



Влада на Република Северна Македонија
The Government of Republic of North Macedonia

TITLE OF INFORMATION AND CONTENT

INFORMATION
FOR THE IMPLEMENTATION OF THE NATIONAL STRATEGY FOR SMALL AND MEDIUM
ENTERPRISES 2018-2023
WITH ACTION PLAN 2018-2020

This Information has been prepared in order to inform the Government of the Republic of North Macedonia on the implementation of the National Strategy for Small and Medium Enterprises 2018-2023 with Action Plan 2018-2020.

The basis for preparing this information is the Conclusion from the Sixty-second session of the Government of the Republic of Macedonia held on April 3, 2018, with which:

„3. "The Ministry of Economy shall inform the Government once a year about the implementation of the strategy."

With the preparation of the Strategy for Small and Medium Enterprises 2018-2023, was also prepared AP, but only for the period 2018-2020. In addition to this information is the Action Plan 2018-2020 in which after each activity in a separate line entitled Status is stated what is the state of particular activity with description of the undertaken and realized procedures and measures.

Most of the mentioned measures and activities from the Action Plan 2018-2020 have been realized, significant part of them have started with realization, but the COVID-19 pandemic and the crisis conditioned their redirection or prolongation. Namely, a large part of the activities and measures envisaged in the AP for the SME Strategy and in the annual programs through which the Strategy is implemented, due to the COVID-19 crisis were either prolonged or deleted, and the funds were redirected for direct support of the economy and companies for which the Government adopted six packages of economic measures.

Given the fact that the period of validity of the Action Plan 2018-2020 has expired, and in order to continue the implementation of the measures and activities envisaged in the Strategy, the Ministry of Economy announces that it will start preparing a new Action Plan 2022-2023.

In continuation, the Ministry of Economy summarizes the implementation of the following activities from the Action Plan 2018-2020 of the Strategy for Small and Medium Enterprises.

Regarding **PILLAR 1: Favorable Business Environment**, Program 1.1 .: Improving Policy Making and Coordination, it was established Coordination Body for Monitoring the Implementation of the Strategy, but due to the COVID-19 pandemic, during the last two years were not held formal meetings of the members from individual Ministries and institutions.

The Agency for Entrepreneurship Support of the Republic of North Macedonia (AESRNM) is continuously supported and the budget for realization of its program activities has been increased.

Regarding Program 1.2: Simplification of the legal and regulatory environment after receiving the recommendations from the SME Policy Index 2022, that is, the Report on the Small



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Enterprise Act for the Western Balkans and Turkey, which will be published in 2022, will be considered the possibility and activities for introduction of "SME test".

The amendments to the Bankruptcy Law, which is being implemented as a project financed by the World Bank, will introduce the concept of *early warning to companies*.

The implementation of the Strategy for formalization of the informal economy 2018-2022 continues through the realization of two-year action plans and the continuous public educational and information campaign to provide broad support for the formalization of the informal economy.

In order *to reduce the costs for start-up companies*, the amendments to the Company Law were adopted in the part of establishment of company with a base of 1 Euro, and the amendments to facilitate the procedure for establishing a company with a convertible loan are in parliamentary procedure.

For Program 1.3.: Strengthening and institutionalization of the social dialogue, Memorandum for Public-Private Dialogue was signed among the four Chambers of Commerce and the Government, and the website biznisregulativa.mk is updated daily with the latest data relevant to the business sector. The "Strategy for Women Entrepreneurship 2019-2023" and the established "National Platform for Women Entrepreneurship" ensure the involvement of women in this dialogue. The Social Dialogue Mechanism has been upgraded with the establishment of the Government Commission for Public-Private Dialogue, composed of Ministers, chaired by the Deputy Prime Minister for Economic Affairs.

Program 1.4. Improving the coordination in the collection and use of SME data and monitoring and evaluation of SMEs continues to be implemented by preparing and publishing an annual report on the SME Observatory Report on AESRNM as well as by processing data obtained from the Central Register (CRNM). The representation of the SME sector has also been enhanced by the establishment of the Government Commission for Public-Private Dialogue.

Regarding **PILLAR 2: Productive and competitive sector of SMEs**, Program 2.1.: Improvement of business development services is implemented through the preparation of reports on the implementation of annual programs by both the Ministry of Economy and AESRNM; The identification and promotion of the good practices in the development of SMEs is realized decentralized through the instruments of AESRNM and through the infrastructure network of the 7 Regional Centers. The consultations with SME development service providers are implemented through the AESRNM program activities, such as: Voucher system of subsidized counseling (in which the business organizations and consultants are the stakeholders), the info desk, the mentoring services that are realized through the institutional network of regional SME support centers, as well as through public announcement of the annual reports on the implementation of program activities, as well as through statements of satisfaction with the service (voucher advisory system), statements on the quality of service received (mentoring services for SMEs), in which program activities also participate women entrepreneurs.

Through the website konkurentost.mk companies can easily and simply get all the information related to various aspects of their work, opportunities for financial and non-financial support from budget programs/projects or donor projects (Programs, Projects, Measures, Public Calls, Trainings, Credit lines, Doing business, Laws ...).



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Also, the young people as a target group are included in several program activities of AESRNM, namely the Self-employment Program, through the program of mentoring services for start-up enterprises, as well as advisory services with the support of the voucher program of advisory services.

About the Program 2.2. Improving access to finance, the Development Bank of North Macedonia (DBNM) implements factoring as a service that enables the sale of products and services on deferred payment, and by amending the Law on DBNM, the Guarantee Fund was established as a separate organizational unit, and the Credit-Guarantee Scheme was revitalized as part of the economic sets of measures adopted by the Government of the Republic of North Macedonia to deal with the consequences of the COVID-19 pandemic which is part of the Government Plan for Accelerated Growth and Development.

For the purpose to improve the financial literacy of both companies and the population, the "Strategy for Financial Education and Financial Inclusion 2021-2025" has been prepared, and the National Bank of the Republic of North Macedonia and the Ministry of Finance are continuously conducting educational campaigns to reach every segments of the society.

Regarding the Program 2.3. Facilitation of Internationalization and Program 2.4. Support for the development of the value chain, the Ministry of Economy informs that the public procurement has been completed and the economic operator has been selected to work on the preparation of the "Export Promotion Strategy 2022-2026". It will contain numerous analysis, including the foreign trade and the development of the export structure by sectors, potential export sectors, potential sources of funding and the like.

One of the expected results of the "Export Promotion Strategy 2022-2026" is the creation of a strategic framework and Action Plan for support of the internationalization of companies, in consultation and dialogue with stakeholders and parties, that is, strengthening the partnership cooperation among all agencies and institutions.

Into direction of support for the development of SMEs in the ICT sector, the Ministry of Information Society and Administration has prepared a draft "National Strategy for ICT" with Action Plan and it is in the process of its adoption.

There is also a plan for digitalization of registers and e-services within the project funded by IPA 2017 which should lead to interoperability of institutions, in order to facilitate the operation of the enterprises.

Regarding the support of SME development in the green economy through national policy reforms and design of support instruments and services, in the Competitiveness, Innovation and Entrepreneurship Program for 2021, implemented by the Ministry of Economy, among other measures, several measures were implemented for this support: for procurement and installation of photovoltaic panels - closed system; for expert analysis and preparation of technical-project documentation or technical feasibility study for: preparation of enterprise for increasing energy efficiency, introduction of the concept of circular economy and green economy; for preparation of project documentation for installation of photovoltaic panels for generation of electricity from renewable energy sources and procurement, implementation, certification and training for standards in the field of: horizontal standards (MKC EN ISO 50001; MKC EN; ISO 9001; ISO 14001 ; ISO 22000; MKC EN ISO 45001; MKC EN ISO 31000); harmonized also other standards and standardization documents in the field of processing industry.



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About **PILLAR 3: Dynamic Ecosystem of Entrepreneurship and Innovation** and Program 3.1. Expansion of entrepreneurship in education and training, we can say that entrepreneurship as a subject is represented in almost all levels of formal education, in secondary education within the subjects "Business and Entrepreneurship", and at the level of higher education in the curriculum for management of companies, that is, Business Management.

In terms of social entrepreneurship, in the last decade CSOs have been very active in raising awareness of social entrepreneurship and have implemented numerous non-formal education programs on this topic in the field of non-formal education. Such initiatives were also supported by certain institutions.

For the establishment of new partnerships between educational institutions and the industry, in addition to AESRNM, also the Fund for Innovation and Technological Development (FITD) realizes its activities during the Public Call for the instrument "Co-financed Grants for Commercialization of Innovations", provided free expertise in the following areas: Innovation Management, Market Analysis, Project Drafting and Protection of Intellectual Property Rights, and in 2019 for the Public Call for the instrument "Co-financed Grants for Technological Development", FITD also provided free expertise in the following areas: Market Analysis, Preparation of a Project Proposal and Protection of Intellectual Property Rights. At the same time, at the end of the year, FITD launched the Call "Startup2" for the instrument Co-financed Grants for Start-ups and Spin-off Companies, which also offers free expertise in the areas: Innovation Management, Market Analysis, Project Proposal and Protection of Intellectual Property Rights. FITD also implements the innovation voucher.

For Program 3.2: Improving science, technology and innovation in SME development, we can emphasize that the budget of FITD is continuously increasing, and thus the coverage of supported SMEs in terms of innovative projects. As part of the process of exploring the possibilities for expanding the network of business angels and mapping the use of angels by investors in the SME sector, a "Study for stimulating the informal risk capital market by promoting the business angel model" was prepared as basis for defining and creating incentives.

In order to encourage the cooperation between science and business, FITD realizes the Innovation Voucher, which provides a direct financial incentive that companies use to cover part of the costs for the services offered by academic and research institutions. FITD is currently working on developing scheme for cooperation between industry and academia.

In the direction of realization of the Program 3.3. Establishment of science and technology parks and incubators for innovations we inform that the Ministry of Economy in 2018 through the implementation of one of the measures of the annual program financed the submitted project by concluding Agreement for Implementation of the Project which finances new Technology Park within the University "Mother Teresa" Skopje.

Also, on the initiative of the Government, the Science and Technology Park was established, and is implemented by FITD and the Ministry of Information Society and Administration. So far, the first phase has been realized, and in the second and third phase, construction of new buildings and laboratories is envisaged, which will be completed by 2024, that is, by 2027. The study is financially supported by the EU Delegation.



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Regarding the initiative for opening accelerators, we inform that FITD financially supported the establishment and operation of 3 operational accelerators in the country: X Factors, Seavus and UKIM accelerator. X Factors and Seavus are private accelerators, while the UKIM accelerator has a partnership model where UKIM is one of the owners. The purpose of this accelerator is to identify and support the development of the most promising entrepreneurs, start-ups and companies that are in the initial stage of development and have strong commercial and market potential.

