

<b>The step under review</b>	Ensure the financial independence of the judicial system to attain the goals of the Judicial Strategy (2024-2028), in line with the Law on Judicial Budget.
<b>Baseline</b>	0.3 % of GDP for court budget (2024) 0,2% state budget for prosecution (2024)
<b>Deadline of the step</b>	Decembre 2025
<b>Actual results</b>	<p>In line with the measures from the Development Sector Strategy for the Judiciary 2024-2028 with Action Plan, related to the strengthening the legal guarantees for independent and autonomous disposal (management) of the court budget, on 31<sup>st</sup> October 2025, an optimized Working Group was established to prepare proposal on the Law on Judicial Budget, with Decision No. 08-2123/1 of 31.10.2025. (Annex 1)</p> <p>The Working group included judges from the Supreme court and other courts, members of the Judicial Council, representatives of the Judicial Budget Council, the Ministry of Finance, Ministry of justice and representatives of civil society organizations.</p> <p>The Working group prepared the <b>draft Law on the judicial budget</b> by incorporating the following recommendations and standards; Recommendations from the CEPEJ reports; recommendations established in the Assessment Report by the IPA RULE OF LAW project on the legislative framework regulating the Judicial Budget in North Macedonia; comparative analysis relating to the budget of the Assembly of the Republic of North Macedonia, and findings in the Annual Report on the Implementation of the Judicial Budget for 2024.</p> <p>The draft Law on the Judicial Budget was prepared on 10 December 2025. The provisions of the new draft law on the judicial budget follow the model established in the Law on the Assembly of the Republic of North Macedonia, ensuring financial autonomy of the judiciary.</p> <p>The adoption of this legislative solution will achieve the objective of ensuring the financial independence of the judiciary and will contribute to judicial independence, including the functional and operational independence of judicial bodies, through a legal framework aligned with European standards.</p> <p>With the new proposed legislative solution, the role of the Judicial Budget Council is strengthened. The competences of the Judicial Budget Council have been expanded to include:</p>

- the adoption of a Strategic Plan for the judiciary, covering at least the next five years, with strategic objectives and priorities incorporated into the Draft Judicial Budget;
- the determination of the Draft Judicial Budget for the following year; monitoring the execution of expenditures within the judicial budget;
- granting financial consent to the annual employment plans of the judiciary;
- approving the availability of financial resources for filling each position within the limits of the funds provided in the Judicial Budget;
- adopting decisions on determining the value of the coefficient (point value) for employees in the judicial service, administrative staff of the Judicial Council of the Republic of North Macedonia, and the Academy for Judges and Public Prosecutors;
- adopting decisions on the methodology for determining the salaries of employees in the judiciary performing auxiliary and technical duties and
- adopting decisions on the centralized implementation of public procurement procedures for individual budget users.

In relation to the financial independence of the public prosecution, in line with the measures from the Development Sector Strategy for the Judiciary 2024-2028 with Action Plan, Draft Law on Public Prosecution. The working group was also given an extended mandate to work on the Law on the Council of Public Prosecutors.

The texts of both draft laws were translated and submitted for opinion to the Venice Commission, which was adopted on the 114-th plenary session held on 10 October 2025. In concrete, the Venice Commission Joint Opinion (ANNEX 2), gave a positive assessment of the process and content of the developed draft laws and it welcomed the reform efforts of the Ministry of Justice. It was pointed that both draft laws are in line with international standards and implement all recommendations. Several additional proposals were also made in order to improve the legal texts. (please see the reporting under the step review of the New Law on Public Prosecution and new Law on Council for Public Prosecutors adopted and timely implemented, in line with the EU acquis and European standards, including the opinion of the Venice Commission).

The Draft Law on Public Prosecution was adopted by the Government during its session held on 30.12.2025. (ANNEX 3 Conclusion of the Government).

Concerning the budgetary independence of the Public Prosecution, Articles 105 and 106 from the Draft Law on Public Prosecution, provides provisions for ensuring budgetary autonomy of the Public Prosecution in line with the Development Strategy, the Reform Agenda and the Human Resources Strategy.

	<p>In concrete, in the chapter Funds for the operation in the draft law it is foreseen that the funds for the operation of the Public Prosecution shall be provided from the Budget of the Republic of North Macedonia. The funds for the operation of the Public Prosecution shall be provided from the Budget of the Republic of North Macedonia through the budget user – the Public Prosecution of the Republic of North Macedonia.</p> <p>The Public Prosecution the Republic of North Macedonia shall independently determine and dispose of the budget and decide on the use, distribution, purpose and redistribution of the funds.</p> <p>The Public Prosecutor of the Republic of North Macedonia shall participate in the session of the Government of the Republic of North Macedonia when the draft Budget of the Republic of North Macedonia is adopted and before the working bodies and at the session of the Assembly of the Republic of North Macedonia when the Budget of the Republic of North Macedonia is adopted.</p> <p>The provisions of the draft law further specify the basis for determination of the amount of the funds, criteria, methodology, as well as the conditions for the assessment and acceptance of the proposal by the Government of the Republic of North Macedonia and Assembly of the Republic of North Macedonia.</p>
<b>Evidence provided</b>	<p><i>ANNEX 1 - Decision No. 08-2123/1 of 31.10.2025</i></p> <p><i>ANNEX 2 - Venice Commission Joint Opinion on the Draft Law on Public Prosecution and the Draft Law on the Council of Public Prosecutors of the Republic of North Macedonia</i></p> <p><i>ANNEX 3 Conclusion of the Government Session – adopting the Law on Public Prosecution.</i></p>
<b>Checks performed in the verification of the step and related findings</b>	<p>In the preparation of the draft text of the draft text of the Draft Law on Public Prosecution and the Draft Law on the Council of Public Prosecutors of the Republic of North Macedonia, the Working Group took into account the relevant international and EU standards. The laws were published at ENER for public consultation. The relevant public opinions were taken into consideration and incorporated in the text of the laws.</p>
<b>Compliance with general principles and DNSH principle</b>	<p><i>The implementation of the steps does not contravene the general principles outlined in Article 4 and 11(4) of Regulation (EU) 2024/1449 and Article 3 of the Facility Agreement.</i></p> <p><i>The implementation of the steps does not contravene the ‘Do No Significant Harm’ principle (DNSH).</i></p>

<b>Double funding</b>	Contributions from third parties were not reported in support of the achievement of this step.
<b>Clear conclusion on the achievement of the step</b>	<b>Not achieved</b>