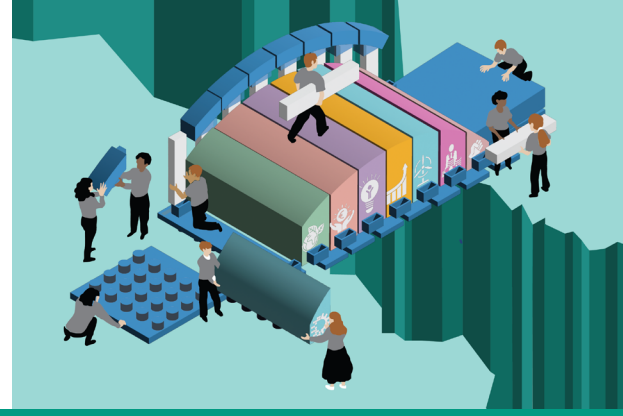


SME POLICY INDEX

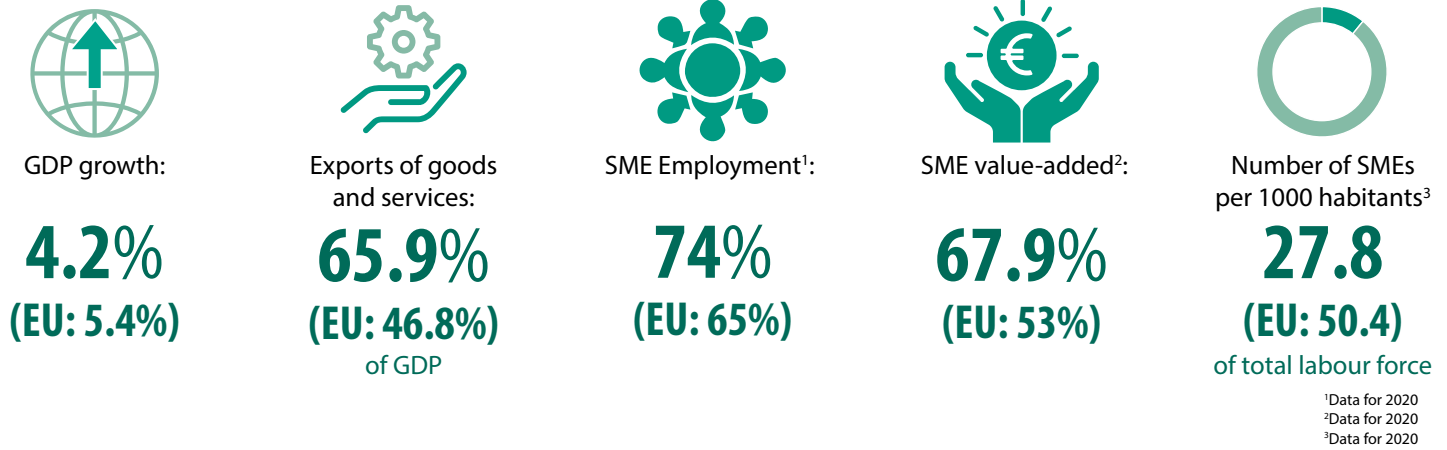
Western Balkans and Turkey 2022

North Macedonia

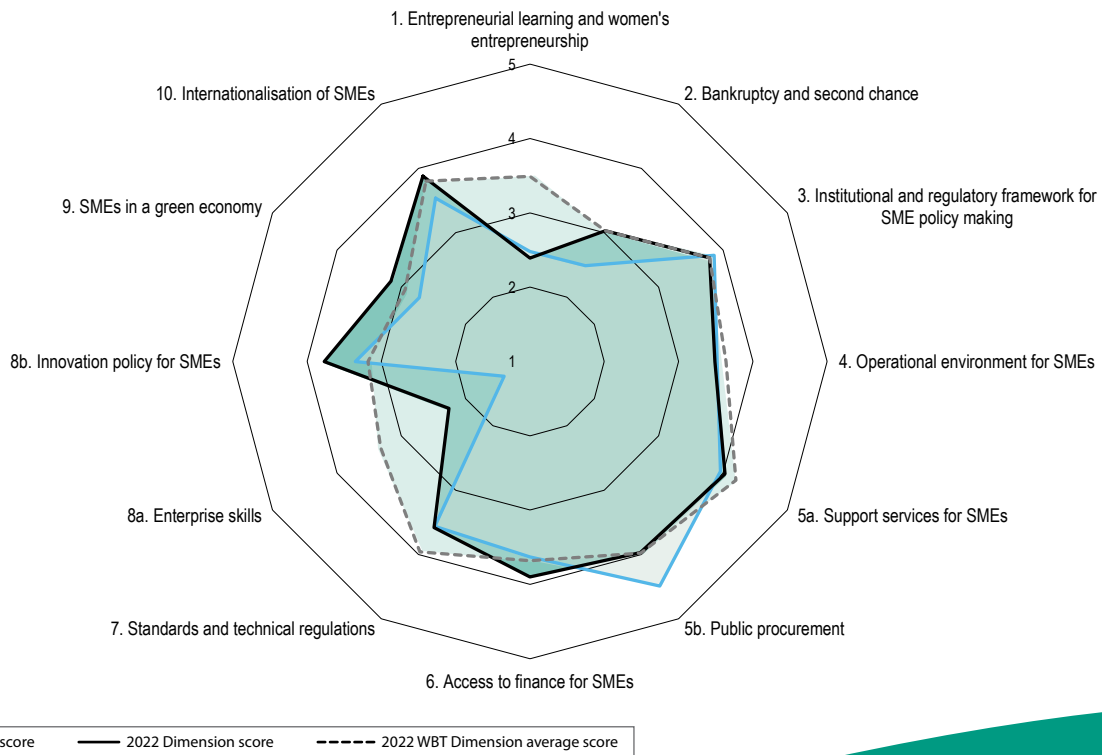


Since 2019, North Macedonia has improved its performance in 8 of the 12 policy areas, reflecting the importance of SMEs in the government's policy agenda. Ensuring that implementation has impact is crucial in achieving governments' objectives, while monitoring and evaluation of all policy measures are essential for tracking efficiency and effectiveness.

Key facts (2021)



North Macedonia's SME Policy Index performance (2019 and 2022)



Main achievements

- ❖ With the completion of the new draft of the Insolvency Act, pending enactment, **North Macedonia's insolvency legislative framework has gradually been improving.** The document introduces an early warning system and is expected to simplify bankruptcy procedures.
- ❖ **North Macedonia has a strong legal and strategic framework for government provisions of business support services.** Various financial and non-financial support programmes targeting SMEs have been introduced, aimed at improving their capacity and competitiveness.
- ❖ **Efforts to promote financial literacy have gained momentum.** North Macedonia adopted its first Strategy for Financial Education and Financial Inclusion (2021-2025), which aims to develop special educational programmes for various target audiences.
- ❖ **SMEs' greening efforts have been encouraged by facilitated access to finance, with the assistance from the.** Development Bank of North Macedonia, which has become an important factor in fostering green lending to SMEs' projects.
- ❖ **Export promotion and SME integration into global value chains (GVCs) are highlighted in newly adopted strategic documents,** further contributing to a stronger legal and strategic framework that encourages SME internationalisation.

The way forward

- ❖ **Efforts are needed to boost entrepreneurship** as a key competence across all levels of education, building on the positive recent reforms of vocational education.
- ❖ **Urgent action is required to monitor and evaluate the progress, efficacy and impact of actions taken to support women's entrepreneurship,** to underpin the implementation of the recent women's entrepreneurship strategy.
- ❖ **Improve the institutional and regulatory framework for SME policy making.** A comprehensive strategy for simplifying legislation with the goal of improving the business environment is needed in North Macedonia.
- ❖ **Systematic training needs analysis is still lacking.** Assessing the current SME landscape is done on an ad hoc basis and warrants intensified government efforts.
- ❖ **Improve information provision and support services for SMEs who seek certification** to align with national, European or international standards.
- ❖ **Develop system-level skills intelligence.** A co-ordinated approach to understanding current and future skills needs could support policy planning and design toward better alignment of education to labour-market needs.
- ❖ **Collaboration between business and academia should be promoted through a systematic and targeted approach.** Efforts should include both demand and supply-side aspects, including raising awareness about collaboration opportunities and providing a targeted infrastructure.

SME Policy Index: Western Balkans and Turkey 2022

This sixth edition of the SME Policy Index: Western Balkans and Turkey 2022 – Assessing the Implementation of the Small Business Act for Europe assesses SME-related policy reforms in Western Balkans and Turkey across 12 policy dimensions. It is designed to help policy makers develop and implement policies to support SMEs and entrepreneurs in their recovery from the pandemic and to boost their competitiveness based on good practices in OECD and EU member states. Economy-specific profiles complement the regional assessment and provide each economy with an in-depth analysis of the implementation status of the ten Small Business Act for Europe principles and monitors progress made since 2019.

