

# 2021 DEVELOPMENTS IN RESPECT TO KEY SECTOR POLICIES IN THE AREA OF COMPETITIVENESS AND INNOVATION

## SECTOR WORKING GROUP ON COMPETITIVENESS AND INNOVATION

### SWG FUNCTIONALITY

- SWG Competitiveness and Innovation needs to improve its functionality by holding **more meetings**, allowing all stakeholders to participate in the process for increasing competitiveness of the Macedonian economy and encouraging innovation.

### CIVIL SOCIETY PARTICIPATION

- Having in mind **lack of activities to involve civil society organizations** in this sector group's work, measures need to be taken to ensure their participation, in a transparent process. The model for selection of civil society representatives is expected to be regulated under the new SWG rules of procedure, which is under development.

### CSO CAPACITY

- SWG Competitiveness and Innovation **does not have members from the ranks** of civil society organizations and therefore their capacity cannot be analysed.

### EFFECTS FROM SWG WORK

- For a third consecutive year, this sector group **holds only one meeting per year**, with 2021 plenary session featuring presentation of IPA III Strategic Response for Window 4: Competitiveness and Inclusive Growth, Thematic Priority 2: Private Sector Development, Trade, Research and Innovation. In that, the sector group **failed to meet expectations** whereby it should discuss policies and directions for stimulating competitiveness and innovation through cooperation with all stakeholders.

2019

1 x meeting:

15.10.2019

2021

1 x meeting:

09.03.2021

2020

1 x meeting:

22.06.2020



# KEY SECTOR POLICIES

## National Developmental Plan and Smart Specialization Strategy

*Based on announcements, these two documents should have been developed by the end of 2021, but they are still under development. Preparation of the National Developmental Plan was announced in early 2021, unlike the Smart Specialization Strategy that has been announced for many years as comprehensive model for sustainable economic growth, but its preparation was continuously delayed.*

### Strategy for Regional Development of the Republic of North Macedonia 2021-2031

This document was adopted in 2021. Objectives defined therein include increased competitiveness of planning regions by enhancing their capacity for innovation, optimal use and valorisation of natural wealth, human capital and economic specificities of different regions.

## LEGISLATION

*Legislative activities included adoption of the Law on Amending the Law on Financial Support for Investments, which introduced changes to terms and conditions for award of financial support to companies that have invested under conditions of the COVID-19 pandemic and for award of additional financial support to companies that will implement investment projects in underdeveloped planning regions.*

### Legal solutions under development:

- **Proposed Law on Insolvency**, which should ensure protection of investors and their businesses, more flexible and streamlined procedure for small business, clarification of conditions for trustee participation in bankruptcy procedures. The draft text was published on ENER in March 2021.

- **Proposed Law on Public-Private Partnerships**, which should ensure transposition of the Directive 2014/23/EU on award of concession contracts and further alignment with best standards and international practices in this area, i.e. development of stable and consistent legislative framework on award of public-private partnership contracts, including concessions as type of public-private partnerships. The draft text was published on ENER in April 2021.

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