility of all relevant information on the budget process, while also examining the extent to which open and competitive public procurement processes are present within the system. A focus on transparency and openness seeks to determine the extent to which relevant authorities publish information which helps the interested public gain insight into crucial aspects of the system – budget formulation and execution, and the audit of the use of public resources.



The monitoring period for the Public Financial Management covers developments since the last PAR Monitor cycle, which lasted from January until November 2022. Thus, this report focuses primarily on 2023 and 2024, as well as the end-of-2022 developments not covered in the previous cycle. Although this report provides a comparison of findings with previous PAR Monitor editions, country scores are incomparable to the previous monitoring due to methodological changes.

The **first sub-indicator** focuses on the existence of policy and legal frameworks that provide for an inclusive and transparent budget formulation process and envisage citizen involvement, while also examining if external stakeholders are engaged in practice. For the assessment of outcomes and impact, researchers conduct three key informant interviews with non-state actors who possess significant expertise in the area and/or experience participating in the analysed processes and use the public perception survey findings.

Table 2: Indicator elements under sub-indicator 1

Indicator element - number and title	Type
E 1.1 There is a strategic document in force that envisages the improvement of inclusivity and transparency of the budget formulation process as a goal	Strategy and policy
E 1.2 Regulations stipulate citizens' involvement in the budget formulation process	Legislation
E 1.3 External stakeholders are provided with complete information in advance, giving them sufficient time to prepare for consultations in the budget formulation process	Practice in implementation
E 1.4 Responsible government bodies are proactive in ensuring that a wide range of external stakeholders become involved in the budget formulation process	Practice in implementation
E 1.5 Key non-state actors consider the budget formulation process as inclusive and transparent	Outcomes and impact
E 1.6 Citizens' perception of inclusivity of the budget formulation process	Outcomes and impact

The **second sub-indicator** assesses the availability and comprehensiveness of budgetary documentation, while also looking into the accessibility of reports. Monitoring of strategy and policy and practice elements is performed by analysing strategic documents and official data publicly available on the websites of relevant institutions. Assessment of outcomes and impact is based on the findings obtained from three key informant interviews and the public perception survey.

Table 3: Indicator elements under sub-indicator 2

Indicator element - number and title	Type
E 2.1 There is a strategic document in force that envisages improvement of the transparency of budgetary documentation	Strategy and policy
E 2.2 Enacted annual budget includes a medium-term perspective illustrating how revenue and expenditure will develop beyond the next fiscal year	Practice in implementation
E 2.3 Budget documentation presents the budget implications on the priority policy areas	Practice in implementation
E 2.4 Citizen Budget is regularly published online	Practice in implementation

E 2.5 In-year budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation
E 2.6 Mid-year budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation
E 2.7 In-year and mid-year budget execution reports contain data on budget spending by different expenditure classifications	Practice in implementation
E 2.8 Year-end budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation
E 2.9 Year-end budget execution reports contain data on budget spending by different expenditure classifications	Practice in implementation
E 2.10 Year-end budget execution reports or separate reports contain information on the significant impacts of the budget implementation on the priority policy areas	Practice in implementation
E 2.11 Year-end budget execution reports or separate reports contain information on capital investment	Practice in implementation
E 2.12 Consolidated annual reports on internal financial control and internal audit are timely published and easily accessible online	Practice in implementation
E 2.13 Budgetary data is published in open data format	Practice in implementation
E 2.14 Key non-state actors consider that the budgetary documentation is comprehensive and enables further research	Outcomes and impact
E 2.15 Citizens' perception of availability of budget execution information	Outcomes and impact

The third sub-indicator examines the openness and competitiveness of the public procurement system. Specifically, the assessment looks into the existence and public availability of procurement plans and reports, competitiveness and openness of procedures, and user-friendly characteristics of the public procurement portal.

Monitoring of strategy and policy, legislation and practice aspects is performed by combining various data sources to maximise reliability of results. It includes qualitative analysis of strategic documents, legal acts and official data that is publicly available or obtained from responsible institutions using FOI requests. The analysis of certain practice type elements under this sub-indicator is conducted on a sample of five contracting authorities with the highest contracted procurement values in the calendar year preceding the year of the monitoring. For the outcomes and impact assessment, researchers conduct three key informant interviews.

Table 4: Indicator elements under the sub-indicator 3

Indicator element - number and title	Type
E 3.1 There is a strategic document in force that envisages improvement in transparency and competitiveness of the public procurement system	Strategy and policy
E 3.2 Regulations stipulate transparency and competitiveness as the key principles of public procurement processes	Legislation
E 3.3 No special legislation creates exceptions from the general law on public procurement	Legislation
E 3.4 There is a designed central procurement body that supports transparency and competitiveness of public procurement processes	Institutional set-up
E 3.5 Central procurement body regularly reports to the public on the implementation of overall public procurement policy	Practice in implementation
E 3.6 Reporting on public procurement policy by the central procurement body is citizen-friendly	Practice in implementation
E 3.7 Central review body regularly reports to the public on procedures for the protection of the rights of bidders in public procurement	Practice in implementation
E 3.8 Public procurement portal is user-friendly	Practice in implementation
E 3.9 Central-level contracting authorities regularly publish up-to-date annual procurement plans that are easily accessible online	Practice in implementation
E 3.10 Central-level contracting authorities regularly publish annual procurement reports that are easily accessible online	Practice in implementation
E 3.11 Open procedures represent a standard public procurement method	Practice in implementation
E 3.12 Public procurement processes are competitive	Practice in implementation
E 3.13 Public procurement data is available in open format(s)	Practice in implementation
E 3.14 Key non-state actors consider public procurement system as competitive and transparent	Outcomes and impact
E 3.15 Key non-state actors consider exceptions from public procurement law as adequately regulated and applied in practice	Outcomes and impact

The **fourth sub-indicator** focuses on the regular communication and citizen-friendly presentation of supreme audit institutions' (SAI) activity and reports. Monitoring of this sub-indicator is based on the review of the strategic framework, regulations and SAI's website. For the assessment of outcomes and impact, researchers conduct key informant interviews.

Table 5: Indicator elements under the sub-indicator 4

Indicator element - number and title	Type
E 4.1 There is a strategic document in force that envisages enhanced communication and cooperation of SAI with external stakeholders	Strategy and policy
E 4.2 Regulations stipulate the transparency of the SAI's work	Legislation
E 4.3 SAI's annual activity reports are regularly published and easily accessible online	Practice in implementation
E 4.4 SAI's audit reports are citizen-friendly and easily accessible online	Practice in implementation
E 4.5 Data contained in the external audit reports are available in open format(s)	Practice in implementation
E 4.6 SAI uses a variety of channels for external communication and promotion of its activities and reports	Practice in implementation
E 4.7 Key non-state actors consider SAI's work as transparent and SAI's reports as easily accessible	Outcomes and impact

II. TRANSPARENCY AND OPENNESS OF PUBLIC FINANCIAL MANAGEMENT

This section presents the assessment results for North Macedonia. Each sub-section presents the results for one sub-indicator (four in total), beginning with a brief overview of developments since the PAR Monitor 2021/2022. This is followed by a detailed assessment of the sub-indicator elements, starting with the policy, legislation and institutional framework, then moving to the practice in implementation, and ending with outcomes and impact. Each sub-indicator assessment concludes with the graph showing the awarded points.

The graph below displays the overall results for the Public Financial Management area in North Macedonia, measured on a scale from 0 to 100 points.

*Transparency and openness of public financial management
(score 0–100)*



II.1 Inclusiveness and transparency of the budget formulation process

➡ **Principle 23:** The annual budget is comprehensive and formulated within a credible and rolling medium-term framework, balancing policy needs with fiscal constraints.

Awarded points per element in sub-indicator 1:

Inclusiveness and transparency of the budget formulation process⁶

Indicator elements	Element type	Score
E 1.1 There is a strategic document in force that envisages the improvement of inclusivity and transparency of the budget formulation process as a goal	Strategy and policy	0/1

⁶ The first sub-indicator focuses on the following SIGMA sub-principle: The government stimulates citizen engagement in the budgeting process by making a complete set of budget documentation publicly available, preparing a citizen budget and using open budgeting tools.

E 1.2 Regulations stipulate citizens' involvement in the budget formulation process	Legislation	1/1
E 1.3 External stakeholders are provided with complete information in advance, giving them sufficient time to prepare for consultations in the budget formulation process	Practice in implementation	0/2
E 1.4 Responsible government bodies are proactive in ensuring that a wide range of external stakeholders become involved in the budget formulation process	Practice in implementation	0/3.5
E 1.5 Key non-state actors consider the budget formulation process as inclusive and transparent	Outcomes and impact	0/3
E 1.6 Citizens' perception of inclusivity of the budget formulation process	Outcomes and impact	0.5/2
Total score for sub-indicator 1		1.5/12.5

Since the previous WeBER monitoring cycle, PFM is broadly in place but still needs improvement. The Ministry of Finance must invest further to increase public participation at every phase of budget preparation, execution, and reporting,⁷ to enable more substantive policy discussions during the budget preparation process.⁸

The researcher reviewed valid government strategic documents (strategies, programmes, etc.) to determine whether inclusivity and transparency in the budget formulation process are envisaged. Specifically, the researchers identified whether there are concrete measures or activities aimed at improving transparency and inclusivity in the budget formulation process, including the clear assignment of responsibilities. If strategic documents do not envisage measures or actions to enhance inclusivity and transparency in the budget formulation process, no points were awarded.

In the *Programme for PFM Reform "Smart Public Finances" 2022–2025*, under the Third Pillar, Planning and Budgeting,⁹ there are envisaged measures for

7 COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2024 Report* (European Commission, October 30, 2024), https://neighbourhood-enlargement.ec.europa.eu/north-macedonia-report-2024_en. Accessed 25 November 2025.

8 COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2025 Report* (European Commission, November 4, 2025), https://enlargement.ec.europa.eu/north-macedonia-report-2025_en. Accessed 25 November 2025.

9 *Public Financial Management Reform Programme SMART PUBLIC FINANCES 2022 – 2025* (Ministry of Finance), <https://arhiva.finance.gov.mk/wp-content/uploads/2023/01/PFM-Reform-Programme-2022-2025-EN-Strukturirana-1-8-za-WEB.pdf>. Accessed 25 November 2025.

enhanced transparency. Also, in the Fifth Pillar, Integrated Public Finances, the development of the Integrated Financial Management Information System (IFMIS) is envisaged to improve the efficiency and transparency of public financial management by transitioning from the existing fragmented and disconnected systems to a centralised, web-based common platform. This platform will leverage the latest digital technologies to support PFM reforms and the implementation of the new Law on Budgets. Although, the Programme for PFM Reform focuses on developing an IFMIS to enhance transparency through the full implementation of the Organic Budget Law, still it does not envisage measures for improving the transparency and inclusivity of the budget formulation process.

Furthermore, the researchers reviewed relevant regulations to determine whether they include provisions for citizen participation in the budget-formulation process. Researchers also determined whether non-state actors are legally allowed to participate in the budget formulation process through different channels. For full point allocation, regulations need to envisage the possibility of citizens' comments, inputs, and proposals on all aspects of the annual budget. If regulations envisage citizens' consultation only on specific parts of the budget, half of the points are awarded. In addition, and for the purpose of analysis, researchers note any exceptions to the publicity of any piece of information or material mentioned and the justifications for those exceptions.

Namely, the budget users at the state level and municipalities at the local level shall establish a mechanism for citizen participation in the process of proposing new initiatives during the preparation of strategic plans and the fiscal strategy (the first phase of the budget cycle).¹⁰

The researchers also assessed whether consultations with external stakeholders occurred during the most recent budget formulation and checked whether complete (all required materials: the draft budget, consultation duration, and participation details) and timely information (all materials were published at least two weeks before the formal start of the budget consultation) on these consultations was publicly available.

Specifically, in the preparation of the state budget, only budget users are involved. 'Budget users' are all legal entities established by the state or municipalities, including social funds and municipalities, excluding the National Bank of the Republic of North Macedonia, public enterprises, commercial companies, and non-profit institutions established by the state or municipalities.¹¹ For the purpose of preparing the Budget of the Republic of North Macedonia, budget users, in accordance with the guidelines of the Ministry of Finance, are

¹⁰ Law on Budget (*Official Gazette of the Republic of Macedonia* No. 64/05, 4/08, 103/08, 156/09, 95/10, 180/11, 171/12, 192/15, and 167/16 and *Official Gazette of the Republic of North Macedonia* No. 151/21 and 3/25, Article 21).

¹¹ Ibid.

required to submit a Budget Circular, a document that provides instructions and guidance on preparing the draft budget request by the respective entities. The Budget Circular is prepared based on the Fiscal Strategy adopted by the Government of the Republic of North Macedonia and the determined maximum amounts of approved funds per budget user. By 15 July, budget users submit a draft development programme plan to the Government, and the Government approves it by 15 August. In line with the guidelines and instructions provided in the Budget Circular, budget users prepare a request for financial resources for the relevant year and the following two fiscal years and submit it to the MF no later than 1 September of the current year. Based on budget users' submitted requests, the MF conducts detailed analyses and prepares its own projections of the financial resources required for each budget user.¹²

In addition, the researchers assessed whether government bodies proactively engaged a broad range of external stakeholders in the most recent budget formulation. A proactive approach includes any initiative, invitation, or meeting specifically targeting key stakeholder groups, such as business associations, trade unions, professional and expert organisations, local government associations, academic institutions, gender equality and women's rights organisations, and organisations representing persons with disabilities and other marginalised groups. As mentioned above, only budget users are involved in preparing the state budget.

The researchers interviewed three key informants (KIs)¹³, preferably participants in the budget formulation process, or relevant non-state actors, to assess the practical transparency and inclusiveness of the process. Alongside qualitative insights, interviewees completed a short four-point survey (fully agree, tend to agree, tend to disagree, fully disagree) on two points: the transparency and inclusiveness of the budget formulation.

The first KI tends to agree that the budget formulation process is transparent but disagrees that it is inclusive. Participation through public consultations and working groups has been rare and has had limited impact. While opportunities to submit comments exist, effective engagement remains low, and consultations are often formalities with little influence on final budget decisions. Minor improvements, such as publishing budget documents online, have occurred, but meaningful inclusiveness and early civil society engagement are still lacking.

The second KI tends to disagree that the budget formulation process is transparent or inclusive. They note that the process is largely closed, with no practical mechanisms for public consultation once the draft budget is presented. While

¹² *Budget Process in the Republic of North Macedonia* (Western Balkans Democracy Initiative, 2020), <https://pbk.sobranie.mk/content/documents/bujetski-proces-vo-rsm.pdf>. Accessed 25 November 2025.

¹³ Analytica (interview conducted on 1 July 2025); CEA (interview conducted on 7 July 2025); and ZMAI (interview conducted on 10 July 2025).

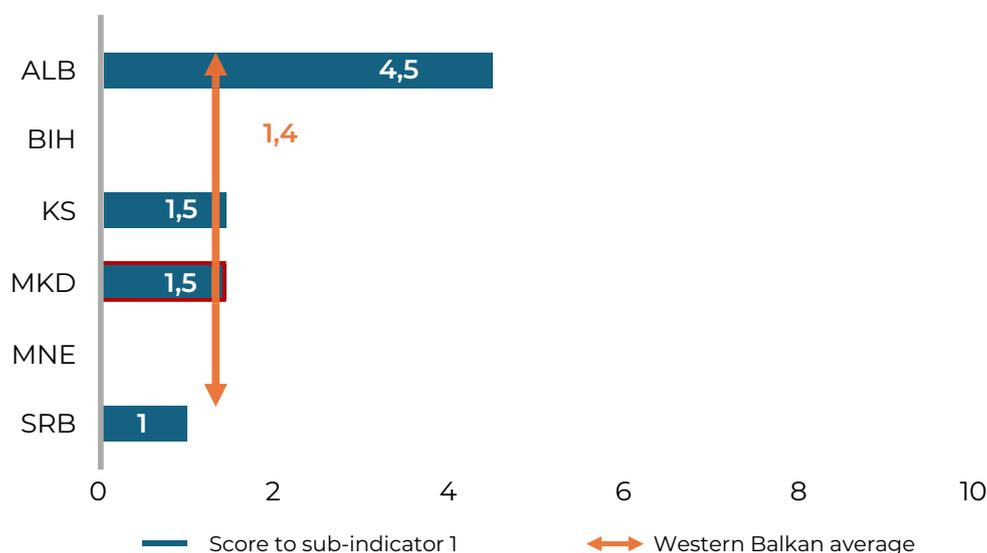
some individual consultations may occur, they are neither open nor public. Over recent years, openness has remained largely unchanged, with minimal improvements or setbacks.¹⁴

The third key KI tends to disagree that the budget formulation process is transparent or inclusive. They report limited participation in consultative meetings due to the lack of structured dialogue with civil society, with opportunities often being last-minute and ineffective in shaping budget priorities. Draft budgets are not shared early, consultations are formalistic, and crucial information is often missing. Although some technical improvements exist, such as citizens' budgets and open finance, inclusiveness remains low, with few channels for meaningful CSO or think tank input. Recent years have seen minimal progress, and inclusiveness may have declined during political transitions.

The results of the public perception survey serve as the basis for point allocation under this element.¹⁵ Points are awarded based on the percentage of citizens who responded "agree" or "strongly agree" to the statement: "I have the opportunity to influence how state budget funds are spent." Namely, 19.7% of respondents feel they have the opportunity to influence how state budget funds are spent, with 6.2% strongly agreeing and 13.5% agreeing.

How does North Macedonia do in regional terms?

Sub-indicator 1: Inclusiveness and transparency of the budget formulation process (maximum score 12.5)



¹⁴ See IBI IBP scoring: <https://internationalbudget.org/open-budget-survey/country-results/2023/north-macedonia>. Accessed November 2025.

¹⁵ The public perception survey was conducted from 1 February until the 22 February 2025, N=1008.

II.2 Availability and comprehensiveness of budgetary documentation

- ➡ **Principle 23:** The annual budget is comprehensive and formulated within a credible and rolling medium-term framework, balancing policy needs with fiscal constraints.
- ➡ **Principle 25:** The government implements the budget in line with estimates and reports on it in a comprehensive and transparent manner, allowing for timely scrutiny.
- ➡ **Principle 26:** Public administration bodies manage resources in an effective and compliant manner to achieve their objectives.

Awarded points per element in sub-indicator 2:

Availability and comprehensiveness of budgetary documentation¹⁶

Indicator elements	Element type	Score
E 2.1 There is a strategic document in force that envisages improvement of the transparency of budgetary documentation	Strategy and policy	0/1
E 2.2 Enacted annual budget includes a medium-term perspective illustrating how revenue and expenditure will develop beyond the next fiscal year	Practice in implementation	0/3
E 2.3 Budget documentation presents the budget implications on the priority policy areas	Practice in implementation	2/2

¹⁶ The second sub-indicator focuses on the following SIGMA sub-principles: The government stimulates citizen engagement in the budgeting process by making a complete set of budget documentation publicly available, preparing a citizen budget and using open budgeting tools; the annual budget documentation is comprehensive and includes all public expenditures and revenues, fiscal risks, tax expenditures and multi-annual commitments; the budget is presented in administrative, economic, functional and programmatic terms, and makes use of non-financial performance information; expenditures related to policies such as green transition and gender equality are tracked to assess the impact of initiatives where there are relevant targets or goals; the Ministry of Finance monitors the execution of the budget throughout the financial year and regularly publishes budget-execution information to enable effective decision-making and transparency; the government publishes its annual financial report no later than six months after the end of the financial year; the International Organization of Supreme Audit Institutions (INTOSAI) audits the report, and the Parliament discusses it before the next budget debate; the annual financial report of the government is comprehensive and based on an appropriate financial reporting framework, is in a format mirroring the format of the budget, explains variations from the budget figures, includes an analysis of state assets and liabilities, and contains non-financial performance information comparing results with performance targets; the government, in its annual financial report or a separate report, provides information on the significant economic, social and environmental impacts of its policies, procurements and operations; the government provides information on capital investment in its annual financial report or a separate report; a single ministry co-ordinates implementation of internal control, reviews progress and reports annually to the government on the development of internal control in the public sector.

E 2.4 Citizen Budget is regularly published online	Practice in implementation	2/2
E 2.5 In-year budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation	3/3
E 2.6 Mid-year budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation	3/3
E 2.7 In-year and mid-year budget execution reports contain data on budget spending by different expenditure classifications	Practice in implementation	1/3
E 2.8 Year-end budget execution reports are published in a timely manner and are easily accessible online	Practice in implementation	3/3
E 2.9 Year-end budget execution reports contain data on budget spending by different expenditure classifications	Practice in implementation	4/4
E 2.10 Year-end budget execution reports or separate reports contain information on the significant impacts of the budget implementation on the priority policy areas	Practice in implementation	0/2
E 2.11 Year-end budget execution reports or separate reports contain information on capital investment	Practice in implementation	0/3
E 2.12 Consolidated annual reports on internal financial control and internal audit are timely published and easily accessible online	Practice in implementation	1/2
E 2.13 Budgetary data is published in open data format	Practice in implementation	1/2
E 2.14 Key non-state actors consider that the budgetary documentation is comprehensive and enables further research	Outcomes and impact	1.5/3
E 2.15 Citizens' perception of availability of budget execution information	Outcomes and impact	0.5/2
Total score for sub-indicator 2		22.5/38

Since the previous monitoring cycle, the Ministry of Finance (MF) has continued its efforts to improve budget transparency by publishing data on the revenue and expenditure of public institutions, local government authorities and state-owned companies every quarter. Budget transparency remains limited, as indicated by the low score of 35 in the latest Open Budget Survey, well below the global average of 45.¹⁷ Implementation of the reforms set out in the Organic Budget Law (OBL) remains behind schedule, with the law's entry into force now postponed to January 2026. Although some progress was achieved through the adoption of 17 bylaws in December 2024, full implementation of the OBL by 2026 appears unlikely, given the ongoing delays in adopting all secondary legislation and establishing the Integrated Financial Management Information System (IFMIS).¹⁸

Researchers reviewed official government strategic documents to determine whether they included specific measures to improve the transparency of budgetary documentation for the public and clearly assigned responsibilities. In this regard, they assessed that there are no concrete measures or activities to improve the transparency of budgetary documentation. Namely, there is no strategic document that envisages measures or actions to increase the transparency of budgetary documentation.

Moreover, the researchers examined the last two annual budgets to determine whether they provided medium-term forecasts of revenues and expenditures (at least two years beyond the budget year). Namely, the general section of the annual budgets, both for 2024¹⁹ and 2025,²⁰ contains an overview of development sub-programmes, with approved funds for the current fiscal year and projections for the following two years, for each budget user, as well as funds by programmes, sub-programmes, and items.

In addition, both annual budgets include a development section that contains the development plans for budget users by programmes, sub-programmes, and items for the current fiscal year, as well as projections for the following two years. These budgets do not contain medium-term projections on aggregate revenues and expenditures.

The MF has pointed out that, pursuant to the Organic Budget Law, Fiscal Strategy comprises medium-term guidelines and goals of fiscal policy, main macroeconomic projections, amounts for the main categories of projected

¹⁷ COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2025 Report* (European Commission, 4 November 2025), https://enlargement.ec.europa.eu/north-macedonia-report-2025_en. Accessed 25 November 2025.

¹⁸ Ibid.

¹⁹ *Budget of the Republic of North Macedonia for 2024*, (<https://finance.gov.mk/wp-content/uploads/2023/11/za-Sobranie-Buxet-2024-so-obrazloz-1.pdf>). Accessed 25 November 2025.

²⁰ *Budget of the Republic of North Macedonia for 2025*, (<https://portal.mdt.gov.mk/post-body-files/budzet-2025-file-6JMz.pdf>). Accessed 25 November 2025.

revenues and expenditures, budget deficit and debt projections, the medium-term budget framework, etc.²¹ However, the enacted, official budget does not contain medium-term projections of aggregate revenues and expenditures, nor does it contain medium-term projections segregated by budget users and/or programmes.

The researchers also analysed the last two annual budgets and related documents to assess whether they explain how the budget impacts key policy areas: private sector development, green and digital transition, human capital, and fundamental rights and rule of law.

Both the 2024 and 2025 annual budgets include identical reflections on the programs they envisage, intended to realise the strategic priorities outlined in the Government programmes. These include all of the abovementioned areas. Namely, the government's budget priorities focus on economic growth and job creation through private sector support and infrastructure investments; green and digital transition via environmental protection, sustainable development, and strengthened Information Communication Technology (ICT) capacities; human capital development by improving employment opportunities and living standards for vulnerable groups; and fundamental rights and rule of law through judicial reform, anti-corruption measures, and enhanced international cooperation.

The researchers checked the MF's website to see whether a simplified, reader-friendly Citizens' Budget for the current and previous fiscal years is available online. The MF's website points to a specific web application developed during a hackathon organised by the MF and the Fund for Innovation and Technological Development of the Republic of North Macedonia. The Citizens' Budget application brings the budget closer to citizens in a simple, interactive way, informing them about how the budget is drawn up, filled, and spent. The web application contains data on all annual state budgets from 2017 to 2025 and is available in both official languages (Macedonian and Albanian) and English.²²

Researchers examined the official website of the responsible institution to see if monthly or quarterly in-year budget-execution reports were published on time (within four weeks of period-end) and were easily accessible (within three clicks from the homepage).

According to Article 53 of the Budget Law: "(1) Reports on the execution of the Budget of the Republic of North Macedonia shall be published on the website of the Ministry of Finance on a monthly basis."²³ Hence, during the PFM

21 Available at: <https://portal.mdt.gov.mk/post-body-files/fiskalna-strategija-file-bTH4.pdf>. Accessed 25 November 2025.

22 Citizen Budget web application, available at: <http://budget.finance.gov.mk/>. Accessed 25 November 2025.

23 Law on Budget (*Official Gazette of the Republic of Macedonia* No. 64/05, 4/08, 103/08, 156/09, 95/10, 180/11, 171/12, 192/15 and 167/16 and *Official Gazette of the Republic of North Macedonia* No. 151/21 and 3/25).

monitoring window, there should have been monthly reports on the execution of the June and July 2025 budgets. Both the June and July 2025 monthly reports are published on the Ministry of Finance's website. The abovementioned reports are easily accessible online, i.e., less than three clicks from the homepage of the Ministry of Finance's website.²⁴

Researchers also checked the official website of the MF to verify whether the last two mid-year budget execution reports were published on time (within three months of the period-end) and were easily accessible (within three clicks from the homepage). Since mid-year reports may fall outside the monitoring window, publication dates were checked retroactively. Only reports from the last two relevant years were considered.

According to Article 53 of the Budget Law: "(2) The Minister of Finance shall, no later than 31 July of the fiscal year, submit to the Government a report on the execution of the Budget of the Republic of North Macedonia for the first six months. (4) The report on the execution of the Budget referred to in paragraph (2) of this Article shall be published on the website of the Ministry of Finance."²⁵

Hence, the deadline for publishing the mid-year budget execution report for 2025 is still within the PFM monitoring window. Nevertheless, mid-year budget execution reports for 2024 and 2023 are available on the Ministry of Finance's website, published in July in the respective years, and are therefore considered timely. The abovementioned reports are easily accessible online, i.e. less than three clicks away from the homepage of the website of the Ministry of Finance.²⁶

It was also assessed whether the latest in-year (monthly or quarterly) and mid-year budget execution reports provided expenditure data by administrative units, economic categories, and functional purposes. Both monthly and quarterly reports were considered together if both exist. Only recent reports were analysed: in-year reports no older than three months (monthly) or six months (quarterly), and mid-year reports no older than one year.

Reports on the execution of the Budget of the Republic of North Macedonia are published on the website of the Ministry of Finance on a monthly basis.²⁷ Currently, three reports have been published on the execution of the budget for April, May, and June 2025, respectively, on its website. They contain data on expenditure by economic classification, by type of expenditure (e.g., salaries, capital investments, transfers to local levels, transfers to public enterprises, donations, subsidies, etc.). They do not contain data on expenditure according to the administrative or functional classification.

²⁴ Available at: <https://finance.gov.mk/mk-MK/oblasti/izvestai-trezor>. Accessed 25 November 2025.

²⁵ Law on Budget (*Official Gazette of the Republic of Macedonia* No. 64/05, 4/08, 103/08, 156/09, 95/10, 180/11, 171/12, 192/15 and 167/16 and *Official Gazette of the Republic of North Macedonia* No. 151/21 and 3/25).

²⁶ Available at: <https://finance.gov.mk/mk-MK/oblasti/izvestai-trezor>. Accessed 25 November 2025.

²⁷ Available at: <https://portal.mdt.gov.mk/post-body-files/izvestai-trezor-file-aEAz.pdf>. Accessed 25 November 2025.

The deadline for publishing the mid-year budget execution report for 2025 is still within the PFM monitoring window. Nevertheless, a mid-year budget execution report for 2024 is available on the Ministry of Finance's website.²⁸ This report contains data on expenditure by administrative classification (per budget users) and by economic classification (e.g., salaries, capital investments, transfers to local levels, transfers to public enterprises, donations, subsidies, etc.). It does not contain data on expenditure according to the functional classification.

Researchers checked the official websites of the Parliament and the MF to see whether the last two year-end budget reports were published on time (within six months of year-end) and were easily accessible (within three clicks). Publication dates were verified retroactively, and only reports from the last three relevant years are considered.

Year-end budget reports (final accounts) for both 2024 and 2023 are available on the Ministry of Finance's website. No dates are provided, indicating when they were published on the website. Both year-end budget reports for 2024 and 2023 are easily accessible online, i.e. less than three clicks away from the homepage of the website of the MF. The website of the Parliament states that the 2024 final account was published on 30 June 2025,²⁹ while the 2023 final account was published on 11 June 2024.³⁰

Furthermore, it was assessed whether the last two year-end budget reports present expenditure data by administrative units, economic categories, functional purposes, and government programmes with their associated activities and projects. In that regard, the 2023³¹ and 2024³² year-end budget reports provide expenditure data across all classifications: administrative (per budget users), economic (by type of expenditure), functional (by purpose), and programme (by government programmes, sub-programmes, and development sub-programmes).

Researchers examined the last two year-end budget reports to see if they provide information on how budget implementation affected key policy areas: private sector, development, green and digital transition, human capital, and fundamental rights and the rule of law. Only reports from the last three relevant years were considered.

28 Ibid.

29 *Draft Final Account of the Budget of the Republic of North Macedonia for 2024*, <https://www.sobranie.mk/detali-na-materijal.nspix?param=9664343a-973b-49b8-be30-2808d84d9785>. Accessed 25 November 2025.

30 *Draft Final Account of the Budget of the Republic of North Macedonia for 2023*, <https://www.sobranie.mk/detali-na-materijal.nspix?param=cfd01d24-941e-4f57-8e24-4d371f66c4be>. Accessed 25 November 2025.

31 Available at: <https://portal.mdt.gov.mk/post-body-files/zavrsni-smetki-file-J9RC.pdf>. Accessed 25 November 2025.

32 Available at: <https://portal.mdt.gov.mk/post-body-files/zavrsni-smetki-file-gBOo.pdf>. Accessed 25 November 2025.

The 2023³³ and 2024³⁴ year-end budget reports provide quantitative expenditure data by programme linked to strategic government priorities. However, they only report amounts spent and do not include details on activities carried out or the impact on priority policy areas, which cover the following:

- Private sector development and business environment: 2024—MKD 7,564,532,647; 2023—MKD 6,903,223,560 (Programme D. Economic Development).
- Green and digital transition: 2024—MKD 315,423,385 (Programme S. Environmental Improvement) and MKD 1,735,920,016 (Programme N. ICT); 2023—MKD 187,498,913 and MKD 981,699,723, respectively.
- Human capital: 2024—MKD 1,593,597,585; 2023— MKD 2,747,007,967 (Programme B. Poverty Reduction Measures).
- Fundamental rights and rule of law: 2024—MKD 592,008; 2023—MKD 499,836 (Programme D. Strengthening the Rule of Law).

The last two-year-end budget reports on capital investments were reviewed to determine whether they provided information on the five largest projects (by annual expenditure), including physical progress, reasons for spending deviations, and a citizen-friendly presentation (e.g., infographics). Only reports from the last three relevant years were considered. Namely, both year-end budget reports (final accounts) for 2024³⁵ and 2023³⁶ mentioned investments in various areas, such as railway transport, education, and technology, and included quantitative data on expenditure on those investments. However, these reports do not include information on the physical progress of major investment projects, do not explain spending variations, and do not include citizen-friendly sections.

The MF's website was reviewed to see if the last two consolidated annual reports on internal financial control and internal audit were published on time (within the legal deadline) and were easily accessible (within three clicks). Only reports from the last three relevant years were considered.

According to Article 48 of the Law on Public Internal Financial Control,³⁷ the Central Harmonization Unit (CHU) is obliged to prepare an annual report on the functioning of the public internal financial control system,³⁸ which the MF submits to the

33 Available at: <https://portal.mdt.gov.mk/post-body-files/zavrsni-smetki-file-J9RG.pdf>. Accessed 25 November 2025.

34 Available at: <https://portal.mdt.gov.mk/post-body-files/zavrsni-smetki-file-gBQo.pdf>. Accessed 25 November 2025.

35 Ibid.

36 Available at: <https://portal.mdt.gov.mk/post-body-files/zavrsni-smetki-file-J9RG.pdf>. Accessed 25 November 2025.

37 Available at: <https://portal.mdt.gov.mk/post-body-files/centralna-edinica-za-xarmonizacija-na-sistem-na-jvfk-file-s5ZJ.pdf>. Accessed 25 November 2025.

38 Available at: <https://portal.mdt.gov.mk/post-body-files/centralna-edinica-za-xarmonizacija-na-sistem-na-jvfk-file-hH8C.pdf>. Accessed 25 November 2025.

Government, no later than the end of July of the current year for the previous year. The CHU is responsible for: preparation of laws and by-laws in the field of financial management and control and internal audit; preparation of methodology and standards for work on financial management and control and internal audit; coordination of training for managers and employees involved in financial management and control and internal audit; coordination in the establishment and development of the internal financial control system; preparation of approval for reassignment or dismissal of internal auditors under Article 33 paragraph (7) of this Law, (repealed by Decision of the Constitutional Court of the Republic of Macedonia published in the “Official Gazette of the Republic of Macedonia” No. 147/17); establishment and maintenance of a database on internal audit units and adopted charters; establishment and maintenance of a register of certified internal auditors who have passed the certified internal auditor exam in the public sector and hold an internationally recognised audit certificate; cooperation with institutions responsible for public internal financial control issues from the country and abroad and exchange of information for the development of public internal financial control; supervision of the quality of the financial management and control system; supervision of the quality of the operation of internal audit units; preparation of an annual report on the functioning of the public internal financial control system based on the annual financial reports referred to in Article 47 of this Law, which the Ministry of Finance submits to the Government of the Republic of Macedonia, no later than the end of July of the current year for the previous year, and the organisation of ad hoc audits performed by internal auditors from individual public sector entities, for audits where the subject of the audit exceeds the scope, i.e. the competence of the individual public sector entity or the subject of the audit is of such a nature that the multidisciplinary approach to internal audit is more useful.³⁹

The Public Internal Financial Control (PIFC) Annual Report for 2024 was submitted to the Government on time, within the legally established deadline (end of July 2025); however, it was not adopted during the monitoring period. The 2023 annual report on the functioning of the public internal financial control system was published on the official website of the Ministry of Finance in July 2024. It also contains an analysis of the internal audits of budget beneficiaries.⁴⁰ The 2023 annual report is easily accessible online, i.e. less than three clicks away from the homepage of the website of the Ministry of Finance.

Also, it was assessed whether budgetary data on planned or executed revenues and expenditures for the central government were published in machine-readable formats (e.g., XML, XLSX, CSV, JSON) within the past year. Full points required that the dataset be available on both the national open data portal and the responsible ministry's website.

³⁹ Ibid.

⁴⁰ Available at: <https://portal.mdt.gov.mk/post-body-files/centralna-edinica-za-xarmonizacija-na-sistem-na-ivfk-file-hH8C.pdf>. Accessed 25 November 2025.

The 2025 budget is only available in PDF format on the MF's website; no open data format is available. However, there is an XLSX table of the execution of the 2024 budget on the MF's website that displays executed revenues and expenditures for 2024.⁴¹ In addition, the monthly reports on the execution of the 2025 budget for February, April, and May 2025, in XLSX format, are available on its website. The national open data portal was not working during the monitoring period.

The Kis' interviews were used to assess perceptions of the availability, accessibility, and comprehensiveness of budget documents. Interviewees rated their agreement with statements on whether annual budgets and budget execution reports are comprehensive and provide sufficient information for research, analysis, and policy monitoring.⁴²

The first KI tended to agree that annual budgets are comprehensive and adequate for research, but tended to disagree regarding the comprehensiveness and usefulness of budget execution reports. The KI noted that while both budgets and execution reports are available on the MF website, navigation is difficult, and the documents are highly technical, lacking visual aids or summaries for non-experts. They also lack detailed programme and outcome data, as well as policy indicator information. Although the KI's organisation uses these documents for research and advocacy, their usability is limited by insufficient detail and poor user-friendliness.

The second KI tended to agree that annual budgets are comprehensive and adequate for research and tended to agree on the comprehensiveness of budget execution reports, but tended to disagree that they provide sufficient information for analysis and monitoring. The KI noted that budgets and reports are accessible online but not in machine-readable formats, limiting usability. While somewhat understandable for non-experts, the absence of citizen-friendly versions reduces accessibility for the general public. Linking budgets to policies is difficult due to the lack of performance budgeting. The KI's organisation uses public budget documents for research and advocacy, but often needs to engage directly with institutions to obtain more detailed or disaggregated data. Main challenges include the lack of machine-readable and policy-linked data.

The third key informant tended to agree that both annual budgets and budget execution reports are comprehensive and adequate for research and analysis. They assessed online accessibility as satisfactory, highlighting the open.finance.gov.mk platform as a major improvement in transparency and data accessibility. However, delayed updates reduce its reliability for continuous monitoring. The KI noted that most budget documents are not user-friendly for non-experts, often lacking open formats, explanatory notes, and visual summaries. Execution reports remain highly technical and rarely link spending to outcomes.

⁴¹ Available at: <https://finance.gov.mk/mk-MK/oblasti/izvestai-trezor>. Accessed 25 November 2025.

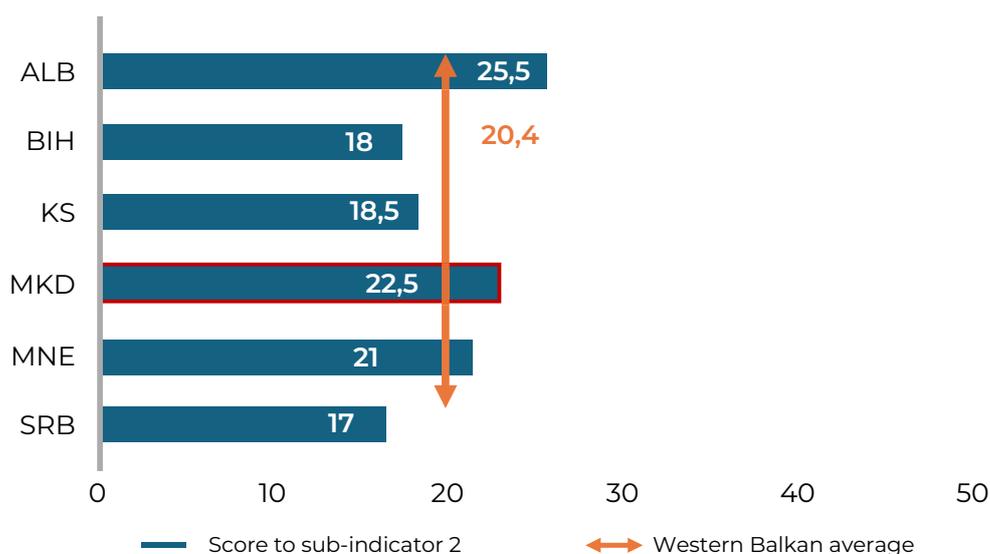
⁴² Interview with Analytica was conducted on 1 July 2025; interview with CEA was conducted on 7 July 2025; and interview with ZMAI was conducted on 10 July 2025.

Key gaps include missing output-level data, limited explanations for spending deviations, and a lack of programmatic or results-based tracking. While KI's organisation regularly uses these documents for research, advocacy, and public finance monitoring, their usefulness is constrained by the need for manual data processing and additional information requests due to inconsistencies and missing data.

Points were awarded based on the share of citizens in the public perception survey who agreed that state budget spending information is published: 0.5 points (20–40%), 1 point (40–60%), 1.5 points (60–80%), and 2 points (over 80%). Hence, a total of 30.8% of respondents indicated agreement, with 6.9% strongly agreeing and 23.9% agreeing that state authorities publish information on how budget funds are spent.⁴³

How does North Macedonia do in regional terms?

Sub-indicator 2: Availability and comprehensiveness of budgetary documentation (maximum score 38)



⁴³ The public perception survey was conducted from 1 February until the 22 February 2025, N=1008.

II.3 Transparency and competitiveness of the public procurement system

- ⇒ **Principle 28:** Public procurement legislation, including public-private partnerships and concessions, is based on principles of equal treatment, non-discrimination, transparency, proportionality and competition, and supported by a sound governance framework.
- ⇒ **Principle 29:** Contracting authorities conduct public procurement operations, including public-private partnerships, efficiently and economically.

Awarded points per element in sub-indicator 3:

Transparency and competitiveness of the public procurement system⁴⁴

Indicator elements	Element type	Score
E 3.1 There is a strategic document in force that envisages improvement in transparency and competitiveness of the public procurement system	Strategy and policy	1/1
E 3.2 Regulations stipulate transparency and competitiveness as the key principles of public procurement processes	Legislation	1/1
E 3.3 No special legislation creates exceptions from the general law on public procurement	Legislation	0/1.5

⁴⁴ The third sub-indicator focuses on the following SIGMA sub-principles: the public administration has clear and comprehensive policies in place for the longer-term development of the public procurement system, including public-private partnerships (PPPs) and concessions; public procurement legislation, including (PPPs) and concessions, reflects internationally recognised principles such as value for money, free competition, transparency, non-discrimination, equal treatment, mutual recognition and proportionality; a body with a clear political and legal mandate at central level is entrusted with a policy-making function to steer and manage public procurement reform; the key functions and responsibilities to implement the public procurement system are clearly distributed among central procurement institutions, which have the necessary authority and resources; a central procurement body monitors, oversees and evaluates the procurement system and identifies possible improvements. It provides public access to consolidated data on public procurement operations, including both contract award and performance; contracting authorities widely use e-procurement, which covers all stages of the procurement process; the public procurement market is competitive and attracts the interest of domestic and international economic operators, especially small- and medium-sized enterprises; contracting authorities develop annual or multi-annual procurement plans aligned with budget planning and publish them on time; a thorough needs analysis and market research guide the preparation of individual procurement, including the definition of desired outcomes; competitive procedures are standard procurement methods, and contracting authorities use other procedures only in duly justified exceptional circumstances.

E 3.4	There is a designed central procurement body that supports transparency and competitiveness of public procurement processes	Institutional set-up	2/2
E 3.5	Central procurement body regularly reports to the public on the implementation of overall public procurement policy	Practice in implementation	2/2
E 3.6	Reporting on public procurement policy by the central procurement body is citizen-friendly	Practice in implementation	1.5/1.5
E 3.7	Central review body regularly reports to the public on procedures for the protection of the rights of bidders in public procurement	Practice in implementation	0/2.5
E 3.8	Public procurement portal is user-friendly	Practice in implementation	3/3
E 3.9	Central-level contracting authorities regularly publish up-to-date annual procurement plans that are easily accessible online	Practice in implementation	3/3
E 3.10	Central-level contracting authorities regularly publish annual procurement reports that are easily accessible online	Practice in implementation	0/3
E 3.11	Open procedures represent a standard public procurement method	Practice in implementation	2/2
E 3.12	Public procurement processes are competitive	Practice in implementation	1/2
E 3.13	Public procurement data is available in open format(s)	Practice in implementation	1/2
E 3.14	Key non-state actors consider public procurement system as competitive and transparent	Outcomes and impact	1.5/3
E 3.15	Key non-state actors consider exceptions from public procurement law as adequately regulated and applied in practice	Outcomes and impact	1.5/3
Total score for sub-indicator 3			20.5/32.5

Since the previous monitoring cycle, North Macedonia has performed well in terms of its legislative and institutional framework for public procurement. The 2019 Public Procurement Law (PPL) is largely aligned with EU legislation.⁴⁵ However, there are still implementation challenges. Overall, the reforms of the public procurement system have yet to produce tangible improvements in economic impact or operational efficiency.⁴⁶ The electronic procurement system continues to operate effectively. On 1 April 2025, the Public Procurement Bureau (PPB) introduced an upgraded version of the platform.⁴⁷

The researchers reviewed valid government strategic documents (strategies or programmes) to check whether they included concrete measures to enhance the transparency and competitiveness of the public procurement system, with clearly assigned responsibilities. If no such measures are foreseen, no points are awarded.

The Strategy for Improving the Public Procurement System in the Republic of North Macedonia for the period 2022–2026 is the key strategic document focusing on enhancing the public procurement system. One of its key objectives is increasing transparency, efficiency and improving the flow of information. In addition, it mentions enhancing competitiveness throughout the text.⁴⁸ In Priority Area 6: Measures for Combating Corruption and Conflicts of Interest, the following measure is envisaged: establishment of guidelines and methods for using “red flags” to appropriately identify possible illegal agreements between economic operators. Responsible institutions: (PPB, Ministry of Energy, Mining and Mineral Resources, State Appeals Commission for Public Procurement, State Commission for Prevention of Corruption, State Audit Office and Commission for Protection of Competition). In Priority Area 7: Environmentally and Socially Responsible Public Procurement, Encouragement of Innovation in Procurement, the following measures are envisaged: professionalisation and improvement of operational capacities at the level of contracting authorities and other participants in public procurement procedures, with the aim of proper application of regulations in this area, where the responsible institution is PPB; preparation of guidelines and documents for small and medium enterprises (SMEs) and training for participation in the public procurement market where

45 COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2025 Report* (European Commission, November 4, 2025), https://enlargement.ec.europa.eu/north-macedonia-report-2025_en. Accessed 25 November 2025.

46 COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2025 Report* (European Commission, November 4, 2025), https://enlargement.ec.europa.eu/north-macedonia-report-2025_en. Accessed 25 November 2025.

47 COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2025 Report* (European Commission, November 4, 2025), https://enlargement.ec.europa.eu/north-macedonia-report-2025_en. Accessed 25 November 2025.

48 *Strategy for Improving the Public Procurement System in the Republic of North Macedonia for the Period 2022–2026* (Public Procurement Bureau, 2021), <https://www.bjn.gov.mk/wp-content/uploads/2024/10/Strategija-a.pdf>. Accessed 25 November 2025.

the responsible institution is PPB. Namely, all the above-mentioned measures enhance transparency and competitiveness in public procurement, thereby fulfilling the criteria for this element. Also, the Strategy is implemented through annual Action Plans, which define the activities to implement the measures and designate the responsible institutions.⁴⁹

Researchers also examined current regulations to identify provisions that establish transparency and competitiveness as key principles of public procurement, citing specific legal references that define these principles.

Art. 3 of the Law on Public Procurement⁵⁰ establishes that the public procurement system must adhere to principles such as the free movement of goods, freedom of establishment and service provision, economy, efficiency, competitiveness, transparency, equal treatment, and proportionality.

The principle of competitiveness between economic operators is further regulated in Art. 5.⁵¹ It specifies that competitiveness must not be unreasonably restricted. Contracting authorities must comply with competition regulations, cannot limit potential tenderers through the choice or conduct of procedures, and cannot impose requirements such as the use of specific subcontractors or the performance of unrelated activities.

The principle of transparency between economic operators is further regulated in Art. 6.⁵² Namely, the contracting authority must carry out public procurement transparently, following the law and related regulations, by publishing the procurement plan, notices, tender documents, contracts, and any amendments.

Researchers reviewed regulations enacted by parliament up to five years prior to the measurement to determine whether any special law (i.e., *lex specialis*) introduced exceptions to the public procurement system (the procedures prescribed by the Law on Public Procurement). For additional narrative purposes, researchers cite articles/paragraphs in special laws that derogate from the general public procurement law. In addition, researchers reviewed other publicly available secondary sources, such as reports, analyses, and articles, to determine whether any special rules derogate from the general public procurement law.

Namely, the Law on Public Procurement is the general law regulating the public procurement system in North Macedonia. Chapter 5 lists exceptions to the application of the Law, including: general exceptions (Article 23); public procurement for the needs of diplomatic and consular missions (Article 22); public procurement between contracting authorities (Article 24); public pro-

49 Ibid.

50 Law on Public Procurement (*Official Gazette of the Republic of Macedonia* no. 24/19 and *Official Gazette of the Republic of North Macedonia* no. 87/21 and 14/25).

51 Ibid.

52 Ibid.

curement carried out by an affiliated company or by a group of contracting authorities where the contracting authority is part of the group (Article 25); and sectoral activities directly exposed to competition (Article 26).

In addition, the Law states that certain combined public procurement contracts (as defined in Article 20) are subject to the Law on Concessions and Public–Private Partnership. In contrast, public procurement involving aspects of defence and security (Article 19) is subject to the application of the Law on Public Procurement in the Field of Defence and Security.

A specific law explicitly deviating from the general Law on Public Procurement is the Law on Determining Public Interest and Nominating a Strategic Partner for the Implementation of the Project for the Construction of the Infrastructure Corridor 8 (Section: Tetovo – Gostivar – Bukojchani, and the Project for the Highway Trebenista – Struga – Kafasan) and the Corridor 10E (Section of the Highway Prilep – Bitola) in the Republic of North Macedonia.⁵³ This Law regulates the details regarding the planning, design, construction and use of part of Corridor 8, Section: Tetovo – Gostivar – Bukojchani, and the Trebenishta – Struga – Kjafasan Highway Project, and the planning, design, construction, and use of Corridor 10e, section of the Prilep – Bitola Highway as projects of national interest and nominates a strategic partner for the implementation of the projects in order to achieve sustainable and safe development of the regional connectivity of the Republic of North Macedonia through the completion of the Pan-European Corridors 8 and 10e. Article 3 paragraph 4 contains a general derogation from other laws: “(4) This law shall be applied as a special law excluding the application of other laws in whole or in part, i.e. which shall be applied regardless of other applicable laws in North Macedonia and in relation to all issues regulated by this law.” In contrast, Article 4 paragraph 2 contains a specific derogation from the Law on Public Procurement: “(2) The provisions of the Law on Public Procurement shall not apply to the award of contracts related to the preparation and implementation of the Project.”

Researchers verified whether a central procurement authority exists and assessed if it has the following qualities:

1. Monitors and reports on national public procurement implementation,
2. Provides professional support to procurement participants, and
3. Publishes relevant regulations, manuals, forms, and links to the public procurement portal online.

⁵³ Law on Determining Public Interest and Nominating a Strategic Partner for the Implementation of the Project for the Construction of the Infrastructure Corridor 8 (Section: Tetovo – Gostivar – Bukojchani and the Project for the Highway Trebenista – Struga – Kafasan) and the Corridor 10 E (Section of the Highway Prilep – Bitola) in the Republic of North Macedonia (*Official Gazette of the Republic of North Macedonia* no. 163/21, 111/23 and 255/24).

According to Art. 43 of the Law on Public Procurement, “the work related to the development of the public procurement system, as well as ensuring rationality, efficiency and transparency in the implementation of public procurement, shall be carried out by the PPB, as a state administration body within the MF.”⁵⁴

Art. 45 lists the competences of the PPB, established as the central procurement body in North Macedonia. It is responsible for overseeing, managing, and improving the public procurement system. Its tasks include proposing legal acts, monitoring and analysing procurement practices, issuing opinions and guidance, developing and managing the Electronic Public Procurement System (EPPS), ensuring transparency and efficiency, providing training and professional standards, cooperating with domestic and international stakeholders, managing procurement data and reporting, handling irregularities and complaints, and performing other duties assigned by law.⁵⁵

It also publishes relevant documentation and materials, such as laws, by-laws, EU regulations⁵⁶ models of tender documentation, models of technical specifications,⁵⁷ agreement models⁵⁸, other models, and strategic documents and policies.

In addition, there is an entire section for participants’ education on public procurement procedures, including guidelines, training and exam registration forms, and a transparency tool with data on the public procurement exam.⁵⁹ The PPB website also includes a link to the public procurement portal.⁶⁰

Researchers also reviewed whether the PPB regularly reports to the public on the implementation of the overall public procurement policy. The reports covering the last two full calendar years were taken into consideration. The 2024 Annual Report of the PPB⁶¹ and the 2023 Annual Report⁶² are both available on the official website of the PPB.

Moreover, it was assessed whether the PPB’s reporting on public procurement policy is citizen-friendly. Citizen-friendly reporting requires that reports include concise, easy-to-read summaries of key outcomes; present main procurement

54 Ibid.

55 Ibid.

56 Available at: <https://www.bjn.gov.mk/propisi/propisi-na-eu/>. Accessed 25 November 2025.

57 Available at: <https://www.bjn.gov.mk/%d0%bc%d0%be%d0%b4%d0%b5%d0%bb%d0%b8/mod-eli-na-tehnicki-specifikacii/>. Accessed 25 November 2025.

58 Available at: <https://www.bjn.gov.mk/%d0%bc%d0%be%d0%b4%d0%b5%d0%bb%d0%b8/mod-eli-na-dogovori/>. Accessed 25 November 2025.

59 Available at: <https://www.bjn.gov.mk/%d0%b5%d0%b4%d1%83%d0%ba%d0%b0%d1%86%d0%b8%d1%98%d0%b0/>. Accessed 25 November 2025.

60 Available at: <https://www.bjn.gov.mk/esjn/>. Accessed 25 November 2025.

61 Available at: https://www.bjn.gov.mk/wp-content/uploads/2025/07/Izvestaj_BJN_2024_Final.pdf. Accessed 25 November 2025.

62 Available at: https://www.bjn.gov.mk/wp-content/uploads/2025/01/izvestaj_BJN_2023.pdf. Accessed 25 November 2025.

results visually (e.g., graphs); and be easily accessible from the central procurement authority's homepage within three clicks. The 2024 Annual Report of the PPB⁶³ and the 2023 Annual Report⁶⁴ are both available on the official website of the PPB. There are excerpts from both the 2024⁶⁵ and 2023 reports that include concise, reader-friendly summaries of the main outcomes during the reporting period and visual presentations of the main procurement outcomes in tables, graphs, and charts. The reports are also published on a clearly designated website location, accessible from the PPB homepage in less than three clicks.

Furthermore, it was assessed whether the State Commission for Complaints in Public Procurement, as a central review body, regularly reports to the public on procedures for the protection of the rights of bidders in public procurement. According to Article 135 of the Law on Public Procurement: "(1) The State Commission shall submit an annual report on its operations to the Parliament of the Republic of Macedonia by the end of March of the current year for the previous year."⁶⁶ However, the annual reports for 2024 and 2023 are not available on the Commission's official website or on the national public procurement portal. Previous annual reports, including the 2022 report, which is the most recently published,⁶⁷ are available on the official website of the Commission.⁶⁸

Researchers also assessed whether the central public procurement portal is user-friendly, i.e. whether it provides free access to full tender documents, a glossary of key terms, a how-to guide, an FAQ section, a search function with key filters (notice type, contracting body, contractors, time period), and downloadable procurement data in open format. Namely, the portal has all the above-mentioned functions,⁶⁹ more precisely, it provides the following:

- » Free of charge access to full tender documentation (no subscription fees or any similar monetary barrier): The central public procurement portal has a section for tender notices where users can review full tender documentation free of charge and without registration/logging into their accounts (to download such documentation, they need to register/log in).⁷⁰

63 Available at: https://www.bjn.gov.mk/wp-content/uploads/2025/07/Izvestaj_BJN_2024_Final.pdf. Accessed 25 November 2025.

64 Available at: https://www.bjn.gov.mk/wp-content/uploads/2025/01/izvestaj_BJN_2023.pdf. Accessed 25 November 2025.

65 Available at: <https://www.bjn.gov.mk/wp-content/uploads/2025/08/Izvadok-od-godisen-iz-vestaj-2024.pdf>. Accessed 25 November 2025.

66 Law on Public Procurement (*Official Gazette of the Republic of Macedonia* no. 24/19 and *Official Gazette of the Republic of North Macedonia* no. 87/21 and 14/25)

67 Available at: <https://bit.ly/49uUj7P>. Accessed 25 November 2025.

68 Available at: <https://dkzin.mk/tag/mk-za-komisijata-izvestaj-godisni-izvestaj>. Accessed 25 November 2025.

69 Available at: <https://e-nabavki.gov.mk/PublicAccess/Home.aspx#/home>. Accessed 25 November 2025.

70 Available at: <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/notices>. Accessed 25 November 2025.

- » Glossary of key public procurement terms: A comprehensive glossary is available on the PPB's official website.⁷¹ The terminology available on the PPB website is also available on the public procurement portal homepage, under the "Notifications" section.⁷²
- » How-to guide for using the portal (textual or multimedia format): There are several instruction guides published in Word and PDF on the central public procurement portal,⁷³ and there is also a video guide for using the portal published on the PPB's YouTube account.⁷⁴
- » Frequently Asked Questions (FAQ) section: There is a FAQ section on the central public procurement portal.⁷⁵
- » Search function that includes at least the following search options: Notice type, contracting body, contractors (contracted bidders), and time period: the section of the central public procurement portal where tender notices are published, contains many search parameters, including contracting body, number of the advertisement, subject of the contract (or a part thereof), type of procedure, criteria, search period, type of contract and status of advertisement.⁷⁶ In addition, there is a separate section on the portal where awarded contracts are listed. This list can be searched using the same parameters as mentioned above.⁷⁷
- » Downloadable procurement data in open format: Data on concluded public procurement agreements may be downloaded from the central public procurement portal in CSV format,⁷⁸ and there is also a special section on the portal for open data on announcements, contracted entities, auctions, cancellations, and users.⁷⁹

The researchers also analysed whether the central-level contracting authorities regularly publish up-to-date annual procurement plans that are easily accessible online. Namely, according to the 2024 annual report of the PPB, the five contracting authorities with the highest contracted procurement values were as follows:

71 Available at: <https://www.bjn.gov.mk/propisi/terminologija/>. Accessed 25 November 2025.

72 Available at: <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/home>. Accessed 25 November 2025.

73 Available at: <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/instruction-template-file>. Accessed 25 November 2025.

74 Available at: <https://www.youtube.com/watch?v=xHmd5aaX11E&list=TLGGOyZnJUgL9flyNzA3M-jAyNQ>. Accessed 25 November 2025.

75 Available at: <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/faq>. Accessed 25 November 2025.

76 Available at: <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/notices>. Accessed 25 November 2025.

77 Available at: <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/contracts/0>. Accessed 25 November 2025.

78 Ibid.

79 Available at: <https://e-nabavki.gov.mk/opendata-announcements.aspx#/home>. Accessed 25 November 2025.

1. Joint Stock Company for Electricity Production POWER PLANTS OF NORTH MACEDONIA, a state-owned company based in Skopje, with a total of MKD 10,363,591,357. (EUR 168,400)
2. Ministry of Health, with MKD 2,631,162,884. (EUR 42,738)
3. Public Enterprise for Maintenance and Protection of National and Regional Roads, Skopje c.o., with MKD 2,070,843,147.(EUR 33,701)
4. PHI University Clinic for Radiotherapy and Oncology, with MKD 1,957,958,342. (EUR 31,839)
5. Ministry of Interior, with MKD 1,684,038,771.(EUR 27,363)

Specifically, all public procurement plans of the aforementioned five contracting authorities are available for the current and the previous calendar year at the time of monitoring on the National Public Procurement Portal.⁸⁰ Also, at the listed links on the National Public Procurement Portal, you can review and compare the previous and current versions of the annual procurement plans. All of the plans can be found in no more than three clicks from the homepage of the National Public Procurement Portal.⁸¹

Researchers evaluated whether contracting authorities consistently use open public procurement procedures—those requiring publication of a notice under domestic regulations, including various open or competitive procedures. Consistency was measured by the share of open procedures in total procurements and the value of contracts awarded through them. The assessment was based on all procurements from the last calendar year, using the PPB’s annual report or FOIs.⁸²

Article 47 of the Law on Public Procurement lists the following types of public procurement procedures:

- a) Small value procurement;
- b) Simplified open procedure;
- c) Open procedure (‘Open procedures’ are those procedures whereby any interested economic operator may submit a tender);

80 Available at: <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/d064d2cd-1993-4cc3-afe7-b0ff00c0ea02/8> <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/def01e1b-a01d-44e3-9cfe-b27600ea2ccb/6>; <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/edafb02f-121a-4f1e-a0f0-b0f2012a24ea/6>; <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/fd138964-6d9f-45f4-965c-b27500726faa/3>; <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/8d23c2f5-a65c-4181-8c25-b10600b93b64/3>; <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/6ece1aa2-74c1-498d-aafb-b26f00bcd794/1>; <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/8d954f5a-f815-4e1f-b4e1-b0ff-00d55a9e/2>; <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/2d9ab55d-3d33-4163-8493-b27400d8d93c/4>; <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/ab18bf00-e723-4f29-862f-b0f200d3e9ee/7>; <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/dossie-annual-plan/9ba45890-2abd-4e5f-9b92-b26d00809137/2>. Accessed 25 November 2025.

81 Available at: <https://e-nabavki.gov.mk/PublicAccess/Home.aspx#/home>. Accessed 25 November 2025.

82 FOI sent to PPB on 10 July 2025 (response received on 11 July 2025).

- d) Restricted procedure—those procedures in which any economic operator may request to participate and whereby only those economic operators invited by the contracting authority may submit a tender;
- e) Competitive negotiated procedure;
- f) Competitive dialogue;
- g) Innovation partnership;
- h) Negotiated procedure without publishing a call, and
- i) Negotiated procedure by publishing a call.

Hence, procedures are overall open and competitive/published on the electronic system, except for h).⁸³

In 2024, 33,204 public procurement contracts were concluded, totalling MKD 83,235,937,897 (EUR 1,352,699). Only 0.04% of contracts by number and 1.6% by value were awarded through negotiated procedures without publishing a call. Breakdown by procedure type is as follows:

- Small value procurement: 10,933 contracts; MKD 2,937,180,264. (EUR 47,727)
- Simplified open procedure: 11,543 contracts; MKD 17,679,713,785. (EUR 287,337)
- Open procedure: 5,975 contracts; MKD 56,908,850,926. (EUR 924,038)
- Qualification system: 62 contracts; MKD 2,359,002,596. (EUR 38,329)
- Negotiated procedure with prior call: 15 contracts; MKD 1,718,359,827. (EUR 27,914)
- Negotiated procedure without call: 206 contracts; MKD 1,310,464,446. (EUR 21,296 EUR)
- Special services: 4,470 contracts; MKD 323,366,053. (EUR 5,252)⁸⁴

This indicates that nearly all public procurement in 2024 was conducted through open and competitive procedures.

Researchers assessed competitiveness by calculating the share of public procurement procedures with multiple tenderers. In 2024, 62.64% of procedures involved more than one tenderer, 33.53% had only a single tenderer, and 3.83% received no bids. Groups of tenderers submitting a joint bid are counted as a single tenderer.⁸⁵

⁸³ Law on Public Procurement (*Official Gazette of the Republic of Macedonia* no. 24/19 and *Official Gazette of the Republic of North Macedonia* no. 87/21 and 14/25).

⁸⁴ Available at: https://www.bin.gov.mk/wp-content/uploads/2025/07/Izvestaj_BJN_2024_Final.pdf. Accessed 25 November 2025.

⁸⁵ *Ibid.*

Researchers checked whether public procurement data are available in open, machine-readable formats (e.g., XML, XLSX, ODS, CSV, TSV, JSON). For full points, the dataset must be accessible on the national open data portal and contain the most recent statistics, no older than two calendar years. Namely, up-to-date data on concluded contracts pursuant to public procurement procedures is available in CSV format on the National Public Procurement Portal.⁸⁶ There is also a special section on the portal for open data on announcements, contracted entities, auctions, cancellations, and users.⁸⁷ However, available open datasets are not published on the national open data portal.

Researchers conducted interviews with three representatives from CSOs to gather qualitative insights on the transparency and competitiveness of the central public procurement system. KIs also completed a short survey using a four-point scale (fully agree to fully disagree) to indicate their views on whether the system is transparent and competitive, with points allocated based on the share of positive responses.⁸⁸

The first KI expressed that the public procurement system is “tend to agree” regarding whether it is transparent and competitive. However, transparency at the central level remains limited. While the Electronic Public Procurement System provides access to tender information, issues persist, including restricted competition, favouritism toward certain companies, minimal oversight, and frequent use of negotiated procedures without prior publication. Common practices undermining competitiveness include tailored technical specifications, short deadlines, single-bid tenders, and repeated contract awards to the same firms. Existing legal and institutional frameworks offer a basis for fair competition, and oversight mechanisms—such as the State Commission for Public Procurement Complaints, the State Commission for Prevention of Corruption, audit reports, and CSO monitoring—support public scrutiny. Yet, their effectiveness is constrained by political will, institutional capacity, and citizen engagement, limiting trust and accountability in the system.

The second KI rated the public procurement system as “tend to agree” on transparency but “tend to disagree” on competitiveness. While the legal framework provides some transparency, much depends on procurement authorities’ practices. Most detailed tender information is not proactively published and must be requested under FOI, limiting civic oversight. Procurement data are largely not in open data formats, further restricting accessibility. Competition has been declining despite no legal changes. Factors include corruption, practices by contracting authorities

86 Available at: <https://e-nabavki.gov.mk/PublicAccess/home.aspx#/contracts/0>. Accessed 25 November 2025.

87 Available at: <https://e-nabavki.gov.mk/opendata-announcements.aspx#/home>. Accessed 25 November 2025.

88 Interview with INI Vinica conducted on 6 July 2025; interview with CCC conducted on 8 July 2025; interview with Aktivo conducted on 11 July 2025.

favouring certain companies, repeated awards to the same firms, and bid-rigging by economic operators. Institutional response is weak, with limited action from oversight bodies. Media and CSOs report mismanagement and corruption, but competent authorities rarely act. The State Commission for Protection of Competition has reduced its role, and the SAO provides ex-post reports with limited follow-up. Recent legal changes shifted controls from ex-ante for large tenders to ex-post administrative checks, further reducing public scrutiny. Overall, transparency is partially ensured, but competitiveness remains severely constrained.

The third KI rated the public procurement system as “tend to agree” on transparency but “tend to disagree” on competitiveness. Although the law mandates transparency, much depends on contracting authorities’ discretion. Essential information—such as contract execution details, winning bidders in framework agreements, and individual contract values—is often not published, requiring FOI requests. Competition is declining due to corruption, restrictive or tailored tender specifications, market-sharing among economic operators, and weak oversight. Contracting authorities sometimes favour specific bidders, while some companies avoid competing, undermining fair competition. Oversight mechanisms are limited. The SAO provides non-binding audit reports, few CSOs monitor procurement continuously, and investigative media coverage is low. Institutional responses to reports of irregularities are selective, and the 2019 legal amendments abolished ex ante control by the PPB, weakening preventive oversight. Overall, transparency exists in principle, but is limited in practice, while competitiveness remains significantly constrained.

Nevertheless, the interviewees generally agreed that the public procurement system is transparent but expressed disagreement regarding its competitiveness.

KIs were also asked to indicate their agreement or disagreement with two statements: whether the public procurement law adequately regulates exceptions, and whether, in practice, exceptions are limited to those legally prescribed.⁸⁹

The first KI rated the regulation of exceptions in the public procurement law as “tend to agree” that it is both adequate and properly limited in practice. While legal provisions allow necessary flexibility, in practice, exceptions are sometimes applied unclearly or too broadly, risking abuse, limiting competition, and reducing transparency. The Electronic Public Procurement System (EPPS) and quarterly records provide monitoring tools, but their effectiveness depends on active use by supervisory bodies and civil society. Oversight mechanisms exist, including audits by the State Audit Office, the State Commission for Public Procurement Complaints, and the State Commission for Prevention of Corruption, but resources, political influence, and uneven enforcement limit their impact. The KI recommended reforms to ensure proper use of exceptions as follows:

⁸⁹ Interview with INI conducted on 6 July 2025; interview with CCC conducted on 8 July 2025; interview with Aktivio conducted on 11 July 2025.

1. Clear and strict criteria for exceptions;
2. Mandatory detailed explanation and public disclosure of exceptions;
3. Regular independent oversight and review by competent bodies;
4. Enhanced transparency and accountability for the public, media, and CSOs;
5. Sanctions for abuses with clear procedures and penalties;
6. Training and educational programmes for public officials on proper legal and ethical application.

Overall, exceptions are necessary but require stronger oversight, clarity, and accountability to prevent misuse and protect competition and transparency.

The second KI rated the regulation of exceptions in the public procurement law as “tend to agree” that it is adequate, but “tend to disagree” that exceptions are limited in practice. While legal provisions align with EU directives, in practice, exceptions are often broader than intended, particularly for large projects or inter-state agreements, such as the Bechtel–ENKA road corridor project, which is exempt from the PPL for procurements up to EUR 300 million per year. Misuse of exceptions is facilitated by limited oversight, weak accountability, and legal changes reducing the liability of public officials. The second KI highlighted that monitoring and ranking reports by civil society provide recommendations on controlling exceptions, but enforcement remains limited due to weak institutional oversight and low risk for officials. Overall, while the law sets clear rules, practice reveals significant gaps in limiting exceptions and preventing abuse.⁹⁰

The third KI rated the regulation of exceptions in the public procurement law as “tend to agree” that it is adequate, but “tend to disagree” that exceptions are limited in practice. While legal provisions align with EU directives, exceptions are often applied to large international contracts and projects outside the standard legal framework, leaving them lacking transparency and publicly available information. The use of exceptions has grown due to weak individual accountability and a culture of impunity for corrupt practices. Oversight mechanisms exist but provide only minimal control and supervision of the procurement process.

However, interviewees agreed that exceptions under the PPL are adequately regulated, but disagreed that, in practice, these exceptions are limited to those formally prescribed by the law.

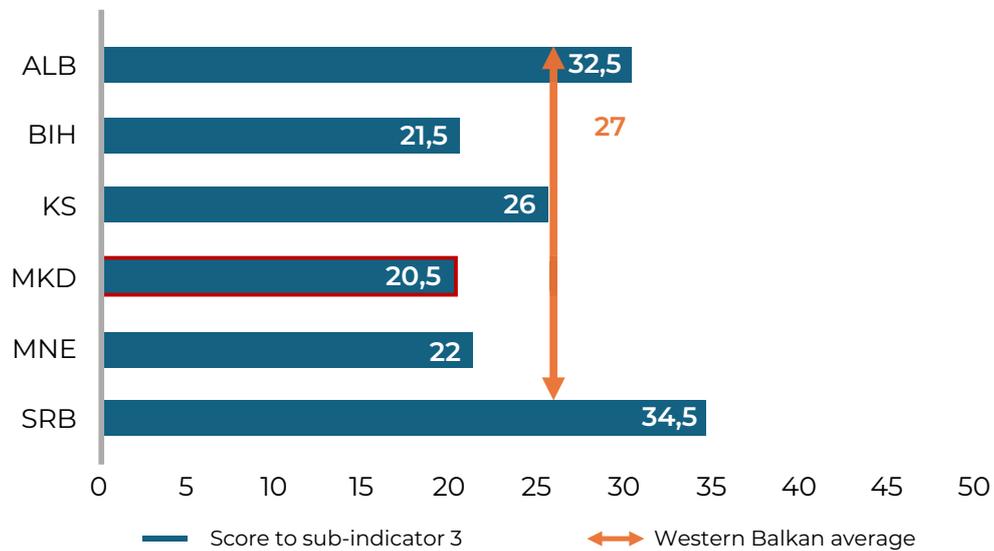
90 *Public Procurement Monitoring Report (July–December 2023)* (CCC, 2024), <https://www.ccc.org.mk/images/monitoring%20javni%20nabavki%2040.pdf>;

Ranking of Institutions According to Anti-Corruption Performance in Public Procurement (CCC, 2024), <https://www.ccc.org.mk/images/rangiranje%20na%20instituciite.pdf>;

Shadow Report on Public Procurement in North Macedonia 2023 (Balkan Tender Watch, 2023), <https://balkantenderwatch.eu/local/uploaded/BIH%20local/Shadow%20report%20MKD%20web.pdf>. Accessed 25 November 2025.

How does North Macedonia do in regional terms?

Sub-indicator 3: Transparency and competitiveness of the public procurement system (maximum score 32.5)



II.4 Openness and transparency of state audit institution's work



Principle 31: All public funds are effectively audited by an independent auditor that provides assurance on the use of public resources and helps improve the functioning of the public sector.

Awarded points per element in sub-indicator 4:

Openness and transparency of state audit institution's work⁹¹

Indicator elements	Element type	Score
E 4.1 There is a strategic document in force that envisages enhanced communication and cooperation of SAI with external stakeholders	Strategy and policy	1/1
E 4.2 Regulations stipulate the transparency of the SAI's work	Legislation	1/1
E 4.3 SAI's annual activity reports are regularly published and easily accessible online	Practice in implementation	4/4
E 4.4 SAI's audit reports are citizen-friendly and easily accessible online	Practice in implementation	4/4
E 4.5 Data contained in the external audit reports are available in open format(s)	Practice in implementation	2/2
E 4.6 SAI uses a variety of channels for external communication and promotion of its activities and reports	Practice in implementation	2/2
E 4.7 Key non-state actors consider SAI's work as transparent and SAI's reports as easily accessible	Outcomes and impact	3/3
Total score for sub-indicator 4		17/17

⁹¹ The fourth sub-indicator focuses on the following SIGMA sub-principles: audit reports are concise and contain relevant and useful recommendations, and procedures are in place to follow up on audit reports; the SAI communicates widely on its activities and audit results through the media, websites and other means and makes its reports publicly available in a timely manner.

Since the previous monitoring cycle, the SAO, as a supreme audit institution, has remained well-structured internally and operates within a comprehensive framework consistent with international audit standards and good practices. Its communication strategy has promoted transparency and stakeholder engagement. The new State Audit Law, designed to enhance the independence of the SAO and strengthen Parliament's oversight of individual audit reports, is still under government consideration.⁹²

The researchers reviewed the current strategic documents to determine if they include measures for improving the communication and cooperation of the SAI with external stakeholders. They identified relevant sections detailing specific activities with clearly assigned responsibilities. Points are awarded only if the documents outline concrete measures aimed at enhancing public communication of the SAI and enhancing cooperation with external stakeholders.

Namely, the Communication Strategy of the SAO 2024-2027⁹³ is a continuation of the process of structural and operational improvement of the communication system of the institution, building on and enhancing the initiatives established in the 2020–2023 Communication Strategy. The strategic objectives of this Communication Strategy are to provide a deeper and more comprehensive, strategically based inclusion of target groups from the civil domain in the joint struggle for greater efficiency, transparency and accountability of the actors in the institutional system and to enable the actors in the institutional system to more clearly recognize its work as the basis for strengthening good governance, and the institution as a catalyst for democratization.⁹⁴ All activities in the Strategy are carefully aimed at improving communication and cooperation with relevant external stakeholders. They are all expected to be implemented by the SAO, in cooperation with relevant stakeholders.

The SAO plans to enhance communication with stakeholders by publishing clear, citizen-friendly audit summaries on its website, creating simple illustrative videos to explain its mission, audit findings, and recommendations, and sharing detailed audit results on social media. It will also participate in media interviews and debate shows, hold press conferences for major audits, and issue press releases to journalists, media, and civil society organizations for important audits. Additionally, the SAO will conduct biennial workshops with the Public Prosecutor's Office to improve strategic communication and regularly meet with parliamentary services to discuss further communication improvements.

92 COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2025 Report* (European Commission, 4 November 2025), https://enlargement.ec.europa.eu/north-macedonia-report-2025_en. Accessed 25 November 2025.

93 Communication Strategy of the State Audit Office 2024-2027, https://dzt.mk/sites/default/files/dzt/doc/Komunikaciska_strategija_DZR_2024_2027_FINAL.pdf. Accessed 25 November 2025.

94 Ibid.

To improve cooperation with stakeholders, the SAO plans to provide journalists with information and organize brief meetings with relevant auditors upon request, hold quarterly workshops for journalists, CSO activists, and auditors to exchange knowledge about institutional functions, and involve civil society actors in audit selection three months before defining the Annual Audit Program. It will also conduct biannual working meetings with CSO activists outside the capital, hold monthly operational meetings with public prosecutors to discuss audit findings and their implications, and organize annual workshops for public prosecutors on reading audit reports and identifying evidence of offences, while participating in related workshops by prosecutors or other organizations. Additionally, the SAO will conduct training for Members of Parliament on interpreting audit reports and recommendations and organize working meetings with government representatives to provide deeper insights into specific audits.

Moreover, the researchers reviewed the current regulations to determine whether transparency is established as a principle of the SAI's work in line with INTOSAI standards, which define transparency as timely, reliable, clear, and relevant public reporting on the SAI's activities, performance, and audit findings, as well as public access to information. In that regard full points were awarded given that provisions specify the means and methods used by the SAI to ensure transparency in practice.

The Law on State Audit⁹⁵ and the Rulebook on Performing State Audit⁹⁶ establish transparency requirements for the SAO. More precisely, the General State Auditor must publish final audit reports and the audited entities' comments on the SAO website.⁹⁷ In addition, the SAO's annual work program, its amendments, final audit reports, audited entities' comments, and responses must all be published online.⁹⁸

Researchers also reviewed the SAI's website to check if activity reports are regularly published (the last two reports are available) and easily accessible (reachable within three clicks from the homepage). The conclusion is that both the 2024 annual report on performed audits and the work of SAO⁹⁹ and the 2023 annual

95 Law on State Audit (Official Gazette of the Republic of Macedonia no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16, and 83/18 and Official Gazette of the Republic of North Macedonia no. 122/21 and 3/25, Art.31(2)), Accessed 25 November 2025.

96 Rulebook on Performing State Audit (Official Gazette of the Republic of North Macedonia no. 264 of 5.11.2020, Art. 4(4) and 17(7)) Accessed 25 November 2025.

97 Law on State Audit (Official Gazette of the Republic of Macedonia no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16, and 83/18 and Official Gazette of the Republic of North Macedonia no. 122/21 and 3/25, Art.31(2)). Accessed 25 November 2025.

98 Rulebook on Performing State Audit (Official Gazette of the Republic of North Macedonia no. 264 of 5.11.2020, Art. 4(4) and 17(7)). Accessed 25 November 2025.

99 Available at: https://dzt.mk/sites/default/files/2025-06/GI_DZR_2024_MKD.pdf. Accessed 25 November 2025.

report on performed audits and the work of SAO¹⁰⁰ are publicly available on the official SAO website. The reports are easily accessible online, i.e. less than three clicks away from the homepage of the SAO's website.¹⁰¹

Researchers observed a sample of all audit reports published in the period of six months prior to the PFM monitoring window, to determine whether they are written in a citizen-friendly manner and easy to access online. Citizen-friendliness means that SAI's audit reports meet at least two of the following three criteria: Audit reports published in a format that allows simple text search, i.e. finding specific text within a document by using "Control+F" function; contain concise summaries that present key information in a succinct and easy-to-understand manner; and contain graphical parts (such as infographics, graphs, other visualisations, summary tables etc.) that present key information in a succinct and easy-to-understand manner. Easily accessible means that all the observed reports are available within three clicks of the SAI's website homepage.

In the period of six months prior to the PFM monitoring window (January-June 2025), there were a total of 29 published audit reports on the official website of the State Audit Office on the following topics/institutions: Municipality of Centar, Agency for Promotion and Support of Tourism, Tourism, Catering, Recreation and Sports Company ELEM Tours DOOEL Skopje, Commission for Securities, State Inspectorate for Technical Inspection, Effects of Public Investments for Balanced Regional Development, Office for Maintaining Civil Registries, PHI University Clinic for Hematology, Road Traffic Safety in the Republic of North Macedonia, Urban Planning of Green Infrastructure in Cities, Utilization of Modern Medical Equipment, Basic Court Gostivar, Improvement and Promotion of Public Services and Infrastructure Facilities with Public Private Partnership, "Bregalnica" Delchevo, Education Development Bureau, Participants in the Election Campaign - Election of the President of the Republic of North Macedonia, Public Enterprise for Communal Production and Service Works "Isar" Shtip, Penitentiary System Reform, Public Investments for Providing Capacities and Conditions for Child Protection in Kindergartens, Agency for Management of Confiscated Property, State Education Inspectorate, Employment Service Agency, Appellate Court Gostivar, Central Registry of the Republic of North Macedonia, Municipality of Delchevo, PHI University Clinic of Dermatology, Pension and Disability Insurance Fund of the Republic of North Macedonia, Directorate for Protection and Rescue and Komunalec Gevgelija. These include regularity audits, performance audits and IT audits and as such, their contents differ accordingly. The reports met the three of the abovementioned criteria on citizen-friendliness and are easily accessible online, i.e. less than three clicks away from the homepage of the SAO's website.¹⁰²

100 Available at: https://dzt.mk/sites/default/files/dzt/doc/izvestaj/Godisen_izvestaj_MKD_2023.pdf. Accessed 25 November 2025.

101 Official SAO website, <https://dzt.mk/mk>. Accessed 25 November 2025.

102 Available at: <https://dzt.mk/mk/revizorski-izvestaj>. Accessed 25 November 2025.

In addition, the researchers determined whether data from external audits conducted by the SAI are available in open, machine-readable format (a file format structured so that software applications can easily identify, recognise and extract specific data, including individual statements of fact, and their internal structure). File formats include common open data formats with highest openness rating i.e., that are adjustable such as xml, xlsx, xls, ods, csv, tsv, json. For full point allocation, any such dataset should be available at the national (government-sponsored) open data portal and at SAI's website. Namely, the data are available on the SAO's website¹⁰³ and on the national open data portal.¹⁰⁴

The researchers retroactively observed SAI's activities in the last twelve months prior to the PFM monitoring to determine whether the SAI used different channels to promote the results of its work and communicate its activities with the public, other than its official website. Namely SAO uses various means of communicating with the public, other than its official website. The SAO has an active Facebook,¹⁰⁵ Instagram,¹⁰⁶ YouTube¹⁰⁷ and LinkedIn page.¹⁰⁸ SAO also has a brochure on its communication with the public.¹⁰⁹ The General State Auditor had interviews for traditional media.¹¹⁰ The SAO has organized several events where they have promoted the results of their audits¹¹¹ and presented their past work on their 25th anniversary.¹¹² They have also participated in many events upon invitation.¹¹³

KIs views on the transparency of the SAI's work and the accessibility of its reports are assessed through interviews. Interviewees provided their views on two aspects: the transparency of the SAI's work and the online accessibility of its reports.¹¹⁴

The first KI tends to agree that the SAI's work is transparent and that its reports are relatively accessible online. Progress has been made in regular report publication and public access, but communication with the wider public remains limited. Reports are clear for experts but could use simpler language and clearer summaries

103 Ibid.

104 Available at: <https://data.gov.mk/organization/dpxabeh-3abod-3a-pebn3nja>. Accessed 25 November 2025.

105 Available at: https://www.facebook.com/DrzavenZavodzaRevizija/?locale=mk_MK. Accessed 25 November 2025.

106 Available at: https://www.instagram.com/p/DKRrsjOlQwg/?img_index=1. Accessed 25 November 2025.

107 Available at: <https://www.youtube.com/channel/UCNOcjinJlIviFwaxyG-Lyo2w>. Accessed 25 November 2025.

108 Available at: <https://mk.linkedin.com/company/drzaven-zavod-revizija>. Accessed 25 November 2025.

109 Available at: <https://dzt.mk/mk/flipbook/1>. Accessed 25 November 2025.

110 Available at: <https://www.youtube.com/watch?v=Js9CYYxaX2o>. Accessed 25 November 2025.

111 Available at: <https://dzt.mk/mk/250715-konferencija-za-finansiska-otchetnost-na-izborite-prezenti-rani-revizorski-naodi-i-preporaki>. Accessed 25 November 2025.

112 Available at: https://www.youtube.com/watch?v=bflOR86KT_w. Accessed 25 November 2025.

113 Available at: <https://dzt.mk/mk/250710-megunarodnata-konferencija-za-regionalen-razvoj-regionalniot-razvoj-vo-dinamichno-promenliv>; <https://dzt.mk/mk/250312-konferencija-za-fiskalnoto-upravuvane-vo-evrovska-unija-i-ulogata-na-fiskalnot-ovet>. Accessed 25 November 2025.

114 Interview with Analytica was conducted on 01.07.2025; Interview with CEA was conducted on 07.07.2025; and Interview with ZMAI was conducted on 10.07.2025. Accessed 25 November 2025.

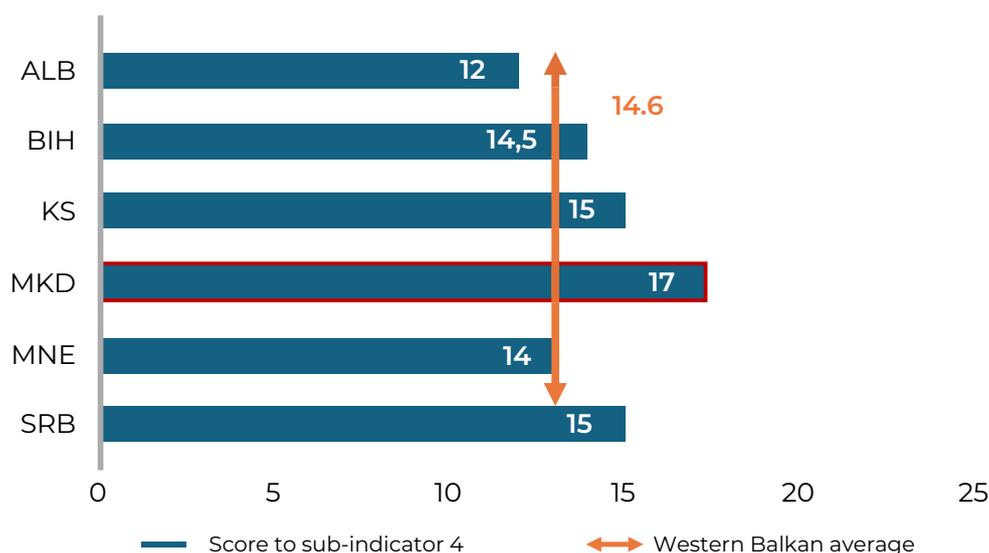
for non-specialists. Engagement with CSOs, media, and the public is improving but still requires more proactive outreach and presentation of key findings.

The second KI tends to agree that the SAI's work is transparent and that its reports are accessible online. Transparency and proactive report distribution have improved, though older reports are not always in searchable formats, making them harder to consult. The content and structure of reports effectively present key findings and recommendations, and the SAO's engagement with CSOs, media, and the public is satisfactory and more proactive than that of executive budget users.

The third KI tends to agree that the SAI's work is transparent and its reports are accessible online. The SAI publishes reports with executive summaries, strategic audit plans, and engages with Parliament, but report language is technical, recommendations are not always prioritized, and the website archive is difficult to navigate. Civil society engagement is occasional rather than structured. Reports are regularly shared via newsletters and the website, and this KI uses them in advocacy, noting room for improvement in accessibility and impact tracking.

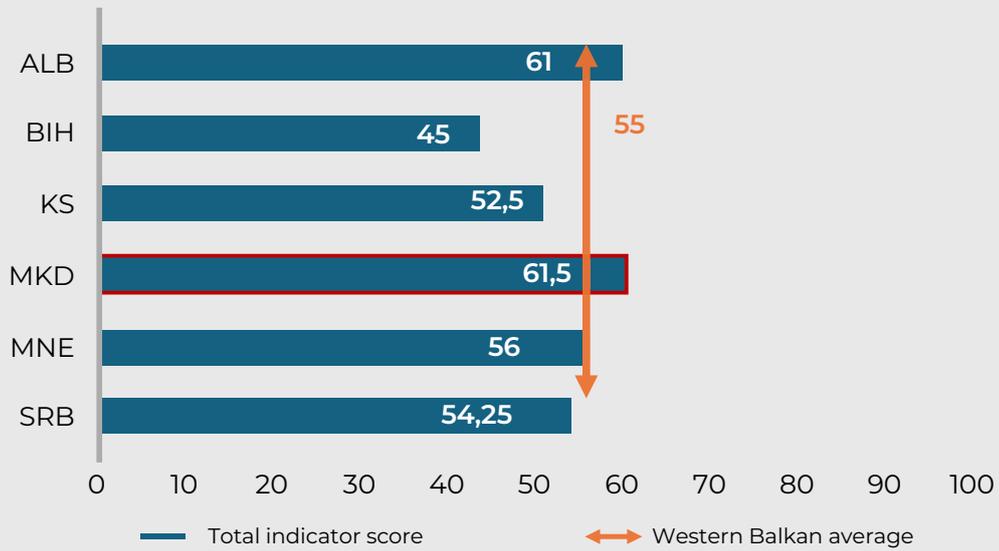
How does North Macedonia do in regional terms?

Sub-indicator 4: *Openness and transparency of State Audit Institution's work (maximum score 17)*



Overall scores comparison in the Public Financial Management area

Indicator: Transparency and openness of public financial management



Regional overview report for Public Financial Management area, with results for all WB administrations is available at: www.par-monitor.org

II.5 Recommendations for the Public Financial Management area

II.5.1 Tracking recommendations from PAR Monitor 2021/2022

Recommendations	(short term/medium term/long term) ¹¹⁵	Status	Explanation
1. The Ministry of Finance and the CHU should invest efforts to engage proactively with the public and the media on PIFC related matters, by, but not limited to organizing public events with participation of diverse stakeholders, publishing press releases, and making media appearances	Short term	Not implemented	Repeated recommendation from the PAR Monitor 2019/2020
2. In addition to the Government reviewing the annual reports on PIFC, the Parliament should also have an active role in this process and should also review and discuss the consolidated reports on PIFC	Short term	Not implemented	Repeated recommendation from the PAR Monitor 2019/2020
3. While it is positive that the annual reports of the Public Procurement Bureau contain a reader-friendly summary of the qualitative and quantitative analysis of the public procurement market, it would be best if in the future, this summary is made available at the beginning of the report so that readers can easily have this information straight away instead of looking through the entire document.	Short term	Not implemented	Repeated recommendation from the PAR Monitor 2019/2020

¹¹⁵ Recommendations for which the time needed for implementation is deemed to be up to one year are labelled as short-term. Medium-term recommendations are those that can be implemented within a period of one to three years. Long-term recommendations require more than three years to be implemented.

II.5.2 Recommendations from the 2024/2025 Monitor Report

Recommendations from the monitoring cycle 2024/2025 for the Public Financial Management area are listed below. The recommendations are grouped into three types, according to the estimated time needed for their implementation. Recommendations for which the assessed time for implementation is up to one year are labelled as short-term. Medium-term recommendations should be implementable within a period of one to three years. Long-term recommendations would likely require more than three years to be implemented.

Short-term recommendations¹¹⁶

1. The Ministry of Finance and the CHU should make greater efforts to proactively engage with the public and the media on PIFC-related matters. This could include, among other actions, organising public events with diverse stakeholder participation, issuing press releases, and increasing media presence.
2. The coordination between the Ministry of Public Administration (MPA) and the Ministry of Finance (MF), and administrative capacities, should be strengthened to ensure the effective functioning of the monitoring and management structures established under the PAR Strategy and PFM Programmes.
3. The transparency and inclusivity of the budget formulation process should be improved by ensuring public engagement at all stages, publishing budget documents in a timely manner, involving diverse stakeholders, and leveraging digital tools to facilitate access, consultation, and feedback, as well as by publishing simplified, citizen-friendly summaries with clear visuals, providing timely online updates, and conducting outreach to support public monitoring of government spending.
4. In-year, mid-year, and year-end reports should provide data across administrative, economic, functional, and programmatic classifications, including information on outputs, outcomes, and major investment projects, along with clear explanations for any deviations in spending.
5. Budget documents and execution reports should be consistently published in open, machine-readable formats (e.g., XML, CSV, XLSX, JSON) on both the Ministry of Finance website and national open data portals.
6. The Public Procurement Bureau's annual reports include a reader-friendly summary of the qualitative and quantitative analysis of the public procurement market; however, it is recommended that, in the future, this summary be placed at the beginning of the report to allow readers immediate access to key information.

¹¹⁶ In this monitoring cycle, all recommendations are short-term, considering that they have been repeated for many years not only in the PAR Monitors but also by the EC Country Reports and SIGMA/OECD.

7. Public procurement controls should be enhanced, and coordination among key stakeholders to combat corruption should be improved, while building their capacity to uphold the principles of transparency, fair competition, equal treatment, and non-discrimination.¹¹⁷
8. Transparency and civic oversight of public procurement should be strengthened by publishing all procurement data in open, machine-readable formats, accompanied by citizen-friendly summaries and visualisations, while actively engaging civil society, the media, and citizens in monitoring, reporting irregularities, and participating in consultation processes.
9. Adopt the State Audit Law to reinforce the independence of the SAO, enhance parliamentary oversight of individual audit reports, and strengthen the follow-up on SAO recommendations.¹¹⁸

¹¹⁷ COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2025 Report* (European Commission, November 4, 2025), https://enlargement.ec.europa.eu/north-macedonia-report-2025_en. Accessed 25 November 2025.

¹¹⁸ COMMISSION STAFF WORKING DOCUMENT *North Macedonia 2025 Report* (European Commission, November 4, 2025), https://enlargement.ec.europa.eu/north-macedonia-report-2025_en

METHODOLOGY APPENDIX

For producing this report for North Macedonia, the following research methods and tools were used for data collection and calculation of elements:

- Analysis of official documentation, data, and official websites
- Requests for free access to information
- Interviews with stakeholders and key informants
- Public perception survey.

Monitoring heavily relied on the analysis of official documents publicly available on the websites of administration bodies and on the data and information contained therein. However, in cases where the data was not available, researchers sent requests for free access to information to relevant institutions in order to obtain information necessary for awarding points for the elements.

Table 6. FOI requests sent in North Macedonia

Institution	Date of request	Date of reply to the request
Public Procurement Bureau	10.07.2025	11.07.2025
Ministry of Health	22.08.2025	/
Ministry of Interior	22.08.2025	05.09.2025
Joint Stock Company for Electricity Production POWER PLANTS OF NORTH MACEDONIA, state-owned, Skopje	22.08.2025	03.09.2025
Public Enterprise for Maintenance and Protection of National and Regional Roads – Skopje c.o.	22.08.2025	10.09.2025
PHI University Clinic for Radiotherapy and Oncology	22.08.2025	11.09.2025

Interviews with key informants were conducted and used as a base for point allocation for elements 1.5, 2.14, 3.14, 3.15 and 4.7. Additionally, they were used to collect qualitative, focused, and in-depth inputs on monitored phenomena. Interviews with other stakeholders (such as representatives of public admin-

istration bodies) were additionally used in the research to complement and verify otherwise collected data and findings. Selection of interviewees was based on purposive, non-probability sampling, targeting interlocutors based on their expertise on the topic.

Key informant interviews were comprised of a set of up to four questions where the participants expressed their agreement on a four-point scale: fully disagree, tend to disagree, tend to agree and fully agree. Points under elements 1.5, 2.14, 3.14, 3.15 and 4.7 were allocated if all key informants stated that they tend to agree/fully agree with the statement. Additionally, a set of open-ended questions was used, allowing for a discussion with interviewees and on-the-spot sub-questions rather than strictly following a predetermined format. Interviewees were given full anonymity in terms of personal information and institutional/organisational affiliation.

Table 7. Interviews conducted in North Macedonia

Date	Interviewees
01.07.2025	Analytica Thinking Laboratory
06.07.2025	Association INI Vinica
07.07.2025	Center for Economic Analysis (CEA)
08.07.2025	CCC
10.07.2025	The Association for Research and Analysis (ZMAI)
11.07.2025	Aktivo

List of interview questions

- **Element 1.5**

The following questions are used for point allocation for element 1.5. Point allocation is determined based on fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 1.5 points are allocated.

1. To what extent do you agree with the following statement: **The budget formulation process is transparent.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree

2. To what extent do you agree with the following statement: **The budget formulation process is inclusive.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. Can you describe your experience, if any, with participating in the budget formulation process?
2. In your opinion, how open and accessible is the budget formulation process to non-state actors?
3. Have you observed any improvements or setbacks in transparency or inclusiveness over the past few years? If so, what triggered them?
4. Do you think that feedback from non-state actors is taken into account during the budget planning process? Please elaborate

- **Element 2.14.**

The following questions are used for point allocation for element 2.14. Point allocation is determined based on the ratio of fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 0.75 points are allocated.

1. To what extent do you agree with the following statement: **Available annual budgets are comprehensive enough.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree
2. To what extent do you agree with the following statement: **Available annual budgets provide adequate information for the purpose of research, analysis and policy monitoring.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree
3. To what extent do you agree with the following statement: **Available budget execution reports are comprehensive enough.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree

4. To what extent do you agree with the following statement: **Available budget execution reports provide adequate information for the purpose of research, analysis and policy monitoring.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. How would you assess the accessibility of annual budgets and execution reports online? Are they easy to find and use?
2. In your view, does the format and structure of the published budget documents support understanding and analysis by non-experts?
3. What kind of information do you find missing or insufficient in the available annual budgets or execution reports?
4. Have you or your organisation used publicly available budget documents for research, advocacy, or monitoring? If so, how useful were they?
5. Have you encountered any challenges when trying to access or understand budget documentation? If yes, can you describe them?

- **Element 3.14.**

The following questions are used for point allocation for element 3.14. Point allocation is determined based on the ratio of fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 1.5 points are allocated.

1. To what extent do you agree with the following statement: **Public procurement system, as established by the public procurement legislation, is transparent.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree
2. To what extent do you agree with the following statement: **Public procurement system, as established by the public procurement legislation, is competitive.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. Based on your experience, how would you describe the overall transparency of the public procurement system at the central level?
2. Do you believe that the current legal and institutional framework ensures fair competition in public procurement?
3. Have you observed any common practices or patterns that reduce transparency and competitiveness in procurement procedures?
4. Are there mechanisms in place that allow for meaningful oversight or public scrutiny of procurement processes? If yes, how effective are they?

- **Element 3.15**

The following questions are used for point allocation for element 3.15. Point allocation is determined based on the ratio of fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 1.5 points are allocated.

1. To what extent do you agree with the following statement: **The public procurement law adequately regulates exceptions to its application.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree
2. To what extent do you agree with the following statement: **Exceptions from the application of the public procurement law are in practice limited to those regulated by the law.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. How would you assess the clarity and adequacy of legal provisions regulating exceptions to the public procurement law?
2. In your experience, are exceptions applied strictly within the legal framework, or are there cases where they are used more broadly?
3. Do you think the use of exceptions has increased or decreased over time? What factors might have influenced this trend?
4. Are there sufficient oversight or control mechanisms to monitor the use of exceptions in public procurement?

5. What reforms or safeguards would you recommend to ensure that exceptions are used appropriately and do not undermine integrity of public procurement, transparency or competition?

- **Element 4.7.**

The following questions are used for point allocation for element 4.17. Point allocation is determined based on the ratio of fully agree/tend to agree responses. For each question where all key informants fully agree/tend to agree with the statement, 1.5 points are allocated.

1. To what extent do you agree with the following statement: **The work of the SAI is transparent.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree
2. To what extent do you agree with the following statement: **SAI's reports are easily accessible online.**
 - a) fully disagree
 - b) tend to disagree
 - c) tend to agree
 - d) fully agree

Additional guiding questions (not used for point allocation, but relevant for providing qualitative insight necessary for the assessment):

1. How would you assess the overall transparency of the SAI's work, including its audit and reporting practices?
2. In your experience, how easy is it to access SAI reports online? Are they published in a timely and user-friendly manner?
3. Do you find the content and structure of the SAI's reports suitable for understanding key findings and recommendations?
4. Do you think the SAI engages sufficiently with civil society, media, or the public to communicate its work and findings?

The public perception survey is based on a questionnaire targeting the general public (18+ permanent residents) of North Macedonia. The survey was conducted through computer-assisted telephone interviewing (CATI) in combination with computer-assisted web interviewing (CAWI).

The survey was conducted between 1st February until the 22nd February 2025. The margin of error for the sample of 1008 citizens is $\pm 3,52\%$ %, at the 95 % confidence level.

Table 8: Public perception survey questions in the area of Public Financial Management

Statement 20	Strongly disagree	Disagree	Agree	Strongly agree	Don't know/ No opinion
I have the opportunity to influence how money from the state budget funds is spent.	1	2	3	4	99
Statement 21	Strongly disagree	Disagree	Agree	Strongly agree	Don't know/ No opinion
State authorities publish information about how money from the state budget funds is spent.	1	2	3	4	99

LIST OF REFERENCED SOURCES IN THIS REPORT

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- 2023 annual report on performed audits and the work of State Audit Office
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- Budget of the Republic of North Macedonia for 2024
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- Communication Strategy of the State Audit Office 2024-2027
- EC Country Report for North Macedonia 2024
- EC Country Report for North Macedonia 2025
- Law on Budget
- Law on Determining Public Interest and Nominating a Strategic Partner for the Implementation of the Project for the Construction of the Infrastructure Corridor 8 (Section: Tetovo – Gostivar – Bukojchani and the Project for the Highway Trebenista – Struga – Kafasan) and the Corridor 10 E (Section of the Highway Prilep – Bitola) in the Republic of North Macedonia
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- Programme for PFM Reform “Smart Public Finances” 2022-2025
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- Ranking of institutions by anti-corruption performance in public procurement (Civil Communications Center)
- Report on the Execution of the Budget of the Republic of North Macedonia January - June 2024
- Rulebook on the manner of performing state audit

- Shadow Report on Public Procurement in North Macedonia 2023 (Balkan Tender Watch)
- SIGMA/OECD, Public Administration in the Republic of North Macedonia 2024
- Strategy for Improving the Public Procurement System in the Republic of North Macedonia for the period 2022-2026
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- Year-end budget execution report (final account) for 2024



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