

CENTER FOR DEVELOPMENT POLICIES
IDEAS DEPO
ANNUAL REPORT 2024

Skopje, February 2025



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I. INTRODUCTION

In 2024, IDEAS DePo continued its vital mission to enhance public administration efficiency, promote regional economic integration, and contribute to North Macedonia's sustainable development. Throughout the year, IDEAS DePo focused its efforts under two major projects:

- **USAID Strengthening Resource Mobilization Activity (SRMA) – Objective 4: Improved Regional Economic Integration (REI)**
- **Trade Facilitation and Customs Reforms – Implemented in partnership with Palladium**

As part of these projects, IDEAS DePo concentrated on deepening North Macedonia's economic ties with neighboring countries and the European Union, strengthening trade facilitation mechanisms, and fostering a resilient and green economy. Under Objective 4 of the SRMA project, IDEAS DePo played a leading role in implementing activities related to the **EU Carbon Border Adjustment Mechanism (CBAM), decarbonization initiatives, and trade facilitation reforms.**

II. KEY PROJECTS AND ACTIVITIES

A. Implementation of the EU Carbon Border Adjustment Mechanism (CBAM) and Decarbonization Efforts

In 2024, IDEAS DePo intensified its efforts to support North Macedonia's transition toward a green economy, focusing heavily on the EU's Carbon Border Adjustment Mechanism (CBAM) and decarbonization strategies. Recognizing the substantial impact CBAM would have on North Macedonia's export-oriented industries, IDEAS DePo aimed to build both public and private sector capacities to adapt to the new regulatory landscape.

1. Assessment of CBAM's Impact and Assistance Needs

IDEAS DePo spearheaded the preparation of the assessment **“EU Carbon Border Adjustment Mechanism (CBAM) in North Macedonia: Impact, Policy Response, and Assistance Needs”**. Published in August 2024, this assessment provided an in-depth analysis of CBAM's implications on Macedonian industries, existing policy frameworks, and potential pathways for compliance and optimization.

The assessment explored four core segments:

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- **Impact of CBAM on Macedonian Exporters** – Identifying key vulnerabilities and opportunities for industries such as iron, steel, and aluminum.
- **Institutional Readiness** – Evaluating North Macedonia’s institutional capacity to manage CBAM implementation.
- **Verification and Accreditation Mechanisms** – Proposing systems to verify greenhouse gas emissions and establish compliant reporting practices.
- **Introduction of a Carbon Fee** – Analyzing policy options for introducing a national carbon fee aligned with EU standards.

The report was translated into Macedonian and Albanian, ensuring accessibility for a wide range of stakeholders. IDEAS DePo also prepared a 9-page executive summary in English, Macedonian, and Albanian to facilitate broader dissemination.

2. Capacity-Building and Public Engagement

IDEAS DePo organized several high-profile events aimed at raising awareness and building stakeholder capacity around CBAM and decarbonization:

- **“Implementation of the GHG Emissions Monitoring, Reporting, Verification, and Accreditation (MRVA) System and the EU CBAM in North Macedonia”** – This flagship event, held in November 2024, brought together 89 participants from government institutions, private sector companies, NGOs, and donor organizations. Key topics included CBAM compliance strategies, MRVA system implementation, and the broader implications of CBAM for North Macedonian industries.
- **Capacity-Building Workshops for MSMEs** – IDEAS DePo developed tailored training programs for micro, small, and medium-sized enterprises (MSMEs) in CBAM-affected sectors. Through these workshops, MSMEs gained insights into CBAM reporting requirements and strategies to minimize compliance costs.

3. Technical Assistance to MSMEs

Recognizing the complexities CBAM introduces for exporters, IDEAS DePo launched a co-financing program for MSMEs to support the preparation of quarterly CBAM reports. In partnership with local consultancy **G-Consult**, IDEAS DePo offered hands-on assistance to ensure compliance with EU reporting standards. This initiative directly benefited MSMEs in the iron and steel sectors, helping them retain access to the EU market despite the stringent new requirements.

B. Trade Facilitation and Customs Reforms

Implemented in partnership with Palladium

In parallel with CBAM-related efforts, IDEAS DePo played a crucial role in advancing trade facilitation reforms aimed at streamlining cross-border trade and improving North Macedonia’s export competitiveness.

1. Strengthening Customs Procedures

IDEAS DePo collaborated closely with the **Customs Administration of North Macedonia** to implement reforms that align with EU customs standards and facilitate smoother trade flows:

- **Training on Financial Solvency Assessments** – IDEAS DePo organized specialized workshops for 79 customs officers, focusing on methods to assess the financial solvency of companies participating in customs procedures. These trainings aimed to enhance the capacity of customs officials to apply risk-based decision-making in the approval of simplified customs procedures.
- **Implementation of the Revised PEM Convention on Rules of Origin** – IDEAS DePo developed comprehensive guidelines to assist customs officials in implementing the revised Pan-Euro-Mediterranean Convention, facilitating preferential trade with the CEFTA region, EU, and other partner countries.

2. Promoting Authorized Economic Operator (AEO) Programs

To further streamline trade and boost supply chain security, IDEAS DePo supported the expansion of the **Authorized Economic Operator (AEO)** program. IDEAS DePo organized an event titled “**Increasing Awareness and Participation of Other Government Agencies in the AEO Program**”, engaging customs authorities, the private sector, and regulatory bodies in discussions on enhancing AEO implementation.

3. Regional Economic Integration and Export Promotion

In line with its commitment to regional integration, IDEAS DePo contributed to initiatives aimed at improving North Macedonia’s position within European value chains:

- **Support for the Export Promotion Strategy** – IDEAS DePo collaborated with the Ministry of Foreign Affairs and Foreign Trade to draft policy recommendations for strengthening North Macedonia’s export competitiveness, with a particular focus on simplifying compliance with EU market regulations.
- **Trade Facilitation Reforms** – IDEAS DePo maintained ongoing dialogue with CEFTA and regional partners to align North Macedonia’s trade practices with EU standards and reduce non-tariff trade barriers.

III. CONCLUSION

In 2024, IDEAS DePo solidified its role as a key driver of North Macedonia’s regional economic integration and green transition efforts. By focusing on CBAM implementation, decarbonization strategies, and trade facilitation reforms, IDEAS DePo supported both public institutions and private enterprises in adapting to evolving EU regulations and strengthening North Macedonia’s economic resilience.

As the country continues its path toward EU accession and a low-carbon economy, IDEAS DePo remains committed to fostering policies and practices that promote sustainable growth, regional cooperation, and inclusive economic development.

I also submit the **IDEAS DePo Annual Financial Statement for 2024**, pursuant to the IDEAS DePo Charter, for review and approval by the relevant IDEAS DePo managing and supervision bodies.

Executive Director,



Aleksandar Shahov