

CENTER FOR DEVELOPMENT POLICIES

IDEAS DEPO

ANNUAL REPORT

2017

Skopje, February 2018



In the course of the past year, the team of IDEAS DePo was focused on two main pillars of activities:

A. Implementation of the USAID funded Program – **Modernizing Inspection Authorities (MIA)** and undertaking appropriate activities for quality implementation of the USAID Award

B. Realization of activities defined in the Subcontract for the USAID Regional Economic Growth (REG) Project (referred to hereinafter as the “REG”) with SEGURA Consulting LLC:

a. Trade facilitation Assistance to Macedonia

IDEAS DePo continuously worked towards strengthening the organization’s internal structure and capacity, in addition to seeking funding opportunities, with the following key activities:

- IDEAS DePo selected appropriate offices for efficient and effective functioning of the organization. To this end, appropriate changes and entries in the Central Registry of Macedonia were made.

A. Implementation of the USAID funded Program – Modernizing Inspection Authorities (MIA)

The main activities undertaken in implementation of the MIA program, as well as in reaffirming IDEAS DePo implementing status were: 1) Development and approval of MIA Work Plan and subsequent Scopes of Work for specific activities in line with the Work Plan; 2) Conducting transparent procurement and selection procedures for appropriate implementation of envisaged activities; 3) Engagement of experts and other resources for implementation of activities; 4) Consultations with relevant beneficiaries and counterparts, especially having in mind the political situation in the country, 5) Consultations with USAID AOR and other USAID representatives, including other USAID Projects in order to communicate activities and Project goals and procedures as well as to explore possible mutual cooperation and assistance, accordingly.

The following are some of the key events, activities and accomplishments that marked the implementation of the MIA Program in the reporting period:

- (1) Finalization of the Legal Institutional and Regulatory Assessment - LIRA (first phase), presentation of the findings to USAID Macedonia GDO and submitting the Assessment to MISA.
- (2) Finalization of the Comparative Analysis of Training Modalities presentation of the findings to USAID Macedonia GDO and submitting the Assessment to MISA
- (3) Finalization of the Assessment on Court Practices in Inspection Supervision in Republic of Macedonia presentation of the findings to USAID Macedonia GDO and submitting the Assessment to MISA.

- (4) Finalization of the Assessment of Existing National Software Solutions in The Region and EU Countries presentation of the findings to USAID Macedonia GDO and submitting the Assessment to MISA.
- (5) Signing of a Memorandum of Understanding with the Ministry of Information Society and Administration (MISA) - July 13, 2017.
- (6) Organization of a high-level event together with MISA for presentation of the MIA Project and its planned activities – August 30, 2017
- (7) Organization of a training for the State Administrative Inspectorate, together with MISA
- (8) MIA Year II Work Plan development.
- (9) Engagement of experts and organization of a series of meetings and working sessions for drafting of the new Law on Inspection Supervision
- (10) Engagement of experts and organization of a series of meetings and working sessions for drafting of the new Law on Administrative Inspection

At the same time, IDEAS DePo made additional improvements of its procedures and guidelines in order to be even more responsive to USAID requirements.

There were no issues of any kind in regard to implementation of envisaged activity both in essence and in regard to time limitations.

For more details on the implemented activities please refer to the quarterly and annual report(s) IDEAS DePo submits to USAID on implementation of the MIA Program.

B. Realization of activities defined in the Subcontracts for the USAID Regional Economic Growth (REG) Project with SEGURA Consulting LLC

Trade facilitation work in Macedonia continues to be affected by the significant political uncertainty created by the continuous delay in the establishment of a functional Government. Under these circumstances, REG continued with the implementation of the following trade facilitation activities:

- (1) Private sector Survey on Cross-Border Trade Barriers in Macedonia – discussed and agreed cooperation with three major chambers, drafted the survey questionnaire, distributed the questionnaire through the partner chambers, developed the database for collection and processing of survey data, currently working on the collection of data from companies.
- (2) Continued to work in consultation with the Macedonian Customs Administration on the drafting of the two pieces of legislation relevant for efficient functioning of the Macedonian Trade Facilitation Enquiry Point, i.e. Government Regulation setting the procedure and roles/responsibilities of all institutions that will provide information to private sector enquiries, and Customs DG Rules of Procedure regulating the internal processes for receipt, processing and monitoring of relevant submissions.
- (3) Facilitated the process of identification of participants from Macedonia for the

Workshop on the Joint Action Plan on Trade Facilitation for Western Balkans.

As the long political uncertainty was resolved with the establishment of a Government at the beginning of June, REG continued with the implementation of trade facilitation activities that started in the previous quarter:

(4) Private Sector Survey on Cross-Border Trade Barriers in Macedonia – REG received /collected completed questionnaires from 44 import and export companies, entered the data in the database, processed it and prepared the graphics, and is currently drafting the report with results, findings and recommendations.

(5) Due to the personal changes expected to take place with the change in government, in consultation with USAID REG decided to move the workshop for presentation of the survey results to the fall.

(6) REG completed the drafting of the Regulation on the Organization and Functioning of the Trade Facilitation Enquiry Point and the Procedures for Provision of Information. The draft was submitted to the Macedonian Customs Administration for review and comments. Once they provide feedback, the Regulation will be finalized and submitted to the Government of Macedonia for adoption.

(7) After intensive advocacy carried out by REG and the Ministry of Economy, the Government of Macedonia decided to assign the latter to host the National Trade Facilitation Committee (NTFC). The Decision to that effect was adopted on September 26, 2017 and it entered into force on the day of its publishing in the Official Gazette, i.e. on October 4, 2017. The Committee will be chaired by the Minister of Economy; its membership will include fifteen government institutions responsible for various aspects of cross-border procedures and six private-sector organizations representing traders, transporters and providers of freight forwarding and logistics services.

(8) Immediately after the adoption of the decision, REG defined in consultations with the Ministry of Economy a set of assistance activities aimed at helping the NTFC to efficiently and effectively perform the coordinative and consultative role in line with Article 23.2 of WTO TFA and strengthening the capacity of Committee's members to actively participate in its work. Implementation of activities will start in October 2017.

(9) The draft Regulation on the Organization and Functioning of the Trade Facilitation Enquiry Point and the Procedures for Provision of Information was finalized based on the comments provided by Macedonian Customs. It will be submitted to the Government for adoption this fall.

(10) REG finalized the Report on the Private Sector Survey on Cross-Border Trade Barriers in Macedonia that is now undergoing proofreading and editing. Survey findings and recommendations will be presented to the private sector at an event organized in cooperation with participating chambers in December 2017. The event will also be used to inform companies of the establishment of the NTFC and its role in the TF dialogue, as well as to increase their awareness on the WTO TFA and its provisions and requirements.

(11) Following reiterative communication and meetings with key counterparts, REG implementer IDEAS DePo revised the plan for implementation of trade facilitation

assistance in Macedonia. Revision was based on the changed circumstances in the country and the anticipated no-cost extension of REG activities.

(12) The Decision on Establishing the NTFC in Macedonia entered into force in October 4, 2017 and institutions participating in its work had 30 days to nominate their representatives. However, due to the local elections that prevented appointing of directors of many institutions, the process of nominations of representatives was significantly delayed and was not completed by the end of December.

(13) REG met with the Ministry of Economy in December to discuss the organization of the first meeting of the NTFC and start of planned assistance activities. Due to the fact that the Committee membership was not complete yet, they asked REG to move these activities to January 2018.

(14) The draft Regulation on the Organization and Functioning of the Trade Facilitation Enquiry Point and the Procedures for Provision of Information was submitted to the Government of Macedonia for adoption in December. Macedonian Customs appointed two persons who will serve as contact points for receipt of requests for information and their processing. Their contact information has been notified to the WTO by the Ministry of Economy.

(15) Upon request by Macedonian Customs, REG procured the WCO Explanatory Notes for the HS 2017. This is a publication prepared by the World Customs Organization (WCO) that provides an official interpretation of the product descriptions in the Customs Tariff and it provides an important tool for the quality of the customs clearance procedure.

(16) REG currently works on updating the Explanatory Notes in Macedonian language with the latest changes/amendments released in 2017. Once updated, they will be posted on the website of the Customs Administration and every importer will be able to consult them in the process of classifying the goods for imports. Such information will significantly contribute to transparency and provide for a more consistent and unified approach in tariff classification for customs clearance purposes.

(17) REG finalized the Report on the Private Sector Survey on Cross-Border Trade Barriers in Macedonia and started to plan the organization of the event for presenting its findings to the business community in cooperation with the participating Chambers. The event will also be used to inform companies of the establishment of the NTFC and its role in the TF dialogue, as well as to increase their awareness on the WTO TFA and its provisions and requirements.

In the year of 2017, with strong effort of the IDEAS DePo Team and USAID assistance, we managed to successfully implement activities and follow the requirements of the awarded Cooperative Agreement by USAID, proving that IDEAS DePo has the necessary level of human resources and expertise to engage in implementation of elaborate and complex

activities and Projects.

All our obligations regarding financials and contents, towards our distinguished clients, USAID and SEGURA Consulting LLC, were confirmed to have been realized in full, to the satisfaction of our partners.

We now continue to work on new projects while taking care of adequate realization of the ones we already have signed with our partners.

I also submit the IDEAS DePo Annual Financial Statement for 2017, pursuant to the IDEAS DePo Charter, for review and approval by the relevant IDEAS DePo managing and supervision bodies.

Executive Director,



Aleksandar Shahov