

CENTER FOR DEVELOPMENT POLICIES
IDEAS DEPO
ANNUAL REPORT 2019

Skopje, February 2020



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I. INTRODUCTION

In 2019, IDEAS DePo continued its mission of strengthening regulatory frameworks, fostering institutional capacity, and promoting sustainable economic development in North Macedonia. The organization successfully implemented key projects that focused on modernizing the country's inspection authorities, improving coordination among inspectorates, and facilitating trade reforms in line with international standards.

The primary projects undertaken in 2019 were:

- **Modernizing the Inspection Authorities (MIA) Project** – Funded by USAID
- **Improving Efficiency and Coordination of Inspectorates Project** – Funded by EBRD
- **Trade Facilitation and Regulatory Reforms** – Supported by World Bank, CEFTA, and WTO

These projects reflect IDEAS DePo's ongoing commitment to fostering a more efficient, transparent, and business-friendly regulatory environment through strategic partnerships and innovative policy reforms.

II. KEY PROJECTS AND ACTIVITIES

A. Modernizing the Inspection Authorities (MIA) Project

Funded by USAID

In 2019, IDEAS DePo played a pivotal role in advancing the **MIA Project**, which aimed to modernize North Macedonia's inspection system by strengthening legal frameworks, enhancing inspector training, and implementing digital tools for efficient inspection processes.

1. Legal and Institutional Reforms

- Finalization of the **Law on Inspection Supervision**, officially adopted in May 2019, following multiple rounds of public consultations and expert review.
- Development and facilitation of key **bylaws**, including:
 - **Rulebook on Inspection Minutes and Decisions** – Establishing uniform reporting procedures.
 - **Rulebook on Risk Assessment and Inspection Frequency** – Implementing a risk-based approach to inspection planning.
 - **Guidelines for the Use of the National Inspection Information System (e-Inspection).**
- **Conducted an in-depth Functional Analysis (FA) of the Inspection Council**, recommending improvements to structure, staffing, and efficiency.
- **Reorganization of inspection authorities** – Proposal for merging certain inspectorates to optimize operations and resource allocation.
- **Development of checklists for inspectors** – Standardizing inspection procedures to enhance

- consistency and efficiency.
- **Drafting amendments to existing laws** to align them with the newly introduced inspection framework.
- **Creation of a comprehensive inspection guideline manual** to support inspectors in implementing new regulations.

2. Capacity Building and Training for Inspectors

- Conducted over **40 training events (52 training days) for 1,377 inspectors** covering:
 - Risk-based inspections.
 - Implementation of the new Law on Inspection Supervision.
 - Ethical standards, anti-corruption measures, and procedural fairness.
 - Inter-agency collaboration and information-sharing best practices.
 - Communication skills for inspectors to improve public engagement.
- Developed the **Mentors' Program for Senior Inspectors**, training 14 experienced inspectors to serve as in-house trainers.
- Designed and implemented a **long-term strategy for inspector professional development**, ensuring continuous education.
- Created a **Business Plan for the Inspection Training Center**, setting the foundation for a sustainable professional development system.
- Launched an **e-learning platform** for inspectors to access training materials and assessment modules remotely.
- Strengthened cooperation with **regional inspectorates** by organizing **exchange programs with Albania and Serbia**.

3. Implementation of E-Inspection Systems

- Finalized the **technical specifications and conceptual design** for the pilot **e-inspection software**.
- Conducted a **pilot implementation** of the e-inspection system in selected inspectorates.
- Organized a **procurement process** for developing and deploying a digital inspection management platform.
- Integrated an **automated risk assessment tool** into the inspection software to enhance efficiency.
- Provided **technical training for inspectors** on the use of the e-inspection system.
- Implemented **mobile technology solutions** to enable real-time data entry during field inspections.
- Conducted a **public awareness campaign** to educate businesses on the benefits of digital inspections.

4. Regional and International Cooperation

- Hosted a **high-level Regional Conference on Inspection Reforms** in Tirana, Albania.
- Led discussions with **Serbian and Albanian inspection authorities** on best practices and risk-based methodologies.
- Engaged with the **OECD and EU institutions** to align North Macedonia's inspection reforms with international standards.
- Facilitated **joint inspections with regional partners** to promote consistency and knowledge exchange.
- Provided technical input to regional **trade facilitation programs**, ensuring inspection

• procedures align with EU accession standards.

B. Improving Efficiency and Coordination of Inspectorates Project

Funded by the European Bank for Reconstruction and Development (EBRD)

In 2019, IDEAS DePo provided technical assistance under the **EBRD-funded project**, aimed at improving the efficiency and coordination of North Macedonia's inspectorates. Key activities included:

- **Development of a strategic framework** for inter-agency collaboration in inspections.
- **Risk-based planning assistance**, guiding inspectorates in prioritizing inspections based on compliance risk factors.
- **Creation of standard operating procedures (SOPs)** for inspectorates to streamline inspection protocols.
- **Training workshops** for senior officials on international best practices in regulatory enforcement.
- **Coordination between national and municipal inspectorates** to enhance regulatory effectiveness.

C. Trade Facilitation and Regulatory Reforms

Supported by World Bank, CEFTA, and WTO

IDEAS DePo actively contributed to **trade facilitation reforms**, assisting the government in aligning its trade policies with international agreements. Key contributions included:

- Development of **policy recommendations for customs streamlining**.
- **Regulatory compliance support** for businesses engaged in cross-border trade.
- **Assistance in implementing a single-window system** to reduce administrative burdens on exporters and importers.
- **Technical advisory support to customs and border officials** to enhance efficiency in trade inspections.

III. CONCLUSION

IDEAS DePo's accomplishments in 2019 underscore its **commitment to regulatory modernization, capacity building, and economic sustainability**. The organization played a crucial role in transforming North Macedonia's inspection framework, fostering **greater transparency, accountability, and efficiency**.

Through **comprehensive legal reforms, inspector training, digitalization efforts, and regional cooperation**, IDEAS DePo has helped shape a regulatory environment that promotes both business competitiveness and compliance.

Looking ahead, IDEAS DePo remains dedicated to advancing its **strategic priorities**, strengthening **institutional partnerships**, and leveraging **innovative policy solutions** to support North Macedonia's long-term development goals.

I also submit the **IDEAS DePo Annual Financial Statement for 2019**, pursuant to the IDEAS DePo Charter, for review and approval by the relevant IDEAS DePo managing and supervision bodies.

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Executive Director,
Aleksandar Shahov

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