

## ANNEX A: MODEL FOR THE REQUEST FOR THE RELEASE OF FUNDS

### Annexes:

#### 1) Fiche to be used for each step:

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| <b>The step under review</b> | <i>Restructuring plan for state owned railways operator and railway infrastructure manager adopted by January 2025</i>   |
| <b>Baseline</b>              | Baseline 2024  |
| <b>Deadline of the step</b>  | June 2025 (ongoing grace period until June 2026)   |
| <b>Actual results</b>        | <p>In July 2025, the Ministry of Transport through the Ministry of European Affairs, submitted a Request for Release of Funds along with the Action Plans and supporting evidence for:</p> <ul style="list-style-type: none"> <li>- Railways of the Republic of North Macedonia Transport JSC – Skopje (ZRSM Transport AD Skopje);</li> <li>- Public Enterprise for Railway Infrastructure – Railways of the Republic of North Macedonia – Skopje (ZRSMI) adopted in March 2025.</li> </ul> <p>In November 2025, EC assessed the step as not achieved, entering a grace period until 30.06.2026.</p> <p>At the request of the Ministry of Transport and Ministry of European Affairs, technical assistance was provided through SUPRAE. Consultants worked intensively with both Companies in the period between 01-19.12.2025, to improve the Restructuring Plans and Action Plans, making them market - and - customer oriented and aligned with a new generation approach.</p> <p>Business and Investment Plans reflecting measures/actions from the Action Plans were prepared by the end of December from both companies for submission to DEU prior to Government adoption in January 2026.</p> <p><i>Board members</i> were selected through transparent, merit-based public procedures in accordance with the Law on Public Enterprises and relevant Rulebook (Official Gazette No. 213/2024). Public calls, interview invitations, and CVs of appointed Board members are publicly available online.</p> <p>Public calls for applications, the public invitations for interviews with qualified candidates, and the CVs of the appointed Board members are available on the website of the Public Enterprise for Railway Infrastructure Railways of</p> |

Republic of North Macedonia – Skopje (ZRSMI), - under the section [Јавни Огласи - МЖИ](#). Articles 5 and 6 of the aforementioned Rulebook provide detailed guidance on the merit-based process for candidate selection.

### **ZRSM Transport AD Skopje**

The governing bodies of the joint-stock company ZRSM Transport AD Skopje are the Supervisory Board and the Management Board, in accordance with the Law on Trade Companies and its related Articles noted below.

The Supervisory Board is appointed by the Government (Decision No. 14-5770/1, 5 July 2024). One quarter of Supervisory Board members are independent, as prescribed by law. The Management Board is appointed by the Supervisory Board (Decisions adopted on 3 February 2025).

*Based on Article 383 of the Law on Trade Companies, the Government, in a session held on **July 5, 2024**, issued Decision No. 14-5770/1, recalling and appointing new members of the Supervisory Board.*

The **Management Board members** are appointed by the Supervisory Board in accordance with Articles 374 and 374-a.

**On 03.02.2025**, at its Second Meeting, the Supervisory Board *adopted Decisions No. 193/1-2, 193/1-3, 193/1-4, 193/1-5, 193/1-6, 193/1-7, 193/1-8 appointing acting members of the Board of Directors, pursuant to Articles 374 and 380.*

*Task force to be created by the Ministry of Transport with involvement from international development partner/s with relevant experience on restructuring, the restructuring plan will start being prepared in autumn 2024*

*.... and will be monitored by a working group for railway reform, chaired by Ministry of Transport, which will meet regularly on quarterly basis.*

Draft Decision for establishing a Working Group for monitoring and reporting the implementation of the steps of the Reform Agenda, with a focus on railways was prepared by the Ministry of Transport and submitted via e-mail on 30.06.2025 to the EUD, EBRD, EIB, WB, AFD for feedback. Until the proposed deadline of 04.07.2025, the EUD, EIB, WB and AFD responded confirming they had no comments and expressed readiness for cooperation and commitment to successful implementation of the Reform Agenda.

On 04.07.2025, the Decision for establishment of the Working Group was signed by the Minister of Transport and archived as No. 14-4891/4. The Working group consists of representatives from the Ministry of Transport, representatives from ZRSM Transport AD Skopje and representatives from ZRSMI. Representatives from the EU Delegation and International Financing Institutions (IFI's) will also participate.

The working group has the following tasks:

- Monitoring implementation of the reform steps outlined in paragraph 1 of the Decision;
- Monitoring implementation of the Action Plans of both ZRSM Transport AD-Skopje and ZRSMI.

The coordinator and members of the Working Group will prepare and submit quarterly reports to the Reform Coordinator for each separate step.

If necessary, representatives from other institutions and representatives from Enterprises may be invited to the Working Group, depending on the topic under consideration.

Considering the fact that the Working Group is already established, the first meeting **of the Working Group was held on 23th of July 2025**. During the meeting, the Action Plans were presented, and the EU Delegation requested amendments. They noted that the initial drafts of the Action plans did not meet the standards required under the Reform and Growth Agenda and highlighted the need for clearer analysis, stronger financial foundations, and more credible planning.

Throughout the year, the Ministry of Transport, together with ZRSM Transport JSC Skopje and ZRSMI, has worked diligently on developing improved action plans for restructuring both companies. In December, with support from SUPRAE's experts who assisted in drafting the final versions of the action plans the two documents were produced.

The collaborative approach ensured that every comment was properly addressed and that the final documents reflect both national priorities and European standards.

**The second meeting of the Working Group was held on 15<sup>th</sup> of December 2025**. During the meeting, the new improved draft versions of the Action Plans were presented. Representatives from the Ministry of Transport, representatives from ZRSM Transport JSC Skopje and representatives from ZRSMI as well as representatives from the EU Delegation and International Financing Institutions (IFI's) were present on the meeting in person and on – line.

Both companies along with the experts from SUPRAE presented a consolidated diagnostics overview covering institutional, operational, financial, and technical performance of the national railway sector.

On 17<sup>th</sup> December comments from the Delegation of the European Union via mail received comments regarding the new improved draft versions of the Action Plans that were taken into consideration and incorporated accordingly.

On 20<sup>th</sup> December the improved Action Plans were once again submitted via e-mail to the Working group and after not receiving additional comments the procedure for adoption continued.

On 19<sup>th</sup> of December the Decision No.2024/1-2 for adoption of the “Action Plan of ZRSMT Transport JSC – Skopje (2026–2027) for stabilization, modernization and reform” was made by the Management Board of ZRSMT Transport AD-Skopje.

Subsequently on 26<sup>th</sup> of December the Decision No.2053/1-2 for adoption of the “Action Plan of ZRSMT Transport JSC – Skopje (2026–2027) for stabilization, modernization and reform” was made by the Supervisory Board of Railways of the Republic of North Macedonia – Transport AD Skopje.

On 26<sup>th</sup> of December 2025, the Information No.32-2058/1 for approval and adoption of the Action Plan submitted by the ZRSMT Transport JSC – Skopje to the Government of North Macedonia.

The Government reviewed the Information on the need to adopt an Action Plan for 2026–2027 for the stabilization, modernization, and reform of Railways of the Republic of North Macedonia Transport AD–Skopje, with the Action Plan, the Government adopted the Information and approved the Action Plan for 2026–2027 for the stabilization, modernization, and reform of Railways of the Republic of North Macedonia Transport AD–Skopje, under Decision No. 50-11975/11.

On 25<sup>th</sup> of December the “Action Plan for the Restructuring and Development of the Public Enterprise for Railway Infrastructure – Railways of the Republic of North Macedonia for the period 2026–2027” was adopted by the Management Board with a Decision No.02-5064/6.

On 26<sup>th</sup> of December 2025, the Information No.05-5111/1 for adoption of the Action Plan was submitted by the Public Enterprise for Railway Infrastructure – Railways of the Republic of North Macedonia to the Government of North Macedonia.

The Government reviewed the Information related to the Action Plan for the restructuring and development of the Public Enterprise for Railway Infrastructure Railways of the Republic of North Macedonia (2026–2027), together with the Action Plan. The Government adopted the Information and approved the Action Plan for the restructuring and development of the Public Enterprise for Railway Infrastructure Railways of the Republic of North Macedonia (2026–2027), under Decision no. 50-11974/11.

*The Action Plans for state owned railways operator and the railway infrastructure manager were adopted 30.12.2025, the Business/Investment Plans for 2026-2030 will be adopted by January 2026 (after receiving the*

*comments by the members from the Working Group submitted via e-mail on December 29<sup>th</sup> 2025) and will be implemented over the fiscal years 2026, 2027, and beyond, with the goal of achieving long-term stabilization for the two companies and avoid operating at loss, and accumulating new debts and subsidies.*

Consultations between the Ministry of Transport and the **Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia – Skopje (ZRSMI)** in relation to the preparation of the Action Plan for Restructuring of ZRSMI began in autumn 2024.

Following multiple internal drafts and coordination, the “Action Plan for Restructuring and Development of the railway infrastructure manager in the Republic of North Macedonia for the period 2025-2027” was submitted to ZRSMI’s Management Board for review and approval.

The Plan was adopted by ZRSMI’s Management Board on **31.01.2025** and subsequently submitted to the Government for review and approval. The Government adopted the Action Plan on 18.03.2025, under Decision no. 50-1293/6.

The Action Plan outlines implementation of milestones set up to be achieved by the end of 2027, in line with the Reform Agenda.

Consultations with the Ministry of Transport and the **ZRSM Transport AD-Skopje** in relation to the preparation of the “Reform Agenda and Action Plan for Restructuring of ZRSM Transport AD-Skopje for the period 2025-2027”, started in autumn 2024

After internal coordination, the “**Reform Agenda and Action Plan for Restructuring** of ZRSM Transport AD-Skopje (2025–2027)” was adopted by the Management Board on **03.02.2025** (Decision No. 207/1-2) and approved by the Supervisory Board on **06.02.2025** (Decision No. 248/1-2). The “Action Plan for Restructuring and Development of the railway operator for the period 2025-2027” was adopted by the Government on 18.03.2025, under Decision no.. 50-1356/6.

The “Reform Agenda and Action Plan for Restructuring of ZRSM Transport AD-Skopje for the period 2025-2027” outlines steps to be completed by the end of **2027**, aligned with the Reform Agenda.

*Financial statements and annual reports of SOEs railways operator and railway infrastructure manager will be regularly published on their websites.*

Financial statements, annual and quarterly reports, as well as audit reports of both, the railway operator and railway infrastructure manager are published regularly on their official websites:

ZRSMI: [Финансиски извештаи - МЖИ](#).

ZRSM Transport AD Skopje: [Биланс на состојба и Биланс на успех 2024 – Железници на Република Северна Македонија Транспорт А.Д. Скопје](#)

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| <p><b>Evidence provided</b></p> | <p><b>Ministry of Transport (<i>copy in.pdf</i>)</b></p> <ol style="list-style-type: none"> <li>1. DECISION for establishing a Working Group for monitoring and reporting the implementation of the steps of the Reform Agenda, with a focus on railways</li> <li>2. Minutes of meeting of the second meeting of the Working group held on 15<sup>th</sup> of December, 2025.</li> </ol> <p>(in English)</p> <p><b>Public Enterprise for Railway Infrastructure Railways of Republic of North Macedonia – Skopje (<i>copy in.pdf</i>)</b></p> <ol style="list-style-type: none"> <li>1. Decision No.02-5064/6 from the Management Board of the Public Enterprise for Railway Infrastructure – Railways of the Republic of North Macedonia, for adoption of the “Action Plan for the Restructuring and Development of the Public Enterprise for Railway Infrastructure – Railways of the Republic of North Macedonia for the period 2026–2027” dated 25<sup>th</sup> of December<br/>(in Macedonian, and translated in English)</li> <li>2. Information to the Government about the improved Action Plan No.5111/1 dated 26<sup>th</sup> of December 2025<br/>(in Macedonian)</li> <li>3. Extract No. 50-11974/11 from the Draft Minutes from the 140<sup>th</sup> Session of the Government of the Republic of North Macedonia held on 30<sup>th</sup> of December 2025 archived on the 31<sup>st</sup> of December 2025)<br/>(in Macedonian and translated in English)</li> <li>4. The adopted and improved “Action Plan for the Restructuring and Development of the Public Enterprise for Railway Infrastructure – Railways of the Republic of North Macedonia for the period 2026–2027”<br/>(in English)</li> <li>5. Decision from Management Board approving the Action Plan dated January 31<sup>st</sup>, 2025</li> <li>6. Information to the Government for the Action Plan dated January 31<sup>st</sup> 2025</li> <li>7. Ministry of Finance - Opinion related to the Information dated January 31<sup>st</sup>, 2025</li> <li>8. Secretariat for Legislation - Opinion related to the Information dated January 31<sup>st</sup>, 2025</li> <li>9. Ministry of European Affairs - Opinion related to the Information dated January 31<sup>st</sup>, 2025</li> <li>10. Extract from the Draft Minutes from the 61st Session of the Government of the Republic of North Macedonia held on March 18<sup>th</sup>, 2025</li> </ol> |
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11. Adopted Action Plan

**ZRSM Transport AD-Skopje (*copy in.pdf*)**

1. Decision No.2024/1-2 from the Management Board of ZRSM Transport AD-Skopje, for adoption of the “Action Plan of ZRSMT Transport JSC – Skopje (2026–2027) for stabilization, modernization and reform” dated 19<sup>th</sup> of December  
(in Macedonian and translated in English)
2. Decision No.2053/1-2 from the Supervisory Board approving the Decision adopting “Action Plan of ZRSMT Transport JSC – Skopje (2026–2027) for stabilization, modernization and reform” dated 26<sup>th</sup> of December  
(in Macedonian and translated in English)
3. Information No. 32-2058/1 to the Government for “Action Plan of ZRSMT Transport JSC – Skopje (2026–2027) for stabilization, modernization and reform” dated 26<sup>th</sup> of December  
(in Macedonian)
4. Extract No.50-11975/11 from the Draft Minutes from the 140<sup>th</sup> Session of the Government of the Republic of North Macedonia held on 30<sup>th</sup> of December 2025 (archived on the 31<sup>st</sup> of December 2025)  
(in Macedonian and translated in English)
5. The adopted and improved “Action Plan of ZRSMT Transport JSC – Skopje (2026–2027) for stabilization, modernization and reform”  
(in English)
6. Decision from Management Board adopting Reform Agenda and Action Plan for Restructuring of ZRSM Transport AD-Skopje dated February 03<sup>th</sup>, 2025
7. Decision from the Supervisory Board approving the Decision adopting the Reform Agenda and Action Plan for Restructuring of ZRSM Transport AD-Skopje dated February 06<sup>th</sup>, 2025
8. Information to the Government for the Reform Agenda and Action Plan for Restructuring of ZRSM Transport AD-Skopje dated February 02<sup>nd</sup>, 2025
9. Ministry of Finance -opinion related to the Information dated February 02<sup>nd</sup>, 2025
10. Ministry of Economy and Labor - opinion related to the Information dated February 02<sup>nd</sup>, 2025
11. Secretariat for Legislation -opinion related to the Information dated February 02<sup>nd</sup>, 2025
12. Ministry of European affairs -opinion related to the Information dated February 02<sup>nd</sup>, 2025

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|   | <p>13. Extract from the Draft Minutes from the 61st Session of the Government of the Republic of North Macedonia held on March 18<sup>th</sup>, 2025</p> <p>14. Adopted Reform Agenda and Action Plan for Restructuring of ZRSM Transport AD-Skopje</p> <p>15. Web link - Финансиски извештаи <a href="#">Биланс на состојба и Биланс на успех 2024 – Железници на Република Северна Македонија Транспорт А.Д. Скопје</a></p> <p>16. Web link - <a href="#">Јавни Огласи - МЖИ</a></p> <p>17. Web link - <a href="#">Финансиски извештаи - МЖИ</a></p>  |
| <p><b>Checks performed in the verification of the step and related findings</b></p> | <p><i>Verification is based on the activities done and milestones achieved in the period from 01.01.2025-01.01.2026.</i></p> <p><i>In the period starting from the notice that the Step enter into the grace period ending 31.12.2025, with the SUPRAE support written communication through mail verified that updated Action Plans for both Companies were properly improved.</i></p> <p><i>The Decisions brought by the Supervisory Board and Management Board from ZRSM Transport AD-Skopje as well as Management Board from ZRSMI verify the fulfillment of the step</i></p> <p><i>Adoption of the Action Plans from the Governmental session held on 30<sup>th</sup> of December 2025 verify the fulfillment of the step.</i></p> <p><i>Bearing in mind that all activities in this area are dynamic and rolling over the years, each of them will be improved and will continue to be implemented in the future. Some of them are closely connected with the outcomes provided by various institutions (Ministries, Government, Parliament), but the Working Group will remain dedicated to working towards achieving the goals and will report accordingly.</i></p> <p><i>The sources of verification for completion of this step in the Reform Agenda are the relevant documents presented as evidence above, namely the Decisions for adoption of the Action Plans on behalf of the Management Board respectively, followed by Extract from the Minutes of the Session of the Government of the Republic of North Macedonia for final adoption of the Action Plans.</i></p> |
| <p><b>Compliance with general principles and DNSH principle</b></p>                 | <p><i>The implementation of the steps <u>does not contravene</u> 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 <u>does not contravene</u> the ‘Do No Significant Harm’ principle (DNSH).</i></p>   |
| <p><b>Double funding</b></p>  | <p><i>The Technical Support provided by EC can be reported.</i></p>   |

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| <b>Clear conclusion on the achievement of the step</b> | <i>fully archived.</i> |