

**CENTER FOR DEVELOPMENT POLICIES**  
**IDEAS DEPO**  
**ANNUAL REPORT 2020**

Skopje, February 2021



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## I. INTRODUCTION

In 2020, IDEAS DePo continued to build on its achievements from previous years, focusing on enhancing regulatory frameworks, improving public sector efficiency, and fostering sustainable development in North Macedonia. Despite the challenges posed by the COVID-19 pandemic, IDEAS DePo successfully implemented projects aimed at modernizing inspection authorities and improving institutional coordination. The two main projects implemented in 2020 were:

1. **Modernizing the Inspection Authorities (MIA) Project** – *Funded by USAID*
2. **Improving Efficiency and Coordination of Inspectorates Project** – *Funded by the European Bank for Reconstruction and Development (EBRD)*

These initiatives reflect IDEAS DePo's commitment to advancing regulatory reforms, supporting institutional capacity building, and promoting a business-friendly environment in North Macedonia through strategic partnerships and targeted interventions. The work in 2020 built upon previous successes and introduced innovative approaches to ensure continuity and effectiveness, even under the constraints imposed by the pandemic.

## II. KEY PROJECTS AND ACTIVITIES

### A. Modernizing the Inspection Authorities (MIA) Project

*Funded by USAID*

In 2020, IDEAS DePo made significant progress in the final year of the MIA Project, focusing on both legislative development and capacity building despite the challenges presented by the COVID-19 pandemic. The project sought to create a modern, transparent, and efficient inspection system that would foster a more predictable regulatory environment for businesses while ensuring compliance with national laws.

#### Objectives:

- Strengthen the legal framework for inspection supervision.
- Enhance inspector capacity through specialized training and mentoring.
- Improve the efficiency and transparency of inspection processes through digital transformation.
- Foster collaboration between inspection authorities and stakeholders.

#### Key Activities:

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- 1. Conducted in-depth functional analysis and internal reorganization of inspectorates, including the State Administrative Inspectorate, State Labor Inspectorate, and the State Inspectorate for Technical Inspection.
- 2. Supported the finalization of the draft Law on Administrative Inspection, ensuring alignment with international best practices.
- 3. Developed and adopted several bylaws arising from the Law on Inspection Supervision, addressing risk assessment, inspection procedures, and information system management.
- 4. Organized comprehensive training sessions for inspectors on new legislative frameworks and best practices in inspection supervision.
- 5. Launched a Mentors' Program for senior inspectors, complemented by the development of a detailed mentoring handbook to guide professional growth and knowledge transfer.
- 6. Finalized technical specifications for a pilot e-inspection software and initiated its development, paving the way for digital transformation in inspection processes.
- 7. Signed a Memorandum of Cooperation with the Ministry of Information Society and Administration (MISA) for the collaborative development of e-inspection tools.

## Key Results:

- Strengthened the legal framework with the adoption of key bylaws and progress on the Law on Administrative Inspection, promoting consistency and clarity in inspection procedures.
- Enhanced inspector competencies through targeted training programs and mentorship, resulting in a more knowledgeable and skilled workforce.
- Initiated the digital transformation of inspection processes through the development of e-inspection software, increasing efficiency, transparency, and accountability.
- Fostered stronger partnerships with governmental and international stakeholders, enhancing the collaborative approach to regulatory reforms.

## B. Improving Efficiency and Coordination of Inspectorates Project

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

Implemented from November 2019 to October 2020, this project focused on improving efficiency and coordination among the Inspectorates under the Inspection Council of North Macedonia. The project aimed to reduce administrative burdens on businesses and improve regulatory compliance through streamlined processes and capacity building.

## Objectives:

- Finalize the new legal framework for inspection supervision to reduce business burdens and costs.
- Strengthen the capacity of inspectors and promote inter-agency coordination.
- Enhance the effectiveness and efficiency of inspection authorities through comprehensive reforms.

## Key Activities:

1. Supported the review and completion of the regulatory framework in line with

- international best practices, focusing on harmonizing inspection procedures and reducing redundancies.
- 2. Provided capacity building for inspectors on the new Law on Inspections and sector-specific matters, ensuring comprehensive understanding and effective implementation.
- 3. Developed organizational and management skills within the Inspection Council, fostering a culture of continuous improvement and professional excellence.
- 4. Facilitated inter-agency coordination through workshops, seminars, and collaborative initiatives aimed at improving communication and cooperation among inspection bodies.
- 5. Developed and disseminated tools and resources, including checklists, methodologies, and training materials, to support the consistent application of inspection standards.

### Specific outcomes:

1. Development of 80 specific checklists for state inspection authorities, providing clear guidelines for consistent and effective inspections.
2. Creation of 15 methodologies for risk-based planning of inspections, enabling more targeted and efficient oversight.
3. Report on harmonization of administrative measures and fines, addressing discrepancies and promoting regulatory consistency.
4. Completion of a professional development training program for inspectors, enhancing their knowledge and skills in key areas.
5. Training of 30 inspectors through a "Training of Trainers" (ToT) program, ensuring the sustainability of capacity-building efforts.
6. Enhancement of organizational and management skills within the Inspection Council, fostering a more effective and responsive regulatory body.
7. Updating the Inspection Council's exam question database, ensuring alignment with current legal and regulatory frameworks.

### Key Results:

- Finalized the legal framework for inspection supervision, aligning it with best international practices and reducing regulatory burdens on businesses.
- Enhanced the capacity and professionalism of inspectors through targeted training and development initiatives.
- Improved coordination and collaboration among inspection authorities, leading to more efficient and effective regulatory oversight.
- Fostered a culture of continuous improvement within the Inspection Council, promoting innovation and best practices in inspection supervision.

### III. CONCLUSION

IDEAS DePo's achievements in 2020 highlight its resilience and adaptability in the face of unprecedented challenges. By continuing to enhance regulatory frameworks, build institutional capacities, and foster sustainable development, IDEAS DePo has solidified its role as a key player in North Macedonia's public sector reform landscape. The successful implementation of key projects underscores IDEAS DePo's dedication to promoting effective governance and economic growth.

Despite the obstacles posed by the COVID-19 pandemic, IDEAS DePo demonstrated remarkable agility in adapting its activities to the new realities, ensuring the uninterrupted progress of its initiatives. The organization's commitment to fostering transparent, efficient, and business-friendly regulatory environments has not only benefited public institutions but also contributed to creating a more predictable and supportive landscape for businesses in North Macedonia.

Looking ahead, IDEAS DePo remains committed to building on the successes of 2020, leveraging its experience and partnerships to drive further reforms and improvements in the inspection system and beyond. Through continued collaboration with national and international stakeholders, IDEAS DePo will continue to play a pivotal role in shaping the future of public sector governance and sustainable development in North Macedonia.

Executive Director,

  
**Aleksandar Shahov**