

# FISCAL COUNCIL OF THE REPUBLIC OF NORTH MACEDONIA



Vienna, 18-20 December 2023

# ESTABLISHING THE FISCAL COUNCIL



The Fiscal Council as a body is prescribed by the Budget Law from 2022



Independent body – members proposed by 3 different institutions with mandate of 6 years and different first mandate:

Macedonian Academy of Science and Arts – 6 years mandate

National Bank of the Republic of North Macedonia – 2 years mandate

State Audit Office – 4 years mandate



Elected on September 19, 2023 by the Parliament of the Republic of North Macedonia



Constituted on October 10, 2023

## MEMBERS



Gligor Bishev has PhD in Economics in the area of monetary economics and banking. He is member of the Supervisory Board of the Sparkasse Banka Skopje. He had started his career as central banker, becoming Deputy governor and Deputy Chairman of the Central Bank Council. He proceeds with his career as commercial banker: CEO and Chairman of the Management Board of Stopanska Bank Skopje, and Sparkasse Bank Skopje. He is professor at the Faculty of Economics – Prilep.

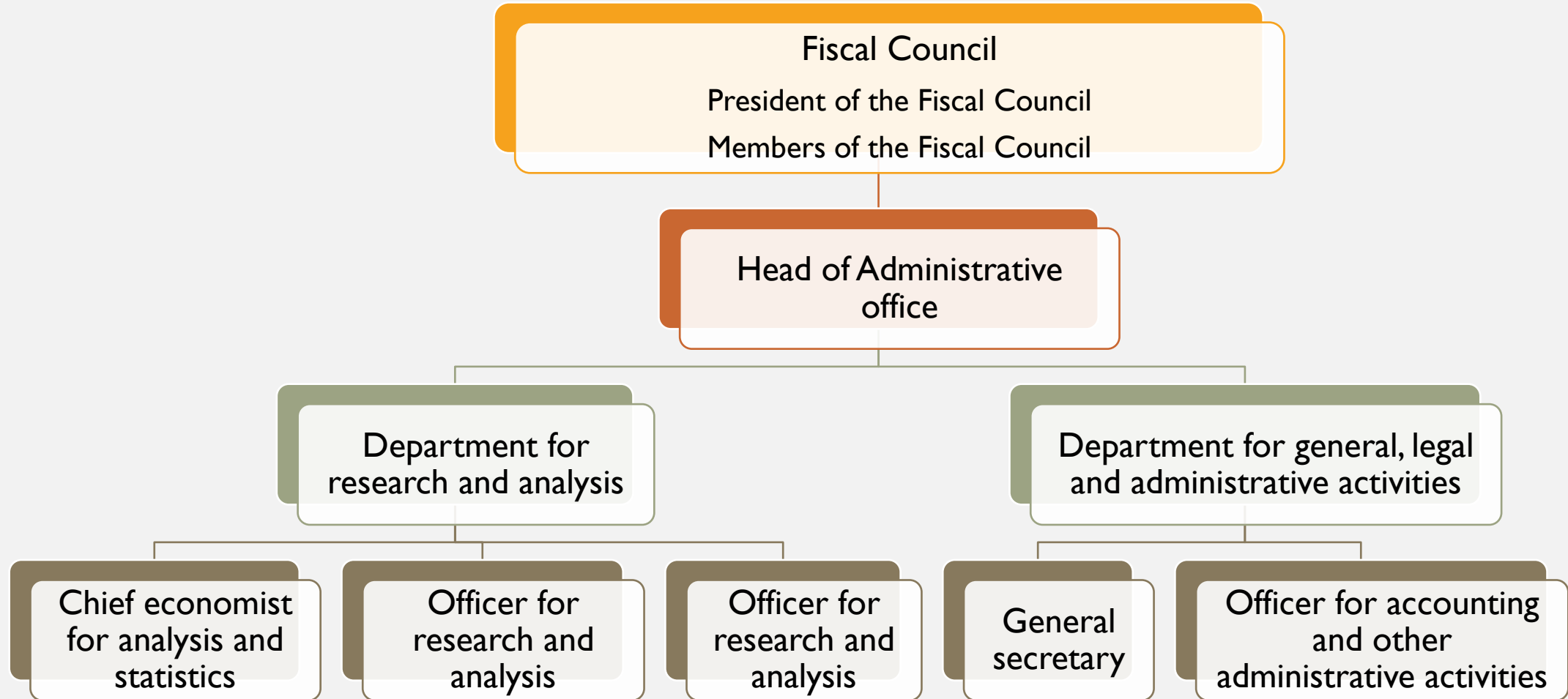


Academic Abdylmenaf Bedzeti has PhD in Economics in the area of Public Finance. He is full time professor and rector at South East European University. He is Academician at the Macedonian Academy for Science and Arts and Assoc. Academician at Kosovo Academy of Art and Science. Previously he was Director at the Public revenue office and Minister for Development and Transport at Macedonia (1996-1998). He has published numerous publications in the area of Macroeconomics and Public finance.



Marina Trpeska has PhD in Economics in the area of accounting. She is full time professor at Ss. Cyril and Methodius University, Faculty of Economics – Skopje and Head of the Department for Accounting and audit. Previously, she started the career at the Ministry for finance, Treasury Department. She was visiting researcher at George Washington University, Georgetown University, University of Graz, and currently at Indiana University. She has published numerous publications in the area of accounting and auditing.

# ORGANIGRAM



# FUNCTIONS

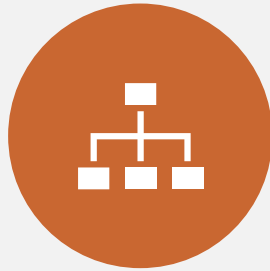
The Fiscal Council shall prepare the following analyses and opinions independently, objectively, and professionally:

- The macroeconomic and fiscal assumptions for the preparation of the State Budget and the Fiscal Strategy;
- The Fiscal Strategy, the Budget of the State, the changes and additions to the State Budget, the semiannual report on the realization of the budget, final financial statement of the budget and other documentation submitted to the Parliament or published in accordance with the Organic Budget Law;
- The fiscal risks and the probability to fulfill the State Budget and fiscal strategy;
- The fulfillment of the fiscal rules stipulated in the Organic Budget Law, as well as the risks for deviating from the fiscal rules;
- The occurrence of extenuating circumstances that lead to temporary deviations from the application of the fiscal rules in accordance with article 10, paragraph (6) of the Organic Budget Law, as well as about the requirements for temporary deviations for structural reforms and investments in accordance with article 10, paragraph (7) of the Organic Budget Law;
- Implementation of the corrective measures stipulated in article 10, paragraph (4) and (8) of the Organic Budget Law.

# INTERNAL REGULATION



RULEBOOK FOR THE  
OPERATION OF THE FISCAL  
COUNCIL – ADOPTED



RULEBOOK FOR THE  
INTERNAL ORGANIZATION  
– IN THE FINAL STAGE



RULEBOOK FOR  
SISTEMATIZATION OF THE  
JOBS – IN THE FINAL STAGE



ANNUAL PROGRAMME FOR  
2024 – IN THE FINAL STAGE

# SET OF MACEDONIAN FISCAL RULES

A set of fiscal rules and sub-rules have been introduced, according to the new Law on Budgets, which should be parameters that will be applied. Their placement is in the direction of consistency with the practice of the EU member states, and they are:

1. Budget for the current year to be aligned with the fiscal strategy
2. The budget deficit of the general government in the fiscal year must not exceed a level of 3% of nominal GDP and
3. Total general government debt may not exceed a level of 60% of nominal GDP, and guaranteed public debt may not exceed 15% of nominal GDP.

## SET OF MACEDONIAN FISCAL RULES

Deviations from the above fiscal rules are legally possible through the so-called escape rules, i.e. in cases where there are:

- Natural disasters and external shocks that threaten national security or human life and health;
- State of emergency and/or crisis;
- Sharp financial or economic shocks, which will result in negative or very low annual real GDP growth close to zero, to overcome, which requires significant fiscal policy support;
- Deviations from the fiscal rules are allowed for the realization of investment projects with a positive impact on GDP. Deviations should not exceed 0.5% of GDP annually and cumulatively over a period of five years;





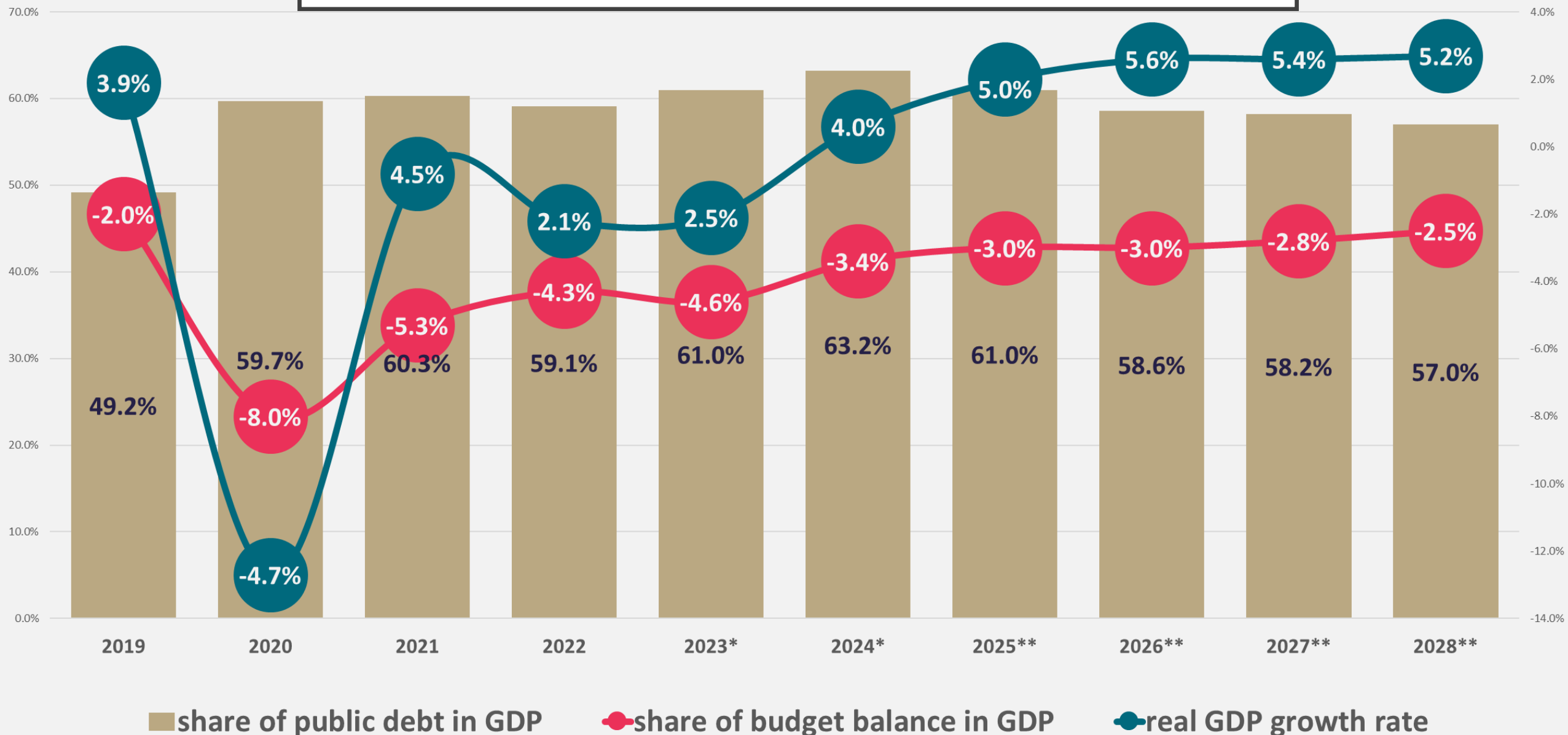


## SET OF MACEDONIAN FISCAL RULES

For any deviation from the set fiscal rules, the Government has a legal obligation to provide an explanation to the Assembly of the Republic of North Macedonia, in the first subsequent budget or amendments to the budget or in the first subsequent fiscal strategy for:

- The reasons for deviating from the fiscal rules;
- The corrective measures it is taking and plans to take to re-establish compliance with fiscal rules within a maximum period of five years from the deviation.

# SET OF MACEDONIAN FISCAL RULES



## RECOMMENDATIONS BY FC

To prohibit transferring unspent capital expenditures to current fiscal expenditures. For unspent capital expenditures, fiscal deficit will be reduced and to increase fiscal capacity for public investments in coming years.

The Ministry of Finance to adopt a methodology for assessing and managing macroeconomic and fiscal risks.



# COLLABORATION

Realized meetings with key institutions discussing the opportunities for future collaboration:

- Ministry of Finance
- National Bank of the Republic of North Macedonia
- Macedonian Academy for Science and Arts
- State Audit Office
- Committee for budget and finance at the Parliament
- Economic Chamber of North Macedonia



THANK  
YOU!