



Government of the Republic of Macedonia

Foreword

The full fledged membership of the Republic of Macedonia in the European Union is a clear and well-defined **strategic interest** and a priority goal of the policy of the Government of the Republic of Macedonia.

In order to realise the strategic goal of fast European integration of the South – Eastern European countries, as well as a contribution to their efforts for establishing a lasting peace, stability and economic development, the Stability Pact has been adopted as an initiative of EU at the Ministerial Conference in Cologne on the 10 June.

The support of the Stability Pact and the active approach in the realization of its objectives are confirmed with the Resolution for the Relations and the Role of the Republic of Macedonia in the activities of the Stability Pact, unanimously adopted by the Assembly of the Republic of Macedonia in February 2000, which confirmed the support of all the political subjects for the realization of this initiative.

With the initiation of the Stabilization and Association Process the **two key instruments** for the support of the countries from South-Eastern Europe for integration in EU have been activated, namely the new **Stabilization and Association Agreement** for the regulation of the relations that come out of the agreement and the new financial instrument **CARDS**. EU has the role of the major investor of the projects that are realized in the framework of the Stability Pact.

The Stabilization and Association process offers strong incentives to the five countries involved, but in the same time expects from them **significant political and economic conditions**. The special accent is put to the need for enhancement and intensification of the **regional cooperation**.

In order to achieve closer relationship with the EU, the five countries will have to direct their political, economic and institutional development towards the EU values, which means **democracy, respect for the human rights and market economy**.

The content of this new process as a combination of the existing upgraded instruments and the new initiatives is the following:

- development of the Stabilization and Association Agreement as a new type of agreement relations, taking into consideration the specific conditions of each country with a perspective to become an EU member on the basis on the Amsterdam Treaty, of course as soon as the Copenhagen criteria is being fulfilled,
- development of the existing economic and trade relations with and inside the region,
- development/partial reorientations of the existing economic and financial assistance,
- increased assistance for democratization, civil society, education and institution building,
- using the new cooperation possibilities in different areas, including the justice and the home affairs (especially after the Amsterdam Treaty comes into force), as well as
- development of the political dialog, expanding it on the regional level too.

The especially significant importance and a crown of the development of the relations between the Republic of Macedonia and the EU so far is the signing of the **Stabilization and Association Agreement**. This complex legal-binding act will put the Republic of Macedonia on **political scene** among the potential EU members and performers in the creation of the future Europe, society with all the attributes of the highest democratic values, security for its citizens and social justice. **On the economic scene** the Agreement opens the door for one of the biggest and financially most powerful markets in the world. This will be an incentive for faster restructure of the economy in the Republic of Macedonia and adjustment to the new conditions. It will open the possibility for faster social and economic development in Macedonia, as well as the development and establishment of political and economic relations with the EU Member States, and promotion of the Macedonian identity, as peace-loving country, oriented towards the process of the European integration.

The SAA negotiations have been realized in a significantly short period April – November 2000, through three rounds of major negotiations and five expert level meetings i.e. technical negotiations. The Agreement was initialed at the Zagreb Summit on 24 November 2000; it was signed on the 9 April in Luxembourg, and the ratification process started with the ratification in the Assembly of the Republic of Macedonia on the 12 April. With this the Republic of Macedonia became the first of the countries involved in the Stabilization and Association process that signed such an agreement with EU, which is the basis for the creation of a new climate that will bring about faster economic, political and democratic development of the Republic of Macedonia.

Stabilization and Association Agreement, as preferential agreement should contribute to the economic and political stability of the country and the region, as well as establishing of association between the Republic of Macedonia and the European Union.

Specific **objectives of the Stabilization and Association Agreement** are the following:

- to bring closer the region to full integration in the European Union structures,
- to support consolidation of the democracy, the rule of law, economic development and reforms, appropriate administration structure and regional cooperation,
- to establish a formalized framework of political dialog on bilateral and regional level
- to promote the economic relations, trade, investments, policy for companies, transport and development and cooperation in the field of customs with a perspective for a closer integration in the world trade system, including the possibility for establishment of the free-trade area or areas, after having achieved the progress in the economic reforms,
- to provide basis for cooperation in the field of justice and home affairs,
- to provide a basis for economic, social, civil, educational, scientific, technological, energetic, cultural cooperation and cooperation in the field of environment, supported with programmes for assistance in the approximation of the legislation with the one of the European Union.

- **The Action Plan for Implementation of the Stabilization and Association Agreement** is a result of academic work of the professors from the Faculty of Law and Economics in Skopje and contributions works from the relevant Ministries,

responsible institutions and the Sector for European Integration of the Government of the Republic of Macedonia. The Action Plan is of a great importance since it determines the duties and the responsibilities of the appropriate Ministries and institutions as performers, determines the dynamics of actions, and points to the sources and instruments for support of the realization of SAA.

The preparation activities for the Action Plan started this year and by June several versions were prepared as a result of the ongoing contributions from the responsible Ministries, institutions and agencies. The plan was also considered by the Working Committee for European Integration and adopted by the Committee for Euro-Atlantic Integration.

Toward the Action Plan for implementation of SAA, the Sector for European Integration of the Government of the Republic of Macedonia prepared **two documents which as obligation derive from Title VI, Article 68 and they are:**

- **Programme for harmonisation of the national legislation with the legislation of the European Union** as a review of the relevant European legislation that needs to be transferred in the domestic legislation as a priority, with determined time table and responsible authorities. During the determination of the priorities the following is taken into consideration: SAA, the White Book for entrance in the EU Internal Market for the countries with the status of associate member, certain priorities from national interest for the economy of the Republic of Macedonia, expressed through the macro-economic policy for the year 2001 and the Framework for Development 2001-2003.

- **Matrix for following the SAA implementation** is a document prepared with the basic aim, to help everybody that is working and will work on the implementation of SAA, to have an overview of all the responsibilities that emerge from SAA and to realize them in proper time.



Government of the Republic of Macedonia

Action plan for the implementation of
the Stabilization and Association Agreement
between the European Communities and their
Member States and the Republic of Macedonia

June, 2001

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Abbreviations

IA	- Interim Agreement
GATS	- General Agreement for Trade and Services
GATT	- General Agreement for Trade and Tariffs
SSORM	- State Statistical Office of the Republic of Macedonia
EC	- European Community
EU	- European Union
MAKCIS	- Macedonian Customs Information System
MOI	- Ministry of Interior
ME	- Ministry of Economy
MEPP	- Ministry of Environment and Physical Planning
MH	- Ministry of Health
MC	- Ministry of Culture
MFA	- Ministry of Foreign Affairs
MES	- Ministry of Education and Science
MJ	- Ministry of Justice
MLSP	- Ministry of Labour and Social Politics
MF	- Ministry of Finance
MAFWE	- Ministry of Agriculture, Forestry and Water Economy
RTGS	- Real Time Gross Settlement
SEI	- Sector for European Integration
SAA	- Stabilization and Association Agreement
WTO	- World Trade Organisation

1. Introduction

The European Commission on the 26th May 1999 proposed the opening of the Stabilization and Association process for Macedonia, Croatia, FR Yugoslavia, Albania and Bosnia and Herzegovina. As the "Europe Agreements" were especially elaborated for the needs of the Central and East European countries in the process of transformation, a new type of Stabilization and Association Agreement was designed to create an appropriate framework for the regulation and development of the relations between the European Union (from now on referred to as EU) and the above mentioned countries.

The main objectives of the Stabilization and Association Agreement (further in the text referred to as SAA) are:

- Opening clear perspectives for full integration in EU
- Fostering of democracy, civil society, rule of law, economic development
- Formalized political dialog
- Fostering regional co-operation in the framework of regional approach
- Further integration in the world trade system based on the free trade principles
- Reforms of the legal system, justice and home affairs
- Creation of a basis for economic, social, cultural, scientific and environment cooperation
- Support of the programmes for adoption of Acquis Communautaire

The first Stabilization and Association Agreement was negotiated between EU and the Republic of Macedonia and was initialed on the 24 November 2000, during the Zagreb Summit, signed on the 9 April in Luxembourg and already ratified on the 12 April in the Assembly of the Republic of Macedonia. The conclusion of SAA for Macedonia meant recognition of its peace-full policy, both internal and external, of its market-oriented reforms and of the democratization of its political processes. SAA is tailor made for the needs of Macedonia and obviously offers new perspectives on its road to full-fledged EU partnership and membership.

The signing and the future ratification of SAA does not mean creation only of new opportunities to make the reforms faster, to foster the economic, social and political progress in Macedonia and for further development of its relations with EU. It also creates very precise and sequenced obligations which Macedonia has to fulfill on its road to a complete integration in EU. In order to realize the SAA in a more efficient way, faster and with higher quality, the Government of the Republic of Macedonia adopted this Action Plan for the implementation of SAA.

2. Objectives

The objectives of this Action Plan for implementation of SAA are multiple.

- First – it identifies and in a consistent manner lists the obligations for Macedonian authorities that derive from and are related to the SAA;
- Second - it determines the appropriate institutions responsible for the coordination and implementation of the activities;
- Third - gives a precise time table for their realization;
- Fourth - enables the creation of an appropriate Council, Sub-committees and other bodies;
- Fifth - helps improve the vertical and horizontal coordination of the activities between the relevant Ministries, institutions and bodies;
- Sixth - serves as a basis for rising of the public awareness for the complex process for integration in EU, its importance, value and benefits for the country and its citizens;
- Seventh - helps assess and determine the necessary technical, economic and financial assistance for the realization of the main priorities;
- Finally, it serves as a basis for continuous monitoring and evaluation of the SAA implementation process, by the Macedonian government, and by the European partners.

3. Principles

All the activities stated and envisaged in this Action Plan for implementation of SAA are based and directed towards gradual fulfillment of the Copenhagen criteria, according to which in order to obtain the EU membership the following is necessary:

- Achieving stability of the institutions that guarantee the democracy, rule of law, respect for the human rights and protection of the minorities;
- Existence of functional market economy, as well capacity to endure the pressure from the competition and market forces within the framework of the Union;
- Ability to take over the responsibilities of the membership, including adherence to the aims of political, economic and monetary union.

Besides this, the Action Plan activities aim to fulfill the recommendation of the European Council, adopted at its meetings in Madrid and Luxembourg, respectively. Namely, to achieve the adaptation of the Macedonian administrative structures that will provide harmonized functioning of the Community's policies. In fact, the basic aim should not be a transposition of the Acquis Communautaire in the Macedonia legislation, but to ensure that it is applied in the every day practice.

4. Short-term and mid-term activities

The successful implementation of one such a complex and significant agreement as the Stabilisation and Association Agreement is practically impossible without a clear identification of the tasks and activities that are to be achieved successively. Having in mind the time dimension of the obligations that emerge from SAA, the activities in this Action Plan are presented in two groups: short-term and mid-term activities.

In the group of short-term activities are those, which are to be undertaken or carried out in the course of the twelve months from the signing of SAA (09.04.2001).

The mid-term activities correspond with the first phase of the implementation of the Stabilization and Association Agreement. In accordance with the Article 68 the accent in the first year and in the first phase, beside the specific measures that emerge from the Agreement, will be put on the gradual introduction of fundamental elements of the Internal Market, especially on the approximation of the laws in the field of competition, intellectual, industrial and trade property, public procurement and standardization, metrology, accreditation and conformity assessment.

Since some of the foreseen activities will have to be implemented immediately, i.e. as soon as the Interim Agreement comes into force (1.6.2001) and will last several years, they are stated both as short-term and as mid-term activities. In the second phase that is planned to last maximum for five years the Acquis Communautaire will be adopted completely.

The presentation of the both short-term and mid-term activities follow the structure and Titles of the SAA itself. After each activity the Ministry or the institution that are authorized and responsible for the implementation i.e. coordination of the activity is stated in brackets, as well as the time frame for its fulfillment and the article from SAA or the Interim Agreement that it derives from.

All activities and measures that are included in this Action Plan are present on the global and general level. The major number of them is described in much more detailed and specific manner in the Action Plans of the relevant and responsible Ministries, institutions or bodies. The comprehensive activities and detailed agenda for approximation and harmonization of the Macedonian legislation with the EU will be presented in the Programme for Approximation of the National Legislation with the EU Legislation.

4.1. Short-term activities

Title I. General Principles

- The continuation and of/and increasing of respect for democratic principles and human rights, proclaimed in the Universal Human Rights Declaration and defined in Helsinki Final Act and the Paris Charter for a New Europe - the principles of international law and rule of law, as well as – the principles of

market economy stated in the CSCE Document, adopted at the Bonn Conference on Economic Cooperation (MFA, 1 June 2001, from now on as a continuous activity) *in accordance with Article 2, that is Article 1 from the Interim Agreement*

- Improving international and regional peace and stability and development of good neighbourly relations and cooperation, in accordance with adopted regional approach of EU (MFA; from 01 June 2001, from now on as a continuous activity) *in accordance with Articles 3 and 4*
- Providing a full compatibility with the relevant provisions of WTO (World Trade Organization), especially with the Article XXIV of the GATT 1994 and Article V of GATS. (ME; from 01 June 2001 onwards) *In accordance with Article 6*

Title II. Political Dialogue

- Upgrading and intensification of the political dialogue of the Parties on Ministerial and Parliamentary level, through forms and bodies planned in this and in SAA Title X. The political dialogue can be carried out in multilateral and regional frameworks. (MFA and Assembly of R. M.; from the time SAA comes into force) *In accordance with Article 7, 8, 9 and 10*

Title III. Regional Cooperation

- Preparation for negotiation for concluding a regional cooperation convention with the other countries concerned by the Stabilization and Association Process and the countries candidate to EU accession (MFA; from the time SAA comes into force) *In accordance with Article 12 and 14*

Title IV. Free Movement of Goods

- Preparations for gradual establishment of the free trade area between the Community and the Republic of Macedonia during a period not longer than ten years starting from the day when the Interim Agreement comes into force (from this point onwards referred to as IA). (ME; from June 2001 onwards) *In accordance with Article 15, paragraph 1, i.e. Article 2 paragraph 1 of IA*
- Introduction of Combined Nomenclature of Goods. (ME and MF; May 2001) *in accordance with Articles 15, paragraph 2, that is Article 2 paragraph 2 of IA*
- Preparation, testing and establishing a ground for efficient use of the computer system MAKCIS of the Customs office. (MF; May 2001)
- Preparation of a programme for specific measures related to the increase of competitiveness of the Macedonian economy as a whole and separately for Macedonian goods and services and start of its implementation. (ME; end of 2001)

Chapter I. Industrial products

- Abolition of the custom duties on imports into the Republic of Macedonia of goods that come from the Community, except those stated in the Annexes I

and II, from the time IA comes into force. (MF; 1 June 2001) *In accordance with Article 18, paragraph 1, that is Article 5 paragraph 1 from IA*

- Progressive reduction of customs duties in Macedonia for products that come from the Community, stated in Annex I, in accordance to set time table, which foresees that on 1 January of the first year when the time Agreement comes into force, every customs duty will be reduced to the 90% of the basic duty. (MF; 1 January 2002) *In accordance with Article 18, paragraph 2, that is Article 5 paragraph 2 from IA*
- Abolition of quantitative restrictions on imports in the Republic of Macedonia of goods originating in the Community and measures having equivalent effect, on the date when the Interim Agreement comes into force (MF; 1 June 2001) *In accordance with Article 18, paragraph 4, that is Article 5 paragraph 4 from IA*
- Abolition of all the charges having equivalent effect to customs duties on imports on the day when the Interim Agreement comes into force (MF; 1 June 2001) *In accordance with Article 19, that is Article 6 from IA*
- Abolition of all the customs duties on exports having equivalent effect on the day when the Interim Agreement comes into force (MF; 1 June 2001) *In accordance with Article 20, paragraph 1, that is Article 7, paragraph 1 from IA*
- Abolition of all the quantitative restrictions on exports and the measures having equivalent effect, on the day when the Interim Agreement comes into force (MF; 1 June 2001) *In accordance with Article 20 paragraph 2, that is Article 7, paragraph 2 from IA*
- Reduction of the customs duties on textile products originating from the Community and imported in the Republic of Macedonia to the level equal to 70% of the basic customs duty (ME; 1 January 2002) *In accordance with Article 22, that is Article 9 from IA*
- Reduction of customs duties on steel products originating from the Community and imported in the Republic of Macedonia to the level equal to 80% of the basic customs duty (ME; 1 January 2002) *In accordance with Article 23, that is Article 10 from IA*

Chapter II. Agriculture and Fisheries

- Preparations for implementation of the arrangements specified in Protocol 3 concerning the processed agricultural products stated there (ME; and MAFWE; 1 June 2001) *In accordance with Article 25, that is Article 12 from IA*
- Abolition of quantitative restrictions and measures having equivalent effect on imports of agricultural and fishery products originating from the Community, on the date of Interim Agreement entry into force (ME; and MAFWE; 1 June 2001) *In accordance with Article 26, that is Article 13 from IA*

- Agricultural products

- Abolition of the customs duties on imports of certain agricultural products that originate from the Community, specified in Annex IV (a). (ME and MAFWE; 1 June 2001) *In accordance with Article 27 paragraph 3(a), i.e. Article 14 paragraph 3(a) from IA*
- Abolition of the customs duties on imports of certain agricultural products originating in the Community, used in Annex IV (b) within the limits of tariff quotas indicated for each product in that Annex. For the quantities that exceed the tariff quotas the reduction of the customs duties will be progressive in accordance with the time table indicated for each product in that Annex. (ME and MAFWE; 1 June onwards) *In accordance with Article 27 paragraph 3(b), that is Article 14 paragraph 3(b) from IA*
- Progressive down of custom duties on imports of certain agricultural products originating in the Community, listed in Annex IV (c) within the limits of the tariff quotas and in accordance with the time table indicated for each product in that Annex. (ME and MAFWE; 1 January 2002 onwards) *In accordance with Article 27 paragraph 3(c), that is Article 14 paragraph 3(c) from IA*

- Fisheries Products

- Abolition of all charges that have equivalent effect to a customs duty and reduction of the customs duties on fish and fisheries products originating in the Community by 50% of the most favored nation duty. The residual duties will be reduced over the period of six years and will be fully eliminated at the end of that period. The products specified in Annex (b) will be the subject of tariff reductions laid down in the said Annex (ME and MAFWE; 01 January 2001 onwards) *In accordance with Articles 28 paragraph 2, that is Article 15 paragraph 2 from IA*
- Examining of possibilities, product by product and on reciprocal basis, for mutual granting of further concessions regarding with the view to implementing greater liberalization of trade in agricultural and fishery products (ME and MAFWE; not later than 1 January 2003) *In accordance with Article 29 that is Article 16 from IA*
- Regular monitoring of trade in agricultural and fishery products in case the imports of the products originating from the EU causes serious disturbance, immediate consultations to find appropriate solution will take place, with necessary measures taken pending such solution. (ME and MAFWE; 1 June onwards) *In accordance with Articles 30, that is Article 17 from IA*

Chapter III. Common provisions

- Constant cooperation in order to reduce the potential for fraud in the application of the trade provisions of the SAA (ME; 1 June 2001 onwards) *In accordance with Articles 42, that is Article 29 from IA*

- Standstill

- Permanent monitoring of the freedom of movement of goods in order to prevent imposing new customs duties on imports or exports, charges that have equivalent effect or increase of those that are already in effect at Interim Agreement comes into force (ME and MAFWE; 1 June 2001 onwards) *In accordance with Articles 32 paragraph 1 that is Article 19 paragraph 1 from IA*
- Permanent monitoring of the freedom of movement of goods in order to prevent imposing new quantitative restrictions on imports or exports or of charges and measures having equivalent effect shall those already existing at the moment when the Interim Agreement comes into force to be made more restrictive (ME; 1 June 2001 onwards) *In accordance with Articles 32 paragraph 2 that is Article 19 paragraph 2 from IA*

- Prohibition of Fiscal Discrimination

- Refraining from and abolition of measures and practice of internal fiscal nature, where existing, or which directly or indirectly introduce discrimination between products of Macedonia and the similar products that originate from the Community. (MF; 1 June 2001 onwards) *In accordance with Article 33 paragraph 1 that is Article 20 paragraph 1 from IA*
- Prohibiting the practice - products imported to the Community to benefit repayment of internal indirect taxation in excess of amount of indirect taxation imposed on them. (MF; 1 June 2001 onwards) *In accordance with Article 33 paragraph 2 that is Article 20 paragraph 2 from IA*

- Custom Union, Free Trade Areas, Cross-Border Arrangements

- Permanent consultations in the framework of the Stabilisation and Association Council in respect of maintaining or establishment of customs unions, free trade areas or agreement for cross-border trade which do not alter the trade arrangements provided for in the SAA; the specific preferential arrangements, previously concluded between one or more Member-States and Macedonia or those that emerge from bilateral agreements of Macedonia and the states included in the Stabilization and Association process. (MF; 1 June 2001 onwards) *In accordance with Article 35 that is Article 22 from IA*

- Dumping

- Permanent monitoring and revealing of dumping practice in order to take appropriate measures against the dumping according to the Agreement on implementation of GATT 1994 Article 6 and its internal legislation. (ME; 1 June 2001 onwards) *In accordance with Article 36 that is Article 23 of IA*

- General Safeguard Clause

- Monitoring if a product from the Community has been imported in Macedonia in such increased quantities and under such conditions that can cause or threaten to cause serious injury to the domestic industry or serious disturbance in any sector of the economy, or difficulties that could bring about serious

deterioration in the economic situation of a certain region, aimed at taking appropriate protection measures, according to the SAA provisions. (ME; 1 June 2001 onwards) *In accordance with Article 37 that is Article 24 from IA*

- Shortage Clause

- Authorizing the Macedonian officials to be able to take appropriate protection measures in accordance with the shortage clause defined in article 38 of SAA (ME; 1 June 2001 onwards) *In accordance with Article 38 that is Article 25 of IA*

- State Monopolies

- Progressive adjustment of any State monopoly of a commercial character so as to ensure by the end of the fifth year of the entry into force of SAA, no discrimination regarding the conditions under which goods are manufactured and marketed among the nationals of the Community Member-States and Macedonia. (ME; in the period of five years, starting from 1 June 2001) *In accordance with Article 39 that is Article 26 from IA*
- Strict respect for Protocol 4, which regulates the rules of origin of the goods that are to be covered by the customs preferential, specified in the Agreement, as well as the administrative cooperation methods, mentioned in article 42 of SAA. (ME and MF; 01 June 2001) *In accordance with Article 40 and 42, that is Article 27 and 29 from IA*

- Restrictions Authorized

- If necessary Macedonia can impose prohibition or restriction of imports, exports or goods in transit, justified on the grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants, the protection of national treasures, of artistic, historic or archeological value or protection of intellectual, industrial and commercial property, or rules related to gold and silver. (ME; 1 June 2001 onwards) *In accordance with Article 41, that is Article 28 from IA*

Title V. Movement of Workers, Establishment, Supply of Services, Capital

Chapter IV. Current Payments and Movement of Capital

- Securing future undisturbed payments and transfers on the current account of balance of payment in freely convertible currency in accordance to Article VIII of IMF Agreement (MF; 1 June 2001) *In accordance with Article 58, that is Article 31 from IA*

Chapter V. General Provisions

- Notwithstanding the general tendency to avoid introduction of restrictive measures, including measures relating to imports, for balance of payment purposes, the use of restrictive measures is allowed in case of serious difficulties with the balance of payment, however strictly as necessary measure

and with limited duration. (MF: 1 June 2001) *In accordance with Article 65, that is Article 32 from IA*

Title VI. Approximation of Laws and Law Enforcement

- Preparation and adoption of a National Programme for Approximation of the Legislation of the Republic of Macedonia to those of the Community, with the aim to obtain gradual compatibility of the Macedonian laws with those of the Community. (SEI: 1 June 2001) *In accordance with Article 68*
 - *Competition and Other Economic Provisions*
- Control of agreements between the companies and their practice for distorting or restricting competition, abuse of a dominant position and public aid, which distorts or threatens to distort competition, in order to stop the negative effect of those activities over the trade between EU and RM. (ME: 1 June 2001 onwards) *In accordance with Article 69 paragraph 1, that is Article 33 paragraph 1 from IA*

Title VII. Justice and Home Affairs

- Reinforcement of Institutions and Rule of Law

- Further reinforcement of independence and improvement of the effectiveness of the judiciary and the other participants in the legal system (public prosecution, attorney practice, etc.) (MJ) *In accordance with Article 74*
- Upgrading of election legislation from the aspect of the rule of law, fair and democratic elections, control over finances of election campaigns and political parties, in accordance with internationally recognized standards, eliminating the possibility of violence during elections and obtaining equal right for the genders in the election process, through adoption of new laws in the area of parliamentary, presidential and local elections, in accordance with appropriate provisions of the election legislation of EU (MJ) *In accordance with Article 74*
- Upgrading and enhancement of civil society from the aspect of right to referendum, civil initiative and the freedom of association of the citizens. (MJ) *In accordance with Article 74*
- Further development of appropriate institutional and structural administration capacities of the state bodies in the field of justice, as well as providing different forms of training seminars or similar, for the staff engaged in relevant areas. (MJ) *In accordance with Article 74*

- Visa, Border Control, Asylum and Migration

- Development/harmonisation of domestic legislation and practice in these areas in accordance with EU legislation and other relevant international conventions, including the legislation in the field of the travel documents and standardization

in accordance with relevant international standards (MOI), *In accordance with Article 75*

- Further development of appropriate institutional and structural/administrative capacities of the state bodies authorized for the management of the state border (in the context of qualitative and technical-material equipping of border crossings, the process of establishing the Border Police of the Republic of Macedonia and approximation of standards and methodology for the establishment of "green border" and "the border area", in order to achieve compatibility with EU standards), regular migration and promotion of appropriate integration policy, asylum and other systems for control of the migration (harmonization of visas, determination of the refugee status and the facilities for acceptance, accommodation and stay of those that request such status, appropriate regimes for temporary protection and additional forms of appropriate protection) (MOI), *In accordance with Article 75*
- Enhancement of the work among the different fields of engagement of involved state bodies in order to achieve necessary level of efficient state management with appropriate responsibilities. (MOI), *In accordance with Article 75*
- Provision of technical and financially-technical assistance in appropriate areas, especially from the aspect of enhancement of security of travel documents and detection of false documents; procedure for determining the refugee status and appropriate facilities for acceptance, accommodation and stay and in that context, including persons that seek asylum, as well as obtaining various forms of training, seminars and similar, for the staff engaged in the relevant areas (MOI), *In accordance with Article 75*

- Prevention and control of Illegal Immigration; Readmission

- Upgrading domestic legislation from the aspect of combating crimes related to illegal immigration, especially in the framework of a broader national strategy for combating international organized crime, according to EU legislation (MOI and MJ) *In accordance to Article 76*
- Further appropriate institutional and structural/administrational development of the state bodies, responsible for management issues related to the state borders, from the aspect of prevention of illegal immigration, especially in the context of combating international organized crime. (MOI and MJ) *In accordance to Article 76*
- Upgrading and implementation of a national strategy for prevention of illegal immigration and trafficking in human beings, and in that sense enhancement of appropriate bilateral and regional cooperation in these areas, especially from the aspect of the issue of readmission. (MOI and MJ) *In accordance to Article 76*

- Combating Money Laundering

- Upgrading of domestic legislation related to financial/banking system, from the aspect of necessity to prevent more efficiently various contemporary forms of

money laundering, especially in the framework of a broader national strategy for the combating international organized crime. (MJ, MF and MOI) *In accordance to Article 77*

- Further institutional and structural/administrational development of the appropriate state bodies and enhancement of their mutual cooperation in that field. (MJ, MF and MOI) *In accordance to Article 77*

- Prevention and Combating Crime and Other Illegal Activities

- Upgrading of the criminal law system in combating corruption, in accordance with relevant EU standards, as well as further enhancement of the process of institutional and structural/administrational development of the state bodies responsible for issues related to combating corruption at different levels and obtaining higher efficiency in that Combating field (MJ and MOI) *In accordance to Article 78*
- Upgrading of domestic legislation from the aspect of a more efficient combating of all sophisticated structures and forms of organized crime and terrorism, that is: establishing of a specific constitutional basis for specifying exceptions and exemptions from the rule of privacy of mail and all other formes of communication; legalization of special police techniques in criminal procedure, special protection of witnesses and victims of such crimes; establishing appropriate cooperation with Europol and enhancement of the existing international cooperation in relevant areas, in accordance with EU legislation. (MJ and MOI) *In accordance to Article 78*
- Upgrading of domestic legislation in the area of production and dissemination of narcotics and other psychotropic substances and precursors in accordance with EU legislation, as well as (in that direction) enhancement of appropriate bilateral and international cooperation in the framework of relevant inter-governmental organizations/bodies. (MJ and MOI) *In accordance to Article78*
- Continuous checking of possible needs for appropriate changes and annexes to the Criminal Code and the Law on Criminal Procedure of the Republic of Macedonia, in the context of the legislative reforms, initiated in this section of the Action Plan (MJ) *In accordance to Article 78*
- Upgrading and approximation of sanctions system and the Violation Law in accordance with relevant European standards. (MJ) *In accordance to Article78*
- Joining and/or ratification of international conventions in appropriate areas (MFA) *In accordance to Article78*
- Determination of modes of consultation and close coordination of the bilateral cooperation with EU in the areas covered with this Article and in this direction. (MJ and MFA) *In accordance to Article78*

- Cooperation on illicit drugs

- Upgrading of domestic legislation in the area of illicit drugs, as well as continuous upgrading and implementation of the national strategy in this field

in order to obtain the aim of balanced and integrated approach towards drugs. (MJ, MFA, MH) *In accordance to Article 79*

- Implementation of bilateral cooperation in this field, stipulated in the Article. (MJ, MFA, MH) *In accordance to Article 79*
- Creation of appropriate police and customs cooperation with Europol in this field. (MOI MF) *In accordance to Article 79*

Title VIII. Cooperation Policies

- Banking, Insurance and Other Financial Services

- Advancement of the payment system with the introduction of so-called RTGS system. (MF; July 2001) *In accordance with Article 83, paragraph 1*
- Taking measures to develop efficient auditing system. (MF; at the end of 2001) *In accordance with Article 84, paragraph 2*

- Industrial cooperation

- Preparation of a programme for industrial cooperation between the Parties to enhance the private sector and advance transnational partnership (ME; June 2001) *In accordance with Article 85*

- Small and Medium sized companies

- Preparation of a development programme for small and medium size companies. (ME; September 2001) *In accordance with Article 86*

- Tourism

- Preparation of a development programme for tourism and initiating tourist cooperation between the EU Member-States and RM. (ME; June 2001) *In accordance with Article 87*

- Customs

- Mutual assistance among administrative authorities regarding customs issues of the both Parties, in accordance with the provisions of Protocol 5. (MF; 1 June 2001 onwards) *In accordance with Article 88, that is 36 from IA.*

- Education and Training

- Realization of the Government Strategy for Development of the Education. (MES, from the date the SAA comes into force) *In accordance with Article 91*
- Introduction of appropriate contents on human rights, tolerance and civil society values in education plans and programmes. (MES) *In accordance with Article 91*

- Introduction of two modern European languages in the educational system. (MES, from the date the SAA comes into force) *In accordance with article 91*
- Opening of National and Regional Centers for transfer of educational and scientific information, which will raise the membership level of Republic of Macedonia in European Educational Institutions. (MES, from the date the SAA entry into force) *In accordance with Article 91*
- Ratification of the "Convention for Recognition of Qualification of University Education in the European Region" (MES) *In accordance with Article 91*

- Cultural Cooperation

- Adoption of a "National Programme for Culture for the period of 2001-2005", as the necessity for precise and clear programme for cultural activities, in order to enhance national cultural activities and international cooperation, especially with EU countries. (MC; from the date the SAA entry into force) *In accordance with Article 92*
- Adoption of a "Law on Museums", in order to improve the existing legal frames in this area and to approximate it to relevant international standards. (MC) *In accordance with Article 92*
- Adoption of a "Law on Libraries", in order to improve existing legal frames in this area and standardization in accordance with relevant international standards. (MC) *In accordance with Article 92*
- Approximation of national legislation with EU legislation in the area of protection and use of the movable and immovable cultural treasures (MC; from the date the SAA entry into force) *In accordance with Article 92*
- Changes and amendments to the "Copy Rights and Related Rights Law", in order to improve existing legal frames in this area and its approximation with relevant international documents. (MC from the date SAA entry into force) *In accordance with Article 92*

- Information and Communication

- Approximation of existing legislation with EU legislation in the area of public information. (Information Agency, from SAA entry into force) *In accordance with Article 93*
- Changes and additions to the "Broadcasting Law" *In accordance with Article 93*
- Preparation of "Public Information Strategy Regarding the Integration Process". *In accordance with Article 93*
- Establishing *International Press Center*, for mutual exchange of information, to advance relevant communication between the Republic of Macedonia and EU. ". *In accordance with Article 93*

- Establishing *Information and Documentation center* in order to achieve appropriate coordination and mutual promotion of the Republic of Macedonia and EU". *In accordance with Article 93*
- Establishing a "Programme for the Presentation of the Republic of Macedonia on Internet". (Information Agency, from the time SAA comes into force) ". *In accordance with Article 93*
- Continuation of the process of modernization and restructuring of the agriculture, agro-industrial sector, water-economy, as well as gradual harmonization of the veterinary and fito-sanitary legislation to EU standards (MAFWE, from the date of SAA entry into force). *In accordance with Article 100*
- Enhancement of cross-border, trans-national and international cooperation, through exchange of information and experts with the aim to reduce regional imbalance (ME, MLS from the date of SAA entry into force)". *In accordance with Article 101*

Title IX. Financial Cooperation

- Regular information to the European Commission for the use of the financial assistance in the form of grants (SEI; from the date of SAA entry into force)". *In accordance with Article 105*
- Provision of efficient coordination of financial resources from different sources for their optimal usage (SEI, constantly) *In accordance with Article 107*

Title X. Institutional, General and Final Provisions

- The Cooperation Council established with the Cooperation Agreement between RM and the European Community, signed on 29 April 1997, with the exchange of letters will perform the duties allocated to it with that agreement in accordance with the same modalities, practiced so far in the context of the Cooperation Agreement (MFA, from 1 June 2001 onward) *In accordance with Article 37 of the IA*
- Provision of free access for physical and legal entities of the Community without any discrimination in respect of citizens of RM aimed at protecting their individual and property rights (MFA, from 1 June 2001 onward) *In accordance with Article 115, that is Article 40 of the IA*

4.2. Mid-term Activities

Title III. Regional Cooperation

- Adoption of Regional Cooperation Convention with other countries that will sign the SAA, in the order of signing the SAA with EU (MFA, 2002 onwards) *In accordance with Article 12*

Title IV. Free Movement of Goods

Chapter I. Industrial Products

- Progressive reduction of the customs duties on imports in Macedonia for less sensitive goods that originate from the Community, specified in Annex I in accordance to the agreed agenda. (MF 1 June 2001 in the next 10 years) *In accordance with Article 18, paragraph 2, that is Article 5 paragraph 2 from IA*
- Progressive reduction of customs duties on imports in Macedonia for the goods that originate from the Community, specified in Annex II, related to the imports in Macedonia of sensitive goods, that originate from the Community in accordance to the agreed agenda, stated in the Annex, envisaging their reduction to 80% of the basic duties on 1 January of the third year after the Interim Agreement enters into force (MF not later than 1 June 2004) *In accordance with Article 18, paragraph 3, that is Article 5 paragraph 3 from IA*
- Progressive reduction of the custom duties on imports in Macedonia for textile products that originate from the Community, in accordance to timetable stated in Protocol 1. (ME, 1 January 2002 in period of 10 years) *In accordance with Article 22, that is Article 9 from IA*
- Progressive reduction of the custom duties on imports in Macedonia for steel products that originate from the Community, in accordance to the timetable stated in Protocol 2. (ME 1 January 2002 in period of 5 years) *In accordance with Article 23, that is Article 10 from IA*

Chapter II. Agriculture and Fisheries

- Agricultural Products

- Abolition of certain custom duties on imports of goods that originate from the Community, specified in Annex IV (b) within the frames of tariff quotas, indicated for each product in the Annex. For the quantities that exceeding the tariff quotas the reduction of the customs duties will be progressive in accordance with the timetable indicated for each product in that Annex. (ME and MAFWE; 1 June 2001 onwards) *In accordance with Articles 27 paragraph 3(b), that is Article 14 paragraph 3(b) from IA*
- Progressive reduction of custom duties on imports of certain agricultural products that originate from the Community specified in Annex IV (v) within the frames of the tariff quotas and in accordance with the timetable indicated for each product in that annex. (ME and MAFWE; not later than 1 June 2001 onwards) *In accordance with Articles 27 paragraph 3(c), that is Article 14 paragraph 3(c) from IA*

Chapter: III. General Provisions

- State Monopolies

- Progressive adjustment of any State monopoly of commercial character so as to ensure not later than the fifth year of the entry into force of SAA, no

discrimination regarding conditions under which goods are manufactured and marketed among the citizens of the Community Member-States and Macedonia. (ME; in the period of five years, starting from 1 June 2001) *In accordance with Articles 39 that is Article 26 from IA*

Title V. Movement of Workers, Establishment, Supply of Services, Capital

Chapter I. Movement of Workers

- Taking measures by which the Republic of Macedonia will not allow any discrimination based on nationality for workers who are nationals of EU Member States and legally employed on its territory, regarding working conditions, remuneration or dismissal from work when compared to its own citizens. Their legal resident's spouses and children are entitled to equal treatment, to the state in question. (MJ; from the time SAA entry into force) *In accordance with Articles 44, paragraph 2*

Chapter II. Establishment

- Approximation of the meaning and definitions of the terms ("company", "subsidiary company", "branch of a company", "establishment", "operation", "economic activities", "financial services") in our legislation to the contents of article 47 from SAA. (ME; from the time SAA entry into force) *In accordance with Articles 47*
- Provision of equal treatment for establishment and operation of companies, subsidiary companies, branches from the Community in the Republic of Macedonia, with the domestic companies or companies of any third country, whichever treatment is better (ME; from the time SAA entry into force) *In accordance with Articles 48, paragraph 1*
- Restriction of adoption of new legal regulations that would introduce discrimination of the companies from the Community on the basis of establishment and operation of the companies, subsidiary companies and branches in the Republic of Macedonia, when compared to the Macedonian companies. (ME; from the time SAA comes into power) *In accordance with Articles 48, paragraph 2*
- Provision of possibilities for the subsidiary companies and branches from the Communities to use and rent real property as well as to gain and exercise the right to own property, in the same way as the companies of the Republic of Macedonia relation to the public goods/goods of common interest, including natural resources, agricultural land and forestry, the same rights that are enjoyed by the companies of Republic of Macedonia, whenever those rights are necessary for the conduct of the economic activities, which are the purpose of the establishing of the company (ME; from the time SAA entry into forces) *In accordance with Articles 48, paragraph 5(a) and (b)*
- Retention of the right, in the field of financial services, to take up measures for prudential reasons, including those for protection of the investors, depositors, policy holders or persons to whom a judiciary duty is owned by a financial

service supplier, or to ensure the integrity and stability of the financial system. (ME; from the time SAA entry into force) *In accordance with Articles 49, paragraph 2*

- Creating possibility for the citizens of the Member-States of the Community employed in the companies of the Community, subsidiary companies and branches established in the Republic of Macedonia considered as key personnel. (ME; from the time SAA entry into force) *In accordance with Articles 53*
- Giving possibility to the Republic of Macedonia to introduce measures in the course of the first four years after the SAA entry to force, which derogates from the provisions of this chapter, which refer to the establishment of companies from the Community and to nationals of industries which are undergoing or are faced with serious difficulties, especially when this entails new serious social problems in the Republic of Macedonia; face elimination or drastic reduction of the total market share of the Macedonian companies or nationals in a given industrial sector in the Republic of Macedonia; are new emerging industries in the Republic of Macedonia. However the measures: - can not last longer than two years after the first phase of the transitional period has ended – and will be reasonable and necessary in order to improve the condition and – will not discriminate the activities of the Companies of the Community or its nationals, already established in Macedonia at the moment when certain measure was imposed, in comparison with companies or nationals of the Republic of Macedonia. (ME; in the period of four years from the time SAA comes into force) *In accordance with Articles 54*

Chapter III. Supply of Services

- Taking appropriate measures in order to provide progressive provision of services by companies or nationals from the Community in the Republic of Macedonia. (ME; from the time SAA comes into power) *In accordance with Articles 55*
- Prevention of taking measures or activities with which the supply of services would be significantly more restrictive in respect to condition that existed on the day when SAA came into force. (ME; from the time SAA comes into force) *In accordance with Articles 56*
- Establishing respect for: (1) provisions from the Agreement between the European Community and Macedonia of 28 November 1997, referring to the inland traffic (2) the principle of unlimited access to the market and traffic on commercial basis, in respect to international maritime transports. (MTC; from the time SAA comes into power) *In accordance with Article 57, paragraph 2*
- Making special arrangements to regulate conditions for mutual access to the market of air-transport. (MTC; from the time SAA comes into power) *In accordance with Article 57, paragraph 4*
- Retrain from taking measures and activities before the special engagement, specified in article 57, paragraph 4 which are more restrictive or discriminatory in relation the condition that existed before the Agreement came into force are

agreed upon. (MTC; from the time SAA comes into force) *In accordance with Articles 57, paragraph 5*

- Adaptation of legislation in the field of inland and air transportation, including administration, technical and other rules to the legislation in force in the Community, providing it serves liberalization and mutual access to markets and facilitates the movement of passengers and goods. (MTC; in the course of the transitional period) *In accordance with Article 57, paragraph 6*

Chapter IV. Current Payments and Movement of Capital

- Provision of movement of capital related to direct investments, as well as liquidation and repatriation of such investments and the profit that results from them. (MF; from the time SAA comes into force) *In accordance with Articles 59, paragraph 1*
- Provision of free movement of capital related to crediting of commercial transactions or providing services where the participant is resident of one of the Parties and to financial loans and credits with maturity - longer than a year. (MF; from the time SAA comes into force) *In accordance with Articles 59, paragraph 2*
- Provision of conditions, from the start of the second phase, for free movement of capital related to portfolio-investments and the financial loans and credits with maturity shorter than one year. (MF; before the start of the second phase of SAA) *In accordance with Articles 59, paragraph 2*
- Retraining from the introduction of any type of new restrictions on the movement of capital and the current payments or introducing measures which make the existing arrangements more restrictive. (MF; from the time SAA comes into force) *In accordance with Articles 59, paragraph 3*
- Allowing taking safeguard measures not longer than six months duration in exceptional circumstances when movement of capital causes or threatens to cause serious difficulties in the exchange rate and monetary policy. (MF; from the time SAA comes into force) *In accordance with Articles 59, paragraph 4*
- Taking measures in the course of the first phase to create conditions for further gradual application of the Community rules for free movement of capital. (MF; the first four years after the SAA comes into force) *In accordance with Articles 60*

Chapter V. General Provisions

- Allowed exemption from the treatment of most favored nation, given in accordance with the provisions of this Chapter in case the Parties provide or shall provide in future tax advantages on the basis of the agreements for avoiding double tax or other taxation arrangements (MF; after the SAA comes into force) *In accordance with Article 64, paragraph 1*

Title VI. Approximation of Laws and Law Enforcement

Preparation and adoption of a National Programme for the adoption of the *Acquis Communautaire* (SEI; end of year 2002) *In accordance with Article 68*

- Competition and Other Economic Provisions

- Provision of transparency in the field of the public aid, with mutual presentation of the annual reports regarding the total amount allocated an assistance. At the request of EU, R. M will submit information on public aid for individual cases as well. (MF; in the period of four years after the SAA comes into force) *In accordance with Article 69 paragraph 3*
- Regular exchange of information on competition, while respecting limitations imposed by the professional and business confidentiality. (ME; after SAA comes into force) *In accordance with Article 69, paragraph 6*
- Respect for the principles of the Treaty establishing the EC, especially Article 86, regarding the public undertakings or companies which have been granted special or exclusive rights (ME: starting from the third year after IA comes in power) *In accordance with Article 70*

- Intellectual, Industrial and Commercial Property

- Taking necessary measures to guarantee, not later than five years after this agreement comes into force, the protection level of the industrial, intellectual, and commercial property rights, similar to the EU standards, including the effective means of enforcing such rights. (ME: not later than five years after the IA comes in force) *In accordance with Article 71, paragraph 2*
- Joining and adoption of multilateral conventions on intellectual, industrial, and commercial property rights referred to in Annex VII. (ME; in the period of five years after the signing of IA) *In accordance with Article 71, paragraph 3*

- Public Contracts

- Providing non-discriminatory practice and reciprocity in public contracts, public procurement procedures, in accordance to European legislation regarding EU companies not established in RM. (ME; in the period not longer than five years after SAA comes in force) *In accordance with Article 72*

- Standardization, Metrology, Accreditation and Conformity Assessment

- Taking necessary measures in order to achieve the gradual conformity with the technical provisions of the Community and European procedures for standardization, metrology, accreditation and conformity assessment. (ME; after SAA comes in power) *In accordance with Article 73*

Title VII. Justice and Home Affairs

- Reinforcement of Institutions and Rule of Law

- Upgrading of domestic legislation in the function of reinforcement of institutions and rule of law, in the context of implementation process of the domestic legislation of the "Programme for Approximation of the National Legislation to the Legislation of EU", including continuous active implementation of ratified international documents, as well as acceding and/or ratification of EU, Council of Europe and UN conventions, which are directly concerned with future reinforcement of institutions and rule of law. (MJ) *In accordance with Article 74*
- Continuous enhancement of the future international cooperation of the judiciary in civil and violation cases, in accordance with relevant EU standards. (MJ) *In accordance with Article 74*
- Provision of future technical and financial assistance in appropriate fields, from the aspect of necessity for continuous reinforcement of institutions and rule of law. (MJ) *In accordance with Article 74*

- Visa, Border Control, Asylum and Migration

- Further harmonization of domestic legislation and reinforcement of appropriate institutional and structural-administrative capacities of state bodies authorized for various fields related to management of the state border in accordance with the EU legislation and practice. (MOI) *In accordance with Article 75*
- Further reinforcement of appropriate institutional and structural-administrative capacities of state bodies authorized for the areas related to the management of the state border in accordance with EU legislation and practice. (MOI) *In accordance with Article 75*
- Enhancement of international cooperation for better efficiency and management of appropriate institutions in these areas. (MOI) *In accordance with Article 75*

- Prevention and control of Illegal immigration; Readmission

- Upgrading of domestic legislation in the relevant areas and further reinforcement implementation of the national strategy against the trafficking in human beings and illegal immigration, especially in the frames of implementation of the "Programme for Approximation of the National Legislation with EU Legislation" (MOI) *In accordance to Article76*
- Further enhancement of appropriate institutional and structural/administrative capacities of state bodies, responsible for appropriate areas, in accordance to EU legislation and the practice. (MOI) *In accordance to Article76*
- Advancement of relevant international cooperation at different levels (MOI) *In accordance to Article76*

- Combating the Money Laundering

- Upgrading of domestic legislation in order to achieve comprehensive and firm legal frames of the strategy for combating various forms of money laundering, through changes and amendments to the relevant positive-legal regulations from the field of the financial/banking system, which will follow consequently the proposed Law on prevention of Money Laundering. (MF) *In accordance to Article 77*
- Joining or ratification of international conventions, as implementation of already ratified conventions in the Council of Europe and UN as well as all the other relevant international documents from the field of the fight against the money laundering. (MOI) *In accordance to Article 77*
- Further enhancement of appropriate institutional and structural/administrative capacities of state bodies, responsible for combating the money laundering, in accordance to EU legislation and practice. (MF) *In accordance to Article 77*
- Enhancement of international cooperation aimed at better efficiency and management of appropriate institutions in these areas. (MF) *In accordance with Article 77*

- Preventing and Combating Crime and Other Illegal Activities

- Upgrading and approximation of domestic Criminal legislation from the aspect of necessity of a quality regulations for execution of police authorizations in pre-trial procedure; special protection of children from different forms of sexual abuse, violence and misuse; separation and development of "Criminal Code Related to Minors" as a separate entity. (MOI) *In accordance to article 78*
- Further reinforcement of appropriate institutional and structural/administrative capacities of state bodies, responsible for combating the terrorism, organized crime, illicit drug trade and the other areas indicated in the Article, in accordance to EU legislation and practice. (MF) *In accordance to Article 78*
- Enhancement of international cooperation with relevant EU bodies and organizations in areas indicated in this Article, especially Interpol, for better efficiency and management of these areas. (MJ) *In accordance with Articles 78*

- Cooperation on Illicit Drugs

- Further approximation of domestic positive legal regulations in the field of Customs and enhancement of relevant international customs and police cooperation, in accordance with relevant EU standards in the field of combating illicit drugs, as inclusive part of the implementation process of the "Programme of Approximation of the National Legislation to the EU Legislation". (MJ) *In accordance to Article 79*
- Further development of national long-term and comprehensive strategy for international cooperation in compliance with the EU strategy for combating illicit drugs. (MJ) *In accordance to Article 79*

Title VIII. Cooperation Policy

- Economic Policy

- Regular exchange of information with EU on macro-economic performances and prospects as well as joint analyses of economic issues of mutual interest, including the definition of economic policy and instruments of its implementation (MF after the SAA comes in force) *In accordance to Article 81. paragraph 2*

- Statistical Cooperation

- Continuous approximation and preparation of the State Statistical Office of the Republic of Macedonia to better meet the needs of its customers from the state administration and private sector. The statistical system will continue to develop respecting basic statistical provisions of UN and the provisions of European legislation in the field of statistics. (SSORM; after SAA comes into force) *In accordance to Article 82*

- Banking, Insurance and other Financial Services

- Issuing state securities for their use in the implementation of the open market policy by the NBRM. (MF; 2002) *In accordance to Article 83, paragraph 1*

- Investment Promotion and Protection

- Establishing favorable climate for private investments, domestic and foreign, with improvement of the investment protection and signing of bilateral agreements with Member-States for investment protection. (MF; after SAA comes into force) *In accordance to Article 84, paragraph 1 and 2*

- Industrial Cooperation

- Developments of information system, to enable direct access of the economic operators to governmental databases of business data and information. (MF; 2001 to 2003) *In accordance to Article 85*

- Customs

- Taking measures and cooperation with the Community in order to bring closer the customs system of R. M to the one of the Community and in order to facilitate the liberalization process specified in the Agreement. (MF; in the course of the first phase of SAA) *In accordance to Article 88*

- Taxation

- Taking measures and cooperation in the field of taxation aimed at further reforms of the taxation system, including provision of higher effectiveness of tax collection and prevention of fiscal frauds. (MF; in the course of the first phase of SAA) *In accordance with Article 89*

- Social cooperation

- Adaptation of the system of social insurance in the Republic of Macedonia to the new economic and social requirements, especially in use of experts and organization of information and training activities. The cooperation needs to be extended to the field of protection of working conditions and equal opportunity for men and women, as well as for workers safety, having in mind the existing protection level in the European Union. (MLSP; after SAA comes into force) *In accordance with Article 90, paragraph 2, 3 and 4*

- Education and Training

- Preparation of special plan for appropriate cooperation. (MES; after SAA comes into force) *In accordance with article 91, article 102 and Article 103*

- Cultural Cooperation

- Advancement of cultural cooperation through various forms, ways and conditions determined by bilateral agreements for cultural cooperation or other related agreements. (MC; after SAA comes into force) *In accordance with Article 92*

- Information and communication

- Preparation of special plan for stimulating appropriate cooperation. (Information Agency; after SAA comes into force) *In accordance with Article 93*

- Cooperation in the Audio-Visual Field

- Coordination, and if possible harmonization of the policy regulating intellectual property rights for broadcasting programs through satellite or cable broadcasting, as well as acceding to Euroimage and other associations and funds. (MTC; after SAA comes into force) *In accordance with Article 94*

- Electronic Communications Infrastructure and Associated Services

- Enhancement of cooperation in the field of electronic communication, including classical telecommunication network, one year after the Agreement comes into force. The agreement will be focused on development of policy, legal and regulatory aspects, establishment of institutions for liberalized environment, cooperation with the European structures for standardization. (MES: after SAA comes into force) *In accordance with Article 95*

- Information Society

- Preparation of a plan for acceptance of the EU legislation in the field of information society. (MES: after SAA comes into force) *In accordance with Article 96*

- Consumer Protection

- Harmonization of legislation for protection of consumers in R. M to the EU legislation, aimed at efficient protection of consumers and improvised quality of the consumer goods.(ME; after SAA comes into force) *In accordance with Article 97*

- Transport

- Gradual development of cooperation between EU and R. M, aimed at to restructure and modernize road infrastructure, to improve protection and reduction of the traffic pollution, development of road, railway and airport infrastructure of mutual interest, with the Trans-European and Pan-European connection. Coordination and adjustment of the transport policies in R. M with those applied in EU. (MTC; the plans and the strategies are to be prepared by the end of 2002) *In accordance with Article 98*

- Energy

- Initiating cooperation while respecting market economy principles and the European Energy Charter Treaty, which will provide gradual integration in the European Energy Market. Formulation and planning of policy for restructuring of the Energy Companies and cooperation in the transformation process of the energy sector. (ME; after SAA comes into force) *In accordance with Article 99*

- Cooperation in Research and Technological Development

- Promotion of bilateral cooperation in the field of scientific research and technological development, based on mutual benefits. The implementation of the cooperation will be carried out in accordance to arrangements and procedures adopted by both Parties. (MES; after SAA comes into force) *In accordance with Article 102*

- Environment and Nuclear Safety

- Enhancement of the cooperation in combating the local, regional, and cross-border pollution of air, water, waste and drinking water, with the positioning of efficient monitoring, education and raising of the ecological awareness. Adoption of laws in R. M on nuclear safety and strengthening of the supervisory authorities, in accordance with international conventions. Providing information to the Stabilization and Association Council for intentions to import and deposit nuclear waste. Promotion of the Agreement between the EU Member-States or EUROATOM and R. M. (MEPP; continuously after SAA comes into force) *In accordance to Article 103*

Title X. Institutional, General and Final Provisions

- Establishing a Stabilization and Association Council (after SAA comes into force) *In accordance to Article 109*

- Establishing a Stabilization and Association Committee (after SAA comes into force) *In accordance to Article 110*
- Establishing a Stabilization and Association Parliamentary Committee. (The Assembly of R. M and the European Parliament after the Agreement comes into force) *In accordance to Article 114*

5. Directions and Coordination of the Activities

The process of European integration as significantly complex is a firm and well-synchronized institutional infrastructure for transformation of the strategic policies into operational activities and coordination of separate institutions.

The Stabilization and Association Agreement and the Interim Agreement as soon as they come into force cause obligations, which have to be carried out in time. Not only that, all obligations fulfilled should be channeled and evidenced institutionally in an appropriate manner. The basic premise for this is the functional and efficient institution network.

Based on experience of the countries that have gone further in the process of European integration, the Government of the Republic of Macedonia has introduced the System for Management and Coordination of the Process of European Integration, which is already operational and will be responsible for the implementation of the Stabilization and Association Agreement through the following:

- **Committee for Euro-Atlantic Integrations**, as the highest political body, chaired by the Government of the Republic of Macedonia, who has the central role for the decision making for policy, strategy and basic direction in the process of the European Integration;
- **Deputy Prime minister of the Government**, Minister responsible for management and coordination of the process of European Integration, direct liaison between the political and operational-technical level;
- **Working Committee for European Integration (WCEI)**, chaired by the Deputy Prime minister of the Government, composed by all Deputy Ministers, represents a body which is responsible for the dynamics of realization of the strategic decisions, political directions and priorities of the Government of the Republic of Macedonia and is monitoring the realization of specific tasks;
- **Sub-Committee of WCEI for the Approximation of Legislation**, composed by the creators of the legal regulations from all Ministries, directs the approximation process, proposes priority regulations for transposition and conducts monitoring of the whole process. Within the framework of the Sub-

committee there are 29 working groups of different areas, depending of the negotiation process for EU membership, with approximately, at this point, 200 experts from the Ministries and state institutions, Universities, practitioners and similar;

- **Sector for European Integration within the Government of R.M** as a service and support of the Deputy Prime minister of the Government of the Republic of Macedonia and permanent Secretariat of the Working Committee for European Integration. The Sector is responsible for the coordination of the legislation harmonization process and coordination of foreign assistance;
- **European Integration Unites in the Ministries**, which according to the experience from other countries are maybe the key string in this institutional infrastructure. They have the same content as the Sector for European Integration and are in permanent direct communication regarding issues they are responsible for;
- **Sector for European Union in the Ministry of Foreign Affairs**, establishes communication with the European structures, through the Mission in Brussels, collects valid and timely information that could influence the integration process, promotes our positions in the European structures;
- **Center for European Integration** with the basic aim to carry out specialized and priority research as a basis for decision making regarding relevant political decisions, establishing database for European regulations and other related literature and organizing training and education, primarily for staff of the public administration, but not limited to them only.

6. Engagements and Organization of Resources

In order to achieve the goals of the Stabilization and Association Agreement, the Republic of Macedonia will use financial assistance from the European Community, as grants, as well as loans from the European Investment Bank.

The financial assistance as grants will be obtained through Multi-Annual Indicative programme, established by the European Community, after consultations with the Republic of Macedonia. It should contribute to democratic, economic and institutional reforms in the Republic of Macedonia, according to the Stabilization and Association Process. The financial assistance will be used in all areas of Approximation of legislation, Cooperation policies, including Justice and Home Affairs.

In direction of fulfillment of these provisions of the Agreement, we expect definition of a Country Strategy Paper that will define the long-term objectives (2000-2006), establishing a Multi-Annual Indicative Programme, as well as creation of annual programmes under the same financial instrument-CARDS.

The Republic of Macedonia will insist on future inclusion in regional, multi-beneficiary, cross-border cooperation programmes, as well as gradual inclusion in the Community Programmes.

In order to implement the provisions of the Stabilization and Association Agreement the Community in coordination with International Financial Institutions, at the request of the Republic of Macedonia, may provide macro-financial assistance, depending on certain conditions, as well as the availability of financial resources.

7. Monitoring, Assessment and Reporting

The monitoring of timely and efficient realisation/implementation of the Action Plan for implementation of SAA will be carried out continuously and at several levels.

The units for European Integration in the Ministries will follow constantly the execution of their part of obligations. For all exceptions from the agreed timetable and difficulties in realization of undertaken duties, they will inform the responsible Ministers, on regular basis.

The Sector for European Integration within the Government of R. Macedonia will follow, analyze and estimate on regular bases the implementation of the Action Plan on the basis of reports from the units for European Integration in cooperation with experts involved and will prepare special *Progress Report*, where specific measures for overcoming of eventual difficulties and exceptions regarding planned timetable for realizations of activities will be suggested. The report will be submitted regularly to the Working Committee for European Integration.

8. Information, Education and Presentation to the Public

The success of the integration process of the Republic of Macedonia in the European Union basically depends on the level of familiarization and acceptance of the idea for Euro-integration by all relevant entities, starting from the Government, through the administration, economic operators, to the ordinary citizens, as well as their direct involvement in it.

For efficient and permanent information and education of all relevant entities, a special Strategy for Information Education and Presentation of the Stabilization and association Agreement, its implementation and duration of the process of integration of the Republic of Macedonia into the EU shall be prepared.

Basic objectives of the Strategy for Information, Education and Presentation to the Public are to:

- Provide basic information on the European Union
- Inform on activities of the Republic of Macedonia directed to European Integration
- Regular inform on development of relations between R. M. and EU
- Inform the public with all possibilities, advantages and benefits enabled by the integration in EU, but also the appropriate costs.
- Provide permanent education at all levels

The Strategy for Information Education and Presentation to the Public is aimed at the following groups:

- Ministries and state institutions
- Citizens of the Republic of Macedonia
- Young population
- Economic operators
- Agricultural population
- Media
- Political entities
- Foreign subjects and the international public

The implementation of the very important activity for information, education and presentation to the public will be carried out continuously in coordination with several relevant entities.

