

Mapping the Entrepreneurial Ecosystem in selected regions of North Macedonia



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List of Abbreviation

APERNM	Agency for Promotion of Entrepreneurship
BDC	Business Development Centre
BIC	Business and Innovation Centre
BIL	Business Impact Lab
BMWi	German Federal Ministry of Economic Affairs and Energy
BSOs	Business Support Organisations
B2B	Business to Business
CBC	Cross Border Cooperation
CDPMEA	Cabinet of the Deputy Prime Minister for Economic Affairs, Coordination of Economic Departments and Investments
CET	Central European Time
CID	Center for intercultural dialogue
CNC	Computer Numeric Control
COSME	EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises
DIH	Digital Innovation Hubs
EA	Employment Service Agency
EaSi	EU Employment and Social Innovation Programme
EBRD	European Bank for Reconstruction and Development
ECDL	European Computer Driving Licence
ECs	Employment Centres
ECNWM	Economic Chamber of North-West Macedonia
EE	Energy Efficiency
EIB	European Investment Bank
ENER	National Electronic Register of Regulations
ESA	Enterprise Support Agency
EU	European Union
EUR	Euro
FDIs	Foreign Direct Investments
FEZ	Free Economic Zones
FITD	Fund for Innovation and Technological Development
FTH	Faculty of Tourism and Hospitality
GDP	Gross Domestic Product
GEF	Global Environment Facility
GEM	Global Entrepreneurship Monitor
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMT	Greenwich Mean Time
H-2020	Horizon 2020
HOTAM	Association of hotels and restaurants
HR	Human Resources
I2BAN	Innovation 2 Business Angel Network
IASP	International Association of Science Parks and Areas of Innovation
IEH	Institute for Environment and Health at the SEEU
ICT	Information and Communication Technology
IPA	EU Instrument for Pre-Accession
IPARD	EU Instrument for Pre-Accession for Rural Development
IPPO	State office of industrial property
IUS	International University of Struga
IVU	International Vision University
JICA	Japan International Cooperation Agency
KOP	Chamber of Organic Producers
LAG	Local Action Group

LDA	Local Development Agency
LED	Local Economic Development
MAMEI	Macedonian Association of Metal and Electrical Industry
MASIT	ICT Chamber of Commerce
MBDP	Development Bank of North Macedonia
MCA 2000	Management Consulting Association 2000
MEDF	Macedonian Enterprise Development Foundation
M&E	Monitoring and Evaluation
MIOA	Ministry of Information Society and Administration
MiR	Foundation for Management & Industrial Research
MKD	Macedonian Denar
MoEPP	Ministry of Environment and Physical Planning
MoES	Ministry of Education and Science
MoE	Ministry of Economy
MSMEs	Micro, Small and Medium Size Enterprises
MVDSI	Max van der Stoep Institute at the SEEU
MVP	Minimum Viable Product
NCDIEL	National Centre for Development of Innovation and Entrepreneurial
Learning	
NE	North-East region
NECI	National Entrepreneurship Context Index
NGOs	Non-Government Organisation
OECD	Organisation for Economic Cooperation and Development
PPCs	Public Private Consultations
PPD	Public Private Dialogue
RDC	Regional Development Centre
REC	Regional Environmental Center
SBA	Small Business Act
SDC	Swiss Development Cooperation
SEAF	Small Enterprise Assistance Funds
SEE	South-East Europe
SEEU	South-East European University
SIPPO	Swiss Import Promotion Programme
SME	Small and Medium Enterprises
TC	Tourism Cluster
TEA	Total early-stage Entrepreneurial Activity
TIDZ	Technological Industrial Development Zone
UAE	United Arab Emirates
UIST	University of Information Science and Technology
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
UT	University of Tetovo
WB	World Bank
WBT	Western Balkans and Turkey
WEF	World Economic Forum
YES	Foundation Youth Entrepreneurial Services
YRC	Youth Resource Centre

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1. Country Profile

The following Table provides an overview of the most important data on the Republic of North Macedonia.

Official name	Republic of North Macedonia
Capital city	Skopje
Other major cities	Bitola, Kumanovo, Prilep, Tetovo
Geographic location	Southeast European country which lies central on the Balkan peninsula
Area	25'713 km ²
Population	2'076'255 (2019)
Life expectancy at birth	75,9
Religions	Eastern Orthodoxy (69,6%), Islam (28,6%), Catholics (0,4%), Others (1,4%).
Ethnic groups	Macedonians (64,2%), Albanians (25,2%), Turks (3,9%), Romani (2,7%), Serbs (1,8%), Others (2,2%)
Languages	Macedonian, Albanian
Admin. organization	80 municipalities and City of Skopje
Government structure	Parliamentary representative democratic republic
Political system	Unitary parliamentary republic
GDP	11,21 bn. euro (2019)
GDP per capita	5'379 euro (2019)
Currency	Denar (MKD)
Exchange rate EUR:MKD	1:61,5340
Climate	Mix of Continental and Mediterranean Climate with four seasons
Time zone	CET (GMT + 1)
Int. telephone code	+389
EU membership status	Candidate status (2005)

Table 1: Country Profile¹



Figure 1: Map of the regions of North Macedonia²

¹ Sources for the table:

- <http://makstat.stat.gov.mk> / <https://www.consilium.europa.eu/en/policies/enlargement/republic-north-macedonia>
- https://en.wikipedia.org/wiki/North_Macedonia#Politics
- North Macedonia Overview (www.worldbank.org)
- <https://www.laenderdaten.info/Europa/Mazedonien/wirtschaft.php#:~:text=Kennziffern%20der%20Wirtschaft%20in%20Nordmazedonien&text=Weltweit%20lag%20das%20Bruttoinlandsprodukt%202019,liegt%20derzeit%20auf%20Rang%20136>

² <https://www.vectorstock.com/royalty-free-vector/statistical-regions-north-macedonia-map-of-vector-25144424>

2. Introduction and Economic Conditions

The project “EU for Economic Growth”³ mobilized on February 1st, 2021 and will run for a duration of 4 years. The project is co-funded by the European Union (EU) and the German Federal Ministry of Economic Affairs and Energy (BMWi). In the inception phase it is mandated to map the entrepreneurial ecosystem in North Macedonia in order to provide an overview of the support systems in place and to help detail the planned activities to be carried out within the project. This report is based on the “GIZ Guide for Mapping the Entrepreneurial Ecosystem”⁴. This report contains four parts, one for each of the target regions. The report is complemented with an extensive introduction to the national entrepreneurial ecosystem, which serves as supplementing information to the regions as well as to provide the reader with a better understanding of the context and the general economic situation in North Macedonia.

The overall project objective is:

“to increase local economic activity and competitiveness in the North-East, Polog, South-West regions and Prespa area (Municipality of Resen) of North Macedonia by improving access of start-ups and MSMEs to finance and high value-added services”.

The North Macedonian market is relatively small and dominated by Micro, Small and Medium Enterprises (MSMEs) with rather low competitiveness and innovation capacity, and low export potential. Where foreign direct investments exist, these internationally oriented actors are not sufficiently linked with the local businesses. There is high disparity in development between the capital and the target regions.

According to the World Bank⁵ economic growth during the pandemic has declined by 4,5% in 2020. Private consumption was hit the hardest with a decline of 5,6% year-on-year. Investment also declined by more than 10%. Government consumption which increased by over 10% partly alleviated declining domestic demand. Inflation remained low at 1,2% year-on-year, reflecting subdued output despite rising food prices in the second half of the year. On the production side, agriculture, information and communications technology, and real estate activities were the only sectors to grow in 2020. Government support helped cushion the crisis’s impact on the labour market by supporting over 130’000 jobs with wage subsidies in April 2020 declining to 60’000 toward year-end as the economy slowly recovered. The fiscal deficit **tripled** to 8,9% of GDP in 2020 and spending increased by 4,4% of GDP, as health expenditures and subsidy schemes, surged.

Growth is expected to rebound to 3,6% in 2021. This scenario assumes accelerated vaccinations by mid-2021, no further lockdowns, and increased external demand. In this scenario of a gradual recovery, after a recession in the first quarter, a rebound is expected thereafter, driven by restored consumer and investor confidence and personal consumption, private investment, and exports. The fiscal deficit is planned at 4,9% but given the extended government support to firms and households in early 2021 of an additional 1,4% of GDP, the actual deficit will likely be higher. Bringing people back into the labour market, as well as education and governance reforms, could help boost potential growth. Poverty is projected to resume its decline as growth gradually recovers in 2021.

3 IPA/2020/420-643

4 Published by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH February 2018.

5 <https://www.worldbank.org/en/country/northmacedonia/overview#3>

3. Methodology

The study is based on the framework, “Guide for Mapping the Entrepreneurial Ecosystem”. The purpose of the guide is described as follows: “This guide leads the reader through the process of observing, analysing and visualizing the entrepreneurial ecosystem”, meaning the entrepreneurs’ environment including the surrounding institutions, actors and prevailing culture – a process referred to as “mapping”. Such mapping enables the exploration of gaps and constraints and facilitates decisions on measures that are most relevant to improve the entrepreneurial environment in a specific context.

3.1. GIZ methodology for entrepreneurial Ecosystem Mapping

In order to perform a comprehensive overview of the ecosystem from different perspectives, the GIZ framework identifies three main elements (pillars), presented in the following image of the entrepreneurial ecosystem: Pillar 1: Business Environment and Investment Climate, Pillar 2: Interacting Actors of the ecosystem, and Pillar 3: Culture and Attitudes towards entrepreneurship. This approach was applied for the mapping of the national level as well as on the level of the four target regions.

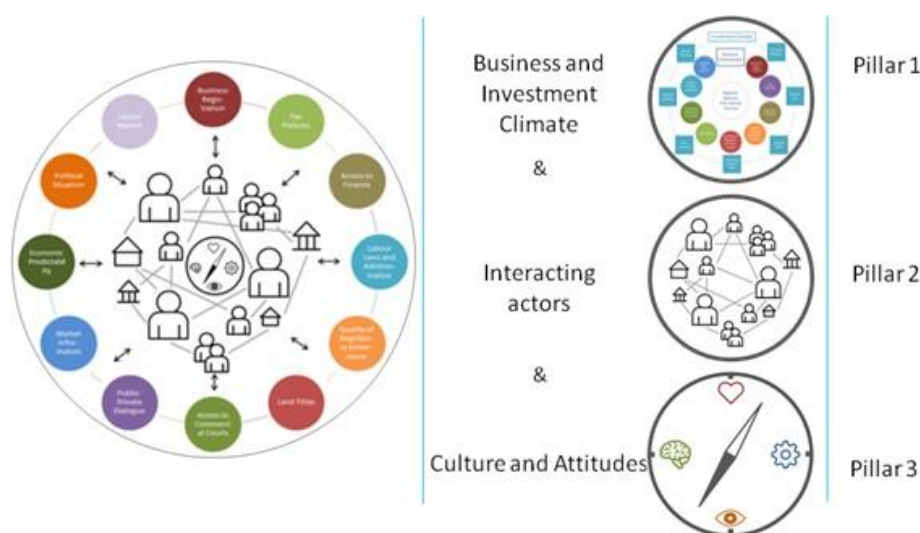


Figure 2: Three pillars of the entrepreneurial ecosystem

3.2. Research Design

The study of the entrepreneurial ecosystem has a geographic focus on three target planning regions North-East, Polog, and South-West, as well as the Prespa Area (Municipality of Resen). It aims at identifying how MSMEs are to increase competitiveness and added value through additional support of Business Support Organisations (BSOs). The scope of this mapping therefore is to explore and understand the support landscape for entrepreneurs and MSMEs and to better understand how the project can support them in improving their services to businesses in the regions.

3.3. Research Question

“How does the entrepreneurial ecosystem in the target regions of the Republic of North Macedonia look like?”

3.4. Data Collection and analysis

The mapping process starts with desk research, analysis and comparison of predefined reports, extended to all relevant documentation on the research subject (see figure below). In a second step, but overlapping the analysis of secondary data, primary data was collected

through interviews. After clustering the results from the primary and secondary data collection the results were confirmed through selected focus groups with the identified actors within the regions. Additionally, the data collection was complemented by a survey on the national level, sent to entrepreneurs and companies working in the target regions. The survey results serve as a monitoring and control mechanism for measuring the effects of the project on the target regions and is therefore repeated on a yearly basis. The results from the survey are presented in a separate report. The data collection (secondary data) are presented in the annex, structured according the regions.

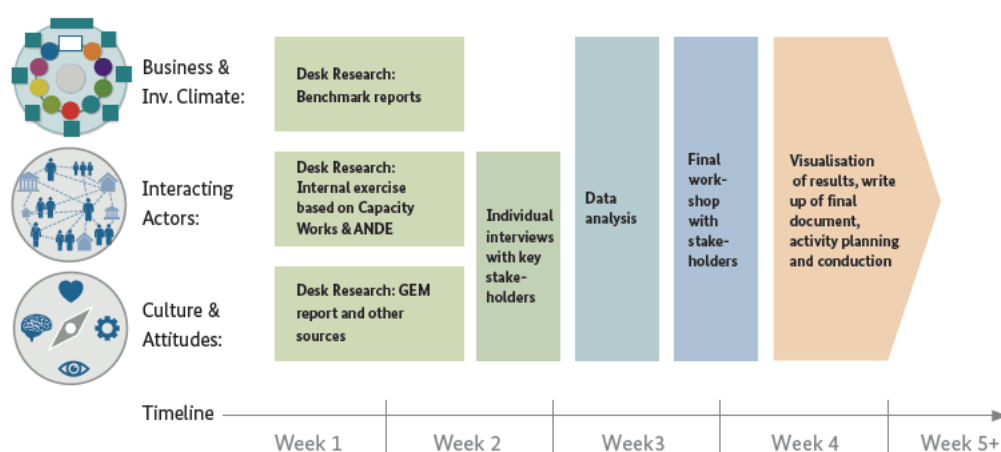


Figure 3: Work plan for data collection according to the GIZ Guide for mapping the entrepreneurial ecosystem⁶

4. Business Environment and Investment climate

The entrepreneurial business environment and investment climate is addressed in different editions of several international benchmarking reports of which the most important ones as well as the identified areas for improvements are presented in the following text.

The following table presents the historical overview of the ranking of North Macedonia regarding the ease of doing business, competitiveness and innovation.

⁷ Benchmarking report (rank)	2020	2019	2018	2017	2016	2015
Ease of doing business index	17/190	10/190	11/190	10/190	12/189	30/189
Global competitiveness index	n/a	82/141	84/140	68/138	60/140	63/144
Global Innovation index	57/131	59/129	84/126	61/127	58/128	56/141

Table 2: Scorecard from international benchmarking reports for the economy of North Macedonia

4.1. Business environment

The following functional areas of the business environment were analysed:

- business registration,
- access to finance,
- public-private dialogues, and
- market information.

According to the criteria “Ease of starting a new business”⁸ the country is positioned on 78th place out of 190 analysed economies. When compared to 2019 (ranking 47 out of 190 countries), the number of procedures to establish a business has increased from five to six,

⁶ timeline not to scale due to multi-region approach

⁷ <http://www.doingbusiness.org> / <https://www.weforum.org/reports> / <https://www.globalinnovationindex.org/Home>

⁸ Doing Business 2020, World Bank

the duration however decreased from 16,5 to 15 days. The minimum capital requirement also decreased from 18,5% to 0% of the per capita income. On the other hand, the cost of the income per capita increased from 1,7% to 3,1%. That implies that starting a new business in North Macedonia has potential for further improvement.

Access to finance is considered as one of the most pressing issues in the North Macedonia's business environment. According to the WEF Competitiveness Report 2019 and its "Financial market development Index", North Macedonia is ranked 83rd out of 141 countries. The venture capital and private equity index is low, placing the country on 80th place out of 125 countries in 2018⁹. There are enough banks that offer loans, yet high collaterals and established credit history are usually the major obstacle for getting a credit. Beside banks, the MSMEs can use networks of microfinance institutions, but they offer limited funds and work more with citizens. Based on the World Bank's Enterprise Survey, however, only 10,1% of the interviewed companies indicate access to finance as a major constraint for doing a business.

¹⁰ Access to finance	2020	2019	2018	2017	2016	2015
WEF Competitiveness Report - Venture capital availability - Rank	n/a	100/141	120/140	50/138	49/140	52/144
Global Innovation Index - Microfinance institutions' gross loans portfolio ¹¹ - Rank	43/82	39/81	47/80	40/81	46/83	17/90
WB World Development Indicator Database - Domestic credit to private sector by banks (% of GDP)	n/a	49,68	48,72	48,52	47,89	50,94

Table 3: Scorecard for Access to finance from international benchmarking reports for the economy of North Macedonia

To assess the **Public-Private Dialogue (PPD)** the dimension 3: Institutional and regulatory framework for SME policy making/ Sub-Dimension 3.3. Public-private consultations (PPCs) of the OECD SME Policy Index for Western Balkans and Turkey (WBT) was considered. It is worth mentioning that North Macedonia has received a better overall score than the average of WBT countries.

¹² Subdimension: Public-private consultations (PPCs)	North Macedonia	WBT ¹³ Average
Frequency and transparency of PPCs	4,42	3,86
Private sector involvement in PPCs	4,50	4,26
Monitoring and evaluation	1,67	2,73
Weighted average	3,90	3,79

Table 4: Scorecard for Sub-Dimension 3.3. Public-private consultations of the SBA for North Macedonia, 2019

There is also a single government portal, ENER¹⁴ (National Electronic Register of Regulations), which aims to list all the ongoing PPCs in one place.

⁹ Venture Capital and Private Equity Country Attractiveness Index by the IESE Business School, Barcelona – University of Navarra, Spain, Available at: <https://blog.iese.edu/vcpeiindex/macedonia>

¹⁰ <https://www.weforum.org> / <https://www.globalinnovationindex.org/Home> / <https://databank.worldbank.org/source/world-development-indicators>

¹¹ Combined gross loan balances per microfinance institutions (in current USD) divided by GDP (in current USD) and multiplied by 100

¹² SME Policy Index for Western Balkans and Turkey 2019, Assessing the implementation of the Small Business Act for Europe, OECD (pp. 762)

¹³ Western Balkans and Turkey

¹⁴ <https://ener.gov.mk/Default.aspx>

Foreign Trade: North Macedonia is a small market. It is more import than export oriented, resulting in a relatively consistent negative trade balance.

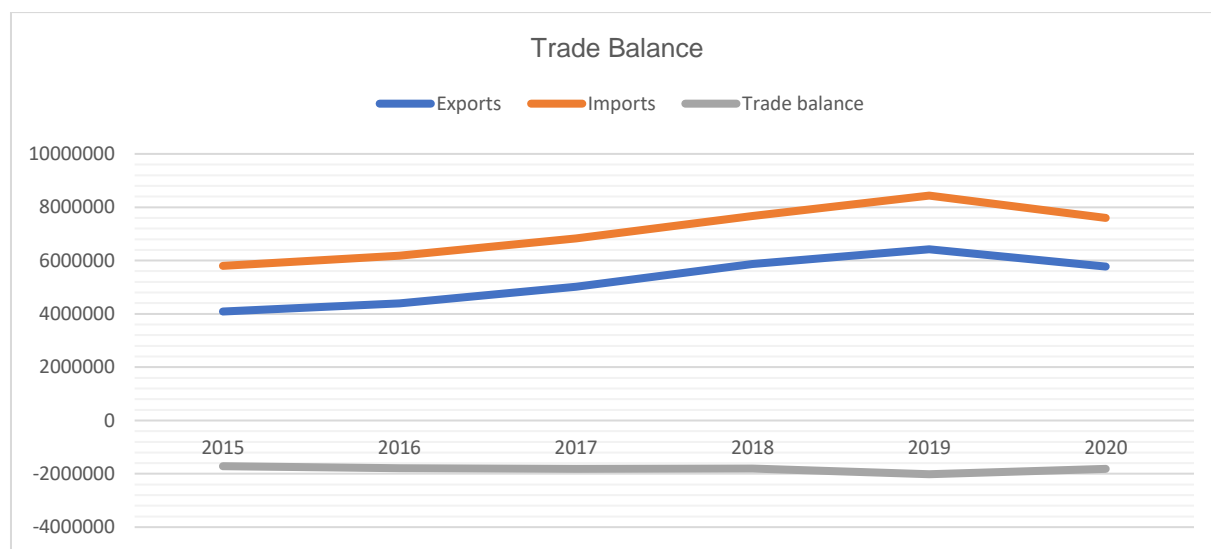


Table 5: Foreign trade balance of North Macedonia, in EUR, 2015 - 2020

The target regions are also shown to be the least export-oriented regions within the country.

¹⁵ Exports	Vardar	East	South-west	South-east	Pelagonija	Polog	North-east	Skopje
2015	14,6	12,2	2,0	7,1	7,5	2,5	1,0	53,1
2016	12,7	11,9	2,3	6,7	8,2	2,2	1,1	55,0
2017	11,7	12,0	3,4	6,3	8,5	2,0	1,3	54,8
2018	10,8	11,0	3,6	6,0	9,0	2,3	1,0	56,3
2019 ¹⁶	12,4	10,2	3,5	6,1	9,7	2,1	0,8	55,1

Table 6: Share of exports from the planning regions in the total exports, per regions, in %, 2015 - 2019

According to the National Bank of North Macedonia, FDIs are volatile and differ from year to year. The latest decrease can be related to the Covid-19 pandemic.

¹⁷	2020	2019	2018	2017	2016	2015
FDIs	239,82	398,76	614,08	181,73	338,43	216,72

Table 7: Foreign Direct Investments (FDIs) in North Macedonia, in Million EUR, 2015 - 2020

According to the classification of products by activity, North Macedonia has the largest trade exchange in industry, followed by agriculture. By sectors of activity, the largest exports come from the sector machinery and transport of equipment, followed by chemical products and manufactured goods.

Specific market information is available from different sources. The references are given in the Annex 2 of the report. From the many available government sources of market information the following need to be highlighted:

¹⁵ State Statistical Office, Publication "Regions in the Republic of North Macedonia", 2020

¹⁶ Preliminary data.

¹⁷ Statistics of the National Bank of the Republic of North Macedonia, <https://nbstat.nbrm.mk>

- Ministry of Information Society and Administration (MIOA¹⁸). Access to various e-services for businesses and citizens,
- Ministry of Economy¹⁹, provides access to various e-services for the businesses,
- Agency Invest North Macedonia²⁰, portals with information related to exports, markets and brownfield and greenfield investment possibilities, etc.
- Ministry of Agriculture, Forestry and Water Economy²¹ hosts Agricultural Market Information System that provides Offer and Demand of agricultural products.

Furthermore, the aggregate web portal www.biznisregulativa.mk serves as a resource platform for lobbying and advocacy for better business regulation. Overall North Macedonia has slightly improved its performance in the assessment of SBA²² for Dimension 3: Institutional and regulatory framework for SME policy-making and reached a score of 3.86 which is higher than the WBT average of 3.79. That indicates a slight shift towards effective implementation of the SME policies. More specifically, the improved score of North Macedonia stems from positive developments in the institutional framework and public-private consultations.

4.1.1. Major business environment obstacles

From the World Bank Enterprise Survey 2019, at least 10% of the surveyed companies²³ identified the following major obstacles for doing business: political instability, practices of the informal sector, inadequately educated workforce and access to finance. The ranking of the top four major obstacles does not differ between the small and medium companies. The full ranking is presented in the next figure.

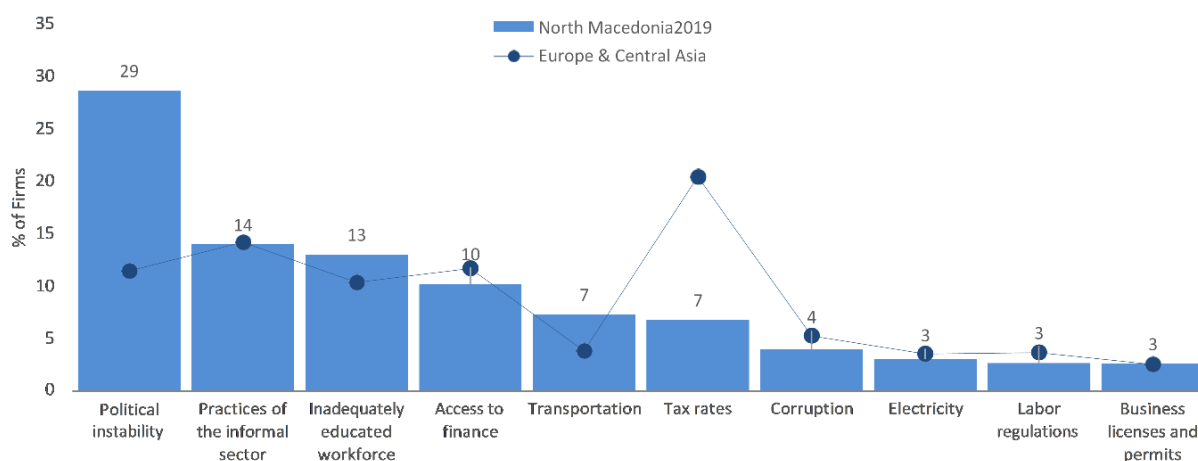


Figure 4: Top ten business environment obstacles for the companies

The size of the informal sector is a continuous challenge for the business environment as it creates unfair competition from unregistered companies. It remains high both in the share of total output and in the number of people employed. According the State Statistical Office estimates the informal economy amounts to 17% of output and 18% of total employment, however IMF estimates in 2019 suggest that the share could also be as high as 37,6% of GDP. The country's informal sector takes various forms such as unregistered labour, partially undeclared wages and other labour relate irregularities, not issuing tax receipts or invoices,

¹⁸ www.uslugi.gov.mk

¹⁹ www.economy.gov.mk / www.konkurentnost.mk

²⁰ <http://www.investnorthmacedonia.gov.mk>

²¹ <http://ponudapobaruvalacka.zpis.gov.mk>

²² SME Policy Index for Western Balkans and Turkey 2019, Assessing the implementation of the Small Business Act for Europe, OECD (pp. 762)

²³ The World Bank Enterprise Survey 2019, Country Profile of North Macedonia, <http://www.enterprisesurveys.org>

reporting lower turnover, unregistered freelance work and personal services provided at homes or via the internet, etc.²⁴

In 2019, North Macedonia has made moderate progress in implementing the Small Business Act (SBA)²⁵ since the previous assessment in 2016. The economy continues to offer a business environment receptive to the SME needs, however in some areas such as operational environment for SMEs, standards and technical regulations, enterprise skills and innovation policy North Macedonia has regressed since 2016.

Based on the values of each SBA dimension²⁶, the main areas for improvement for North Macedonia which are relevant for the project are:

- Entrepreneurial learning and women's entrepreneurship,
- Bankruptcy and second chance,
- Institutional framework,
- Non-bank financing, venture capital ecosystem and financial literacy
- Overall co-ordination and harmonisation with the EU acquis of the standards and technical regulations
- Enterprise skills
- Innovation policies for SMEs.

According to the Global Competitiveness Index 2019, the areas where the biggest improvement is needed are: Social capital; Checks and balances; Public sector performance; Skills of the current workforce, and Product market.

The worst performance in terms of competitiveness of the businesses is observed in the following sub-components with potential relevance for the project (ranking on 100th place or worse out of 141 countries): Intellectual property rights protection, Auditing and accounting standards, Availability and quality of staff training, Skillset of graduates, Digital skills among active population, Financing of SMEs

including venture capital availability, Attitudes towards entrepreneurial risk, Growth of innovative companies, Companies embracing disruptive ideas, State of cluster development, and Multi-stakeholder collaboration. It can be concluded that there is a room for improvement of the business environment in the country in several mentioned areas.

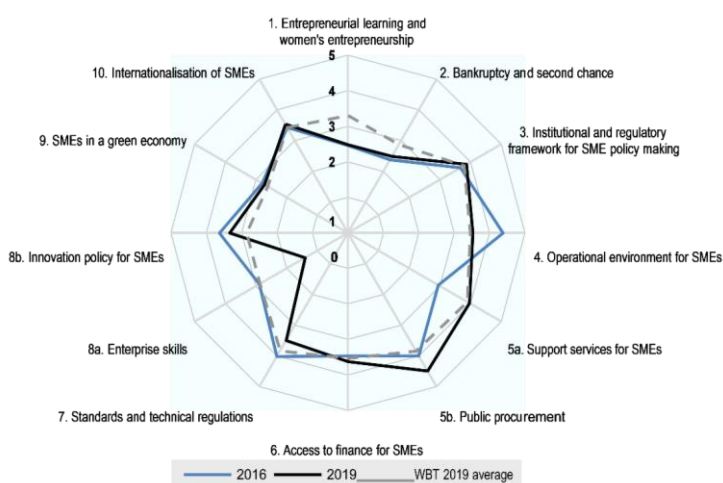


Figure 5: SBA scores for North Macedonia, 2016 vs. 2019

4.2. Investment climate

For the mapping purposes, the focus is laid mainly on the labour market where the interventions in the framework of the project may take place. The Labour market is assessed

²⁴ EC staff working document, Assessment of the ERP 2020-2022 of the Government of North Macedonia, April 2020

²⁵ SME Policy Index, Western Balkans and Turkey 2019, Assessing the implementation of the SBA for Europe/ Chapter 17. North Macedonia: Small Business Act profile

²⁶ Note: A direct comparison of the scores between the 2016 and 2019 assessments for Dimension 1 (entrepreneurial learning and women's entrepreneurship) and Dimension 8a (enterprise skills) should be treated with caution as the assessment methodology has changed significantly.

based on the unemployment rate and efficient use of talent (Capacity to retain talent / Capacity to attract talent) as well as the active labour market policies.

It is observed²⁷ that the unemployment rates are still high albeit with a decreasing rate. There remains disproportionately higher unemployment rates of women, and very high unemployment rate of youth and in particular young females. According the WEF Competitiveness Report²⁸ the country is ranked for Active labour market policies on 73rd place out of 141 countries in 2019, while according to the Capacity to retain talent and Capacity to attract talent the country is ranked on 115th and 128th place out of 138 in 2017²⁹. Therefore, it can be concluded that the investment climate in the country with regards to the labour market is slowly improving in general, but it big challenges remain in several mentioned areas.

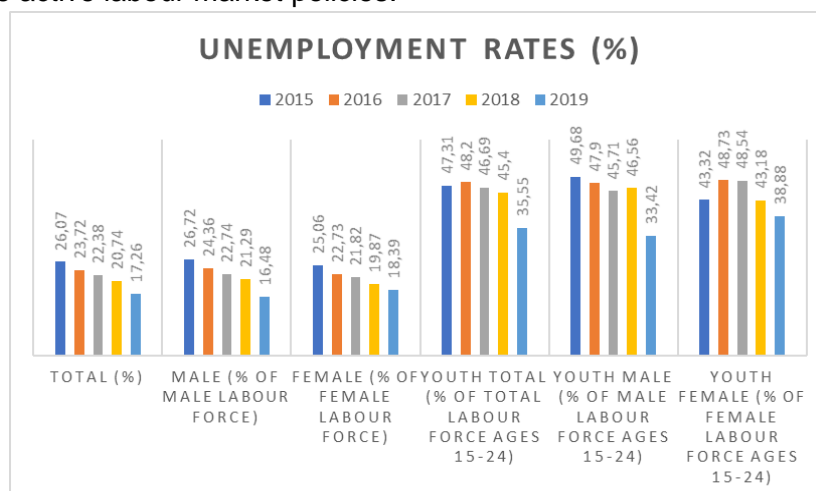


Figure 6: Unemployment rates, in %, 2015 – 2019

4.3. Actors

The aim of the mapping of the actors is to provide an overview of their landscape in the target regions. Therefore, this overview is focusing mainly at actors located in the target regions, but also contains actors which are active nation-wide and based in the capital. Considering that the entrepreneurial, and, in particular, the start-up eco-system is very much concentrated in Skopje, those actors may provide capacity and support the regional actors in case of gaps.

The number of actors in the entrepreneurial ecosystem has been growing over the last years in North Macedonia and especially the start-up scene in Skopje is developing well. It has several incubators and accelerators, co-working spaces, events and universities with activities targeting entrepreneurs. There are several chambers of commerce and business associations which provide services to existing companies. Although the offers in Skopje and other regions are open to entrepreneurs from the target regions, they usually cannot afford to travel every day, to attend acceleration programmes or capacity development measures with longer duration. To some extent that limits the access to support offers and exchange formats. The last year influenced by the covid-19 pandemic showed that the access is now largely facilitated with the digital platforms, but that in turn requires development of actors' digital skills.

Participants at the interviews highlighted the importance for the target regions to have a vivid entrepreneurial ecosystem. The overview of actors at national level in the figure below shows a crowded space with some gaps elaborated further in the text.

²⁷ <https://data.worldbank.org>

²⁸ Source: WEF Competitiveness Report, available at: <https://www.weforum.org>

²⁹ Last data available for 2017

Ecosystem Map - National level

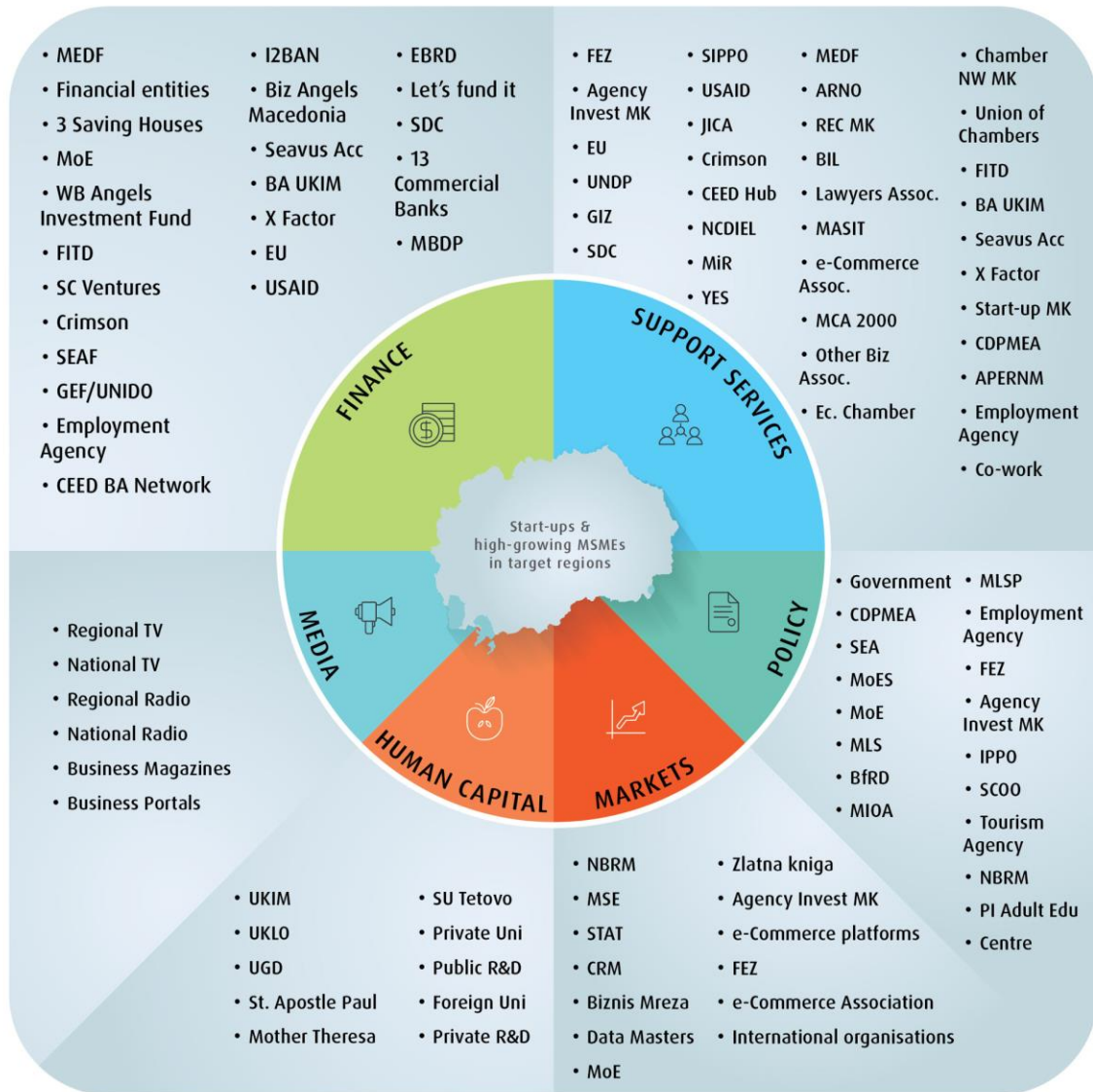


Figure 7: Map of the entrepreneurial ecosystem on national level

4.3.1. Policy

The Government introduced an Economic Growth Plan in 2018³⁰ with three main pillars to stimulate investments, technological development and increase the competitiveness of Macedonian companies. The first two pillars are being implemented through the Law on Financial Support of Investments, while the measures of the third pillar are implemented through the Fund for Innovation and Technological Development (FITD).

The Cabinet of the Deputy Prime Minister for Economic Affairs, Coordination of Economic Departments and Investments (CDPMEA) is currently focused on developing packages with support measures targeting the sectors that are most affected by the pandemic.

The CDPMEA and FITD have recently established a Start-up Council to promote the country as a regional hub. It involves main stakeholders such as Start-up Macedonia, ICT Chamber MASIT, SEEU Tech Park – Tetovo as well as start-ups' founders. The Council is working on development of a social entrepreneurship strategy, as well as creating better conditions for digital nomads. FITD is part of the task force working on the Law on social entrepreneurship that should be ready soon.

The Ministry of Economy (MoE) has elaborated a number of strategic documents such as SME Strategy 2018 – 2023, Strategy for development of women entrepreneurship 2019–2023, Industrial strategy 2018 – 2027, Strategy for tourism, Strategy for Energy Development up to 2040 etc. The MoE jointly with MoES have already completed two steps in the process of elaboration of the Strategy for Smart Specialisation. It will embark on the entrepreneurial discovery process as a final and most important step that will define the vision for growth and elaborate the roadmap by involving entrepreneurs in the regions.

UNIDO and REC Macedonia are working closely with the MoE on the legal and institutional framework in the field of energy. It is planned to elaborate regulation for energy audit in companies and develop a platform for best available techniques (BAT).

The Ministry of Environment and Physical Planning (MoEPP) is working on the new law on waste which will contain a component on circular economy.

The Ministry of Education and Science (MoES) works on the revisions of the law for vocational education and training to improve the secondary vocational education, open new professions, support career development and improve the formal and informal education of adults.

The MoES is supported by the SDC to introduce a law on dual education system and to create a framework for cooperation between the public and private sector.

The Ministry of Labour and Social Policy has prepared a revised Employment and Social Reform Programme 2022. The new laws on Internships from 2019 allows companies to mobilise interns outside of the educational process.

The Ministry of Local Self-Government has introduced changes in the law for balanced regional development and developed the National Strategy for Regional Development 2021 – 2031, Programme for sustainable local development and decentralisation 2021-2026 and related Action plan for the period 2021-2023. In this regard, the MoE has introduced criteria based on the level of development of the planning regions in several annual support programmes for SMEs.

The Ministry of Agriculture, Forestry and Water Economy (MAFWE) has developed the National Strategy for agriculture and rural development 2021 – 2027. It implements national annual programmes for support of agriculture and rural development and IPARD programme

³⁰ Economic Growth Plan of the Republic of North Macedonia, May 2018

2014 – 2020 (in particular measures supporting investments in agricultural holdings; processing and marketing of agricultural and fishery products; and rural public infrastructure as well as for farm diversification and business development). It maintains also different registers related to agriculture and rural development.

State office of industrial property (IPPO) manages the responsibilities stemming from international agreements and acts as a registration office for different rights such trademarks, industrial designs, patents, authorship rights, designation of origin, etc. which are subject of protection of intellectual property rights. With support from the EU, the IPPO is currently developing new National Strategy on Intellectual property 2020-2025 and a dedicated platform (e-network for exchange of data between the responsible institutions as well as e-filing solution for trademarks, patents, industrial designs and e-services). The platform will also facilitate the coordination of the activities of the IPR enforcement institutions.

Agency for Promotion of Entrepreneurship (APERNM) implements its' annual operational Programme approved by the Government. It provides training for various target groups, implements mentorship network for SMEs supported by JICA; provides technical assistance for the self-employment programme for business plan preparation, implements voucher counselling scheme and info-desk, through its network of regional BSOs.

The Agency "Invest North Macedonia" works on attracting investments outside the Free Economic Zones (FEZ). It focuses also on export promotion of four main sectors: food production, ICT, textile, and electro-metal and automotive industry.

Four FEZ' are located in the target regions (Rankovce in North-east, Tetovo in Polog; Kicevo and Struga in South-west region). Agency for FEZ has discussed with some larger companies in FEZ to establish their R&D activities in the country, and in this context the plan is to establish science and industrial park at the technical campus in Skopje. The Agency plans also to establish mentors' network with the investors.

The National Extension Agency (NEA) provides advisory services to farms, enables transfer of knowledge and information and maintains database of farms in order to improve the quality and quantity of agricultural production and increase its competitiveness.

The Economic Chamber of North Macedonia works on re-engineering the custom tariffs based on the analysis of the members and participates in the reform of the education system to introduce the dual education. It participates actively in the initiatives of the Western Balkans Chambers Investment Forum (WB6 CIF) with seat in Trieste, Italy (e.g. business platform CIF-EU).

The interview partners mentioned several issues related to policy in the country:

- Strategies are in place, but implementation is a challenge, particularly on regional level.
- Financial resources for annual SME support programmes are still insufficient, although the amount of funds has increased over past several years. In addition, the SME support programmes contain many measures which leads to lack of focus and thus impact.
- Local suppliers to companies which are tenants in the FEZ account only for very small percentage of the value of the total supplies.
- There are few legal barriers for investments in start-ups. Dedicated legislation targeting private equity investment funds, venture capital, business angels or crowdfunding is in general missing. Namely, there is no differentiation between an investor and an owner when investing in equity. Furthermore, convertible note is not existent in the law, there is no separate law on factoring and the law for business angels has status of a draft

document for a while. There is also a need to solve legal and institutional issues with regards to crowdfunding.

4.3.2. Providers of support according to the business phases

The variety of support offered to entrepreneurs in the country on a national level (primarily Skopje-based) by contrast is rather extensive: BSOs, civil society organisations, projects financed by international donors and companies offer access to mentor networks, provide information and facilitate access to finance, access to networks, access to markets as well as access to knowledge.

Services - National level

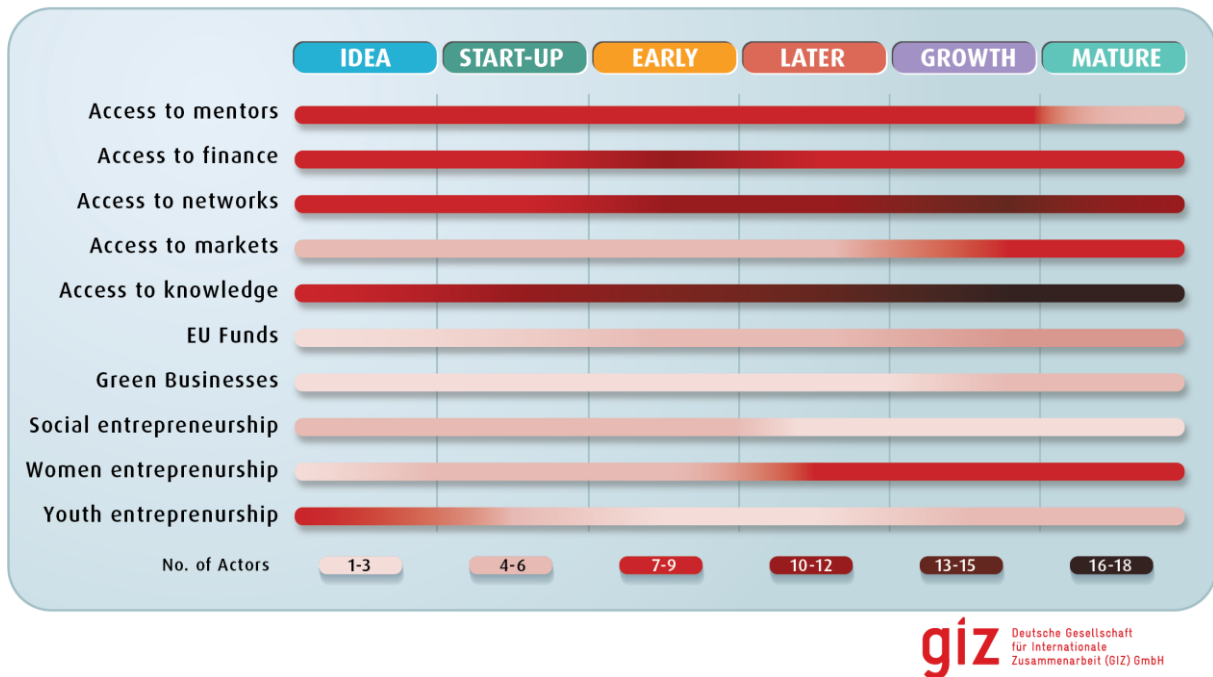


Figure 8: Providers of business support according to type of services and stage of life-cycle

Several observations can be deduced from the information illustrated in the figure above:

- There are various BSOs for entrepreneurs at idea, start-up and early stage, but only a small number of BSOs for start-ups in the later and especially in the growth phase.
- Lot of training providers (access to knowledge), but significantly less service providers which support start-up companies in their efforts towards access to market.
- Chambers and business associations provide a full range of services to mature companies.
- Specific support for women entrepreneurs in the idea, start-up and early phase is provided only by few organisations, while there are more organisations that provide support to women business owners.
- Specific support for youth entrepreneurship is predominantly provided by many organisations in the idea, start-up and early phase, while there are few organisations providing support to young business owners.
- There are few providers of support of green businesses in the idea, start-up and early phase.
- Specific support for social entrepreneurship is predominantly provided in the idea, start-up and early phase.

Furthermore, several issues were mentioned in the interviews on national level with regards to the support actors:

- The staff of existing BSOs in the regions are well educated/ trained, with proper skills. However, these BSOs seem to be comfortable with their standard portfolio of services. Specialised and/or advanced business services are missing³¹.
- BSOs including start-ups' accelerators face challenges with regards to their long-term sustainability. BSOs do not have institutionalised financing. In fact, they rely very much on donor funded projects and are active only when such funding is available. Consequently, the BSOs, with the exception of economic chambers, have limited number of permanent staff. In addition, the networking of BSOs in international context has to be further improved.
- The service-oriented culture in the country is not sufficiently developed. Start-ups are not able to pay for the services, while existing companies do not fully recognize the need of the consultants and payment of services.
- The major challenge for the BSOs from the regions is to identify and involve start-ups with growth potential and high growing MSMEs. Some 80%-85% percent of the start-ups outside the capital are non-tech (either in traditional retail-oriented businesses or formalisation of an existing business). There are few successful non-tech start-ups, but it seems they are mainly in the field of social/ impact entrepreneurship.
- The organisations that provide access to business services claim that they cover the whole country, but their work in the regions is very limited and depends very much on projects and/or the request of the donors.

4.3.3. Finance

At the first glance, it may seem that there are many providers of finance for entrepreneurs, start-ups and existing companies in North Macedonia at different stages of a company's life cycle (see figure below). However, almost all interviewees on the national level agree that the access to finance is in general very limited and it is difficult to find proper financing for companies. The sector is dominated by the commercial banks while overall the financial sector still remains underdeveloped. The market for credits has become mature and stable, but still price sensitive. Most of the banks have presence in the target regions through their branch offices. The banks however have a limited offer for start-ups. Only two banks are currently offering start-up financing in the early phase backed-up by the EU Employment and Social Innovation (EaSi) Programme to reduce their risk exposure. Smaller and medium sized banks introduce more tailor-made products coupled with financial advice. They put more emphasis on the idea, forecasts and expected cash-flow rather than on collateral.

The Fund for Innovation and Technological Development (FITD) has a bigger portfolio and has supported more than 500 companies out of which ca. 50% are start-ups. However, the number of successful applicants from target regions is still low. FITD is providing the whole package through co-financed grants utilising four instruments with different co-financing rates and conditions: (i) start-ups; (ii) MSMEs; (iii) Business Accelerators, and (iv) newly employed young people. So far, the FITD has supported three business and technology accelerators in line with the Law on innovation activity.

Venture capital is scarce in the country and considered a niche segment. There is only one venture capital fund (South Central Ventures) which has regional (SEE) coverage. Currently, there are three networks of business angels with modest financial capacity which dictates mainly syndicate type of investments and only sometimes provide modest funds to start-ups in start-up and early phase. The investments of the business angels in the country have recorded a constant decrease in terms of value between 2016 and 2019.

³¹ For example, there are few lawyers who understand the needs of start-ups; there are no providers who offer innovation audit, very few offer services with regards to international intellectual property rights protection, circular economy, women entrepreneurship, accountability & sustainability, etc.

Apart from most commonly used funding from family and friends, there is only one crowdfunding instrument in the country with lower profile (Let's fund it) as well as SEAF II which is a small size private equity fund that invests in relatively smaller companies which need growth capital. The Macedonian Stock Exchange has established co-operation with a foreign crowdfunding platform Funderbeam to provide a promotional and guiding role in developing their businesses into companies suitable for future listing.

In general, the research showed that venture capital and angel investors in North Macedonia are rather risk averse, so that the standard funding model is to wait for a start-up to have a working Minimum Viable Product (MVP) before any investment is made.

Furthermore, there are a couple of noteworthy actors involved in the financing of start-ups and/or growing companies.

- Development Bank of North Macedonia (MBDP) is a combination of a development & exim bank which provides services for: (i) lending through 10 different credit lines from various sources and (ii) export support through guarantees and factoring. The bank disburses 70% of the funds through commercial banks and 30% directly (the credit line for agriculture). Through the anti-crisis credit lines Covid-19#1/2/3 the bank disbursed in total 40 Million EUR to around 4000 mainly micro and small companies. EIB credit line is the most popular for companies because of its long repayment period, fixed interest rate and the lowest price on the market. The analysis of the last EIB credit line from showed that 60% of the money were used by the companies for investment in equipment, buildings, machinery, etc. There is one credit line for self-employment through the Employment Service Agency. Green economy and women entrepreneurship are supported through some of the credit lines which could also contain some percentage of a grant. Recently the bank has introduced guarantees for companies which have temporary obligation towards customs. Since the start of covid-19 crisis the MBDP has lowered the price of credits, and thus has put pressure on the commercial banks which are obliged to offer the interest rates set. The MBDP plans to establish a fund which will provide guarantees to the commercial banks as collateral for the companies, both for investments and working capital.
- EBRD Competitiveness Support Programme offers loans via local partner banks combined with EU IPA grant for SMEs to improve capacity, standards, energy efficiency (EE), etc. with up to 50% of the investments. The Programme is complemented by technical assistance to help SMEs optimize their investment requirements for upgrading towards compliance with priority EU Directives.
- GEF – UNIDO provide combination of grant with loans distributed through commercial banks for investments of companies in energy management systems.
- Almost all commercial banks offer credit lines for EE in companies.
- USAID supported introduction of factoring. However, its biggest users are still larger companies. It supports also the microfinancing by saving houses as well as bank guarantees for agriculture development and diversification of rural economies.

In the idea stage the potential entrepreneurs mainly rely on funding through personal contacts (family, friends etc.) or on small grants provided through programmes financed by donors. Business plan competitions and incubation programmes provide also access to small amounts of funding usually implemented by NGOs and/or BSOs.

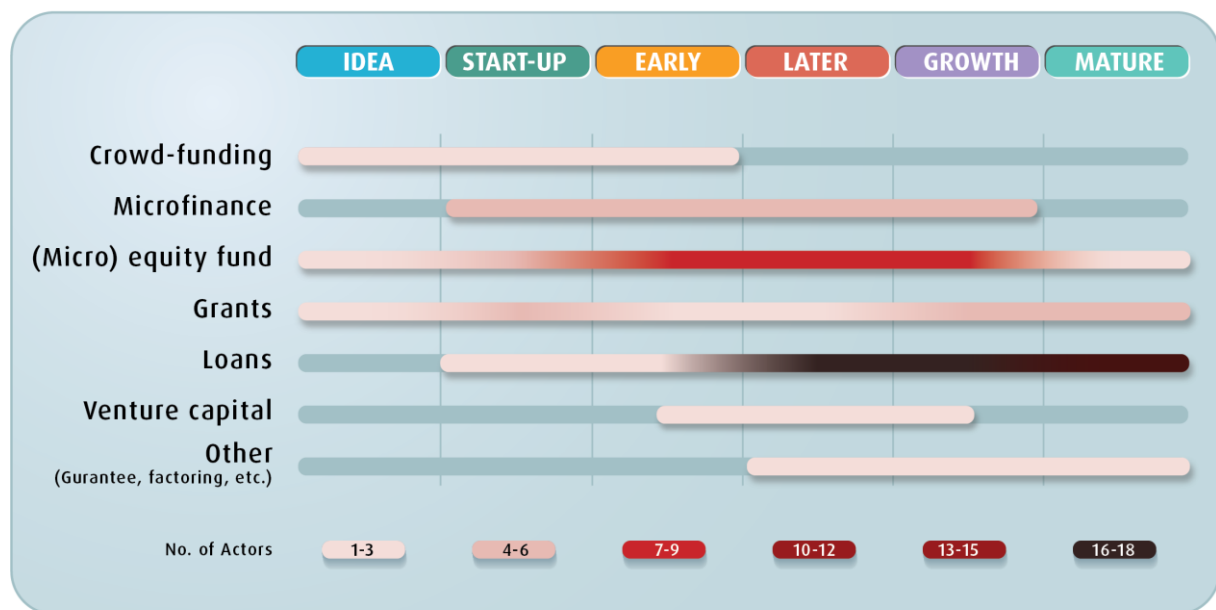
Companies at start-up or early stage have few financing tools to choose from: they might still crowd fund their business and get grants through programmes, but they also may get limited amounts as microcredits from well-developed network of saving houses which have regional presence. However, business entities constitute small percentage of their client base. Employment Service Agency provides grants for self-employment and subsidies for employers to create new jobs. Business Accelerators have just started to do their first investments. They

invest in tech-based start-ups in equity, loan or hybrid financing. Business Angels provide also modest funds to start-ups in start-up and early phase.

In the growth and mature phase, companies rely more on traditional finance instruments like loans from commercial banks, private equity, or guarantees, which again limits the number of actors, whereas the public actors are again dominant.

EU funding (IPARD, COSME, H-2020) is not well utilised since there are not many applications by Macedonian companies, especially not from the target regions. Finally, some of the interview partners emphasized that great level of informal economy in some of the target regions limits the access to finance.

Financials - National level



giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Figure 9: Providers of finance according to type of finance tool and stage of life cycle

4.3.4. Human capital

To expand their business, companies require a skilled labour force and/or certain specialists which they cannot find on the labour market. The migration, both in terms of brain-drain and skilled workforce and especially from the regions, makes it even worse. MoES undertakes several activities to respond to the needs of the businesses for skilled labour and improve the cooperation with the private sector. This year, the MoES plans to increase the number of places for pupils in secondary vocational education. As an incentive, it offers scholarship which is 30% higher than the ordinary one. In addition, three secondary vocational schools were transformed into Regional VET centres under state jurisdiction. It invested in laboratories so, the pupils will be able to get practical skills. Regional VET centres have to coordinate with the other secondary vocational schools in the region, which are under jurisdiction of the municipalities. The Regional VET Centres will provide formal and informal education for adults as well as will undertake activities to foster the innovation of companies. It is expected that the Regional VET centres will be operational in 2022. There are several donor-funded projects which support MoES to introduce the dual education in the formal education system and increase the role of private sector.

Currently, the private sector invests in vocational education, but that is rather ad-hoc. MoES organized regional consultative meetings with participation of private sector, VET schools, municipalities to assess the readiness for cooperation.

FITD offers co-financed grants for vocational training and practice for newly employed young people.

Business and entrepreneurship courses are part of the formal primary and secondary education. According to the information on educational programmes provided by the Bureau for development of the education the course "Innovation" is taught in the IX class of the primary schools. In the Gymnasiums the course "Business and entrepreneurship" is taught in the IV class, while the courses "Economy" and "Management" are elective courses. "Innovation and entrepreneurship" can be elected for project-based activities in I – III class. In VET schools course "Business" is taught in IV class. In the VET schools that course can be delivered also by professors who do not have economic background.

In total there are 30 relevant public, private and foreign universities/ faculties in the country, (for overview see Annex 2). When it comes to the study of entrepreneurship as a subject in higher education, it has potential to be improved. The Institute of Economics at the University "St. Cyril and Methodius" offers a study programme "Entrepreneurship" in the second cycle of studies. Apart from education, universities are also engaged in research activities, predominantly represented by the state universities. Overall investments in research and innovation (R&I) in 2020 were rather low (0,37% of GDP³², with private sector participation of only 0,10% of GDP). The MoES has equipped 80 laboratories/institutes with the research equipment of a total value of approximately 23 million euro. The Research Infrastructure Roadmap of the Republic of North Macedonia reveals that around 20 of them own single capital research equipment worth over 50'000 euro, mainly located in the Ss. Cyril and Methodius University in Skopje. However, the cooperation between the companies and universities is not satisfactory. Laboratories established at faculties are not used by private sector.

The same actors, which provide business support, offer many trainings and other capacity development formats as one of the major services (see section Support/ Access to knowledge). However, those actors are predominantly either NGOs, or international organisations/ donor funded projects or universities and thus in general lack the genuine private sector experience. YES Foundation is maintaining the entrepreneurship portal www.pretpriemac.mk. Providing information about events, trainings, matching of partners for participation in EU funded projects, etc and it is regularly updated. There is also a web site with similar name www.pretpriemac.com which is organised as an entrepreneurship blog of the founders. It provides knowledge and access to resources for start-ups and business management. Its linked Facebook page is more regularly updated.

National Agency for European educational programmes and mobility provides access to the Electronic Platform for Adult Learning in Europe³³ and Erasmus+ Programmes³⁴.

Public Institution Adult Education Center³⁵ provides an overview of all providers and verified programmes for vocational education of adults, also with regional distribution.

³² For comparison, EU targets are 3% of GDP

³³ <https://ec.europa.eu/epale/en>

³⁴ <https://na.org.mk/erasmusplus>

³⁵ <http://cov.gov.mk>

4.3.5. Markets

There are a number of providers of market information for start-ups and existing businesses on national level compared to the size of the market. In addition to the market information provided by the government institutions (Ministries, agencies, official gazette, National Bank, etc.), the chambers of commerce and business associations provide sector information, prepare annual sector reports, and provide B2B matchmaking opportunities (supply and demand offers) for companies. Some government institutions and chambers of commerce have regional presence through their branch offices. The Macedonian e-commerce association connects the MSMEs with the marketplaces and/or other companies where they can utilize the existing capacities and resources.

Business associations organise annual conferences which have strong B2B component (e.g. MASIT) or trade fairs (e.g. MAMEI). Start-up Macedonia is constantly upgrading its digital platform as an income generating service that facilitates networking between the stakeholders in the start-up ecosystem.

There are several companies conducting market research and prepare analysis on behalf of the institutions and other companies in the country or providing in-depth market intelligence. New products have been also developed such as Biznis mreza marketing which offers establishing of a company profile for free and its further customisation against payment. Further on, Geo-locator of business entities allows companies to perform analysis based on geo-location, while financial intelligence enables companies to create financial reports and perform financial risk assessment of their contractors and clients.

Various web portals and printed & online business magazines specialised in economic and financial topics provide occasionally market analysis, which are important for the daily work of the companies. Different international organizations (e.g. World Bank, OECD, etc.), through their regular publications also offer updates on market data.

Several issues were raised during the interviews with the relevant partners. Namely, there is evidently a lack of data at national level, especially on sector and regional level. Some statistical data is lagging 2 – 3 years behind. If someone in the regions wants to start a new business, he/she needs that data. In general access to information about the competition and the potential on the market is a challenge considering that data is not cheap, and the companies cannot afford to pay for it. In addition, companies lack specific knowledge to be able to utilize fully the available platforms with market information. At the moment, there is no specialised trade fair facility in the country.

4.3.6. Media

The landscape of media dedicated to business and entrepreneurship in North Macedonia is also very populated. In principle, Macedonian entrepreneurs have good English language skills and by this are not restricted to media in Macedonian language only, but can read international and regional (SEE) online magazines or watch YouTube videos to inform themselves.

- Few print business magazines like Kapital and Ekonomija i Biznis which cover a broad range of topics related to business, entrepreneurship and investments. In addition, the magazine Porta3 covers topics related to construction, architecture and environment.
- The agencies Makfax, has a dedicated section 'Economics', and MIA a specific "Business" section. Several popular web portals like Inovativnost.mk or inter alia have specific sections "Inno Tech Club" and "Green Planet" and the web portal "Fakulteti" with relevant dedicated sections "Education", "Science", "Technology" and "Economy". The web portal "Pari" provides different analysis in its section "Analytics" which are based on the data provided by their partner Target group/ Biznis mreza.
- Several specialised web portals cover specific topics such as employment, marketing, etc., or specific sectors as ICT, fashion, agriculture, construction, banking, etc.

- The most relevant media are the websites of actors of the entrepreneurial ecosystem (see Annex 2). They provide information and news on companies, investments, events, sources of financing, etc.
- Information about events, business plan competitions and news of activities are posted on Facebook which is the most used social media channel in the country and a place where most of the actors have pages showing their work. WhatsApp and Viber groups are widely used for sharing news.
- There are also portals in the SEE region which provide up to date information about start-ups.

4.4. Entrepreneurial culture and attitude

The culture and attitude towards entrepreneurship are considered to have high impact on the level of presence and support of the entrepreneurship in certain environment, thus having a direct influence on the ecosystem itself. The Global Entrepreneurship Monitor (GEM) is used as main source for information for entrepreneurial culture and attitude. The list of related indicators is presented in the following.

Attitudes and perceptions ³⁶	Value %	Rank/50
Know someone who has started a new business	52,4	25
Good opportunities to start a business in my area	50,5	26
It is easy to start a business	37,2	34
Personally have the skills and knowledge	60,9	23
Fear of failure (opportunity)	47,2	=14
Entrepreneurial intentions	20,3	26
Activity	Value %	Rank/50
Total early-stage Entrepreneurial Activity	6,2	=44
Established Business Ownership rate	8,0	21
Entrepreneurial Employee Activity	1,6	30
Motivational	Value %	Rank/50
To make a difference	56,9	13
Build great wealth	53,7	25
Continue family tradition	68,4	5
To earn a living	83,6	14
Entrepreneurship impact	Value %	Rank/50
Job expectations (6+)	1,9	=32
International (25%+ revenue)	1,2	23
National scope (customers and products/process)	1,3	29
Global scope (customers and products/process)	0,3	=27
Industry (% TEA in business and consumer services)	14,3	30

Table 8: Entrepreneurial behaviors and attitude in North Macedonia

North Macedonia is moderately ranked on all indicators that measure the entrepreneurial behaviours and attitude, indicating modest level of entrepreneurial culture in the country. Additionally, the GEM report reveals that Macedonian people have a modest entrepreneurial spirit; they rank in the range 23 - 34 out of 50 regarding the questions for entrepreneurial awareness³⁷ (rank 25/50); opportunity perception³⁸ (26/50); ease of starting a business³⁹ (rank 34/50), and entrepreneurial self-efficacy⁴⁰ (rank 23/50). In this regard, some of the stakeholders during the interviews in the inception phase stated that it might be the case that the respondents in the survey overrate needed skills to start own business.

³⁶ Table: Global Entrepreneurship Monitor 2019, www.gemconsortium.org

³⁷ Question: Do you know someone who has started a business in the past 12 months?

³⁸ Question: Are there good opportunities for starting a business in your area?

³⁹ Question: Is it easy to start a business?

⁴⁰ Question: Do you believe you have the knowledge, skills and experience to start a business?

The entrepreneurial attitudes and perceptions are assessed to be modest. In particular, 50,5% of the working population see good opportunity to start a company in the area where they live. 37,2% believe that it is easy to start a business, while high 60,9% of the working population believes they have the required skills and knowledge to start a business. Out of the working population who see good business opportunities, 47,2% wouldn't start a business because they feel fear of failure (rank =14/50). In this direction, the risk aversion is assessed to be high. Namely, Based on Global Entrepreneurship Index 2019, North Macedonia is ranked on 85/137 position and the weakest areas are: technology absorption (0,000), internalization (0,039) and risk acceptance (0,113). The Ranking of sub-indexes and related pillars are given in the table below.

Entrepreneurial Attitudes ⁴¹	Opportunity Perception	Start-up Skills	Risk Acceptance	Networking	Cultural Support
83/137	0,485	0,419	0,113	0,264	0,201
Entrepreneurial Abilities	Opportunity Start-up	Technology Absorption	Human Capital	Competition	
94/137	0,224	0,000	0,418	0,318	
Entrepreneurial Aspirations	Product Innovation	Process Innovation	High Growth	Internationalization	Risk Capital
76/137	0,263	0,359	0,423	0,039	0,340

Table 9: Global Entrepreneurship Index, Sub-Indexes and Pillar values (0 – 1), 2019

Young entrepreneurs often (after initial failure) give up their start-up venture and re-enter the regular work force in large companies or public sector, choosing to stay in comfort zone and avoiding possible additional failure that is not easily accepted by the society. Finally, 20,3% of the working population that are not business owners, plan to start a business in three years (rank 26/50). Only 6,2% of the working population are actively engaged in starting or running new businesses (rank 44/50) which indicates low entrepreneurial activity. Some 8% are owners of established businesses (rank 21/50), meaning they regularly pay salaries for more than 42 months and only 1,6 % of the employees are involved in entrepreneurial activities (rank 30/50). All these put North Macedonia in the middle/lower half ranking in terms of entrepreneurial activities. Entrepreneurship in the ecosystem in North Macedonia is triggered by improvement (to make a difference, rank 13/50) as well as opportunity (to build great wealth, rank 25/50), tradition (to continue family tradition, rank 5/50 and necessity motives (to earn a living, rank 14/50). The biggest percentage of the working population (68,4%) stated that the motive is to continue family tradition.

In terms of gender equality, men are dominant in total, in opportunity and tradition driven Total early-stage Entrepreneurial Activity (TEA), leaving the leading position to women in improvement and necessity driven entrepreneurship⁴². If the available historical data⁴³ is compared, there is exponentially decreased Total TEA from 14,5% in 2008 to 6,2% in 2019, slightly decreased (almost constant) number of female in TEA, but also slightly increased number in female in opportunity driven TEA (Figure XY). This leads to conclusion that the number of female and male that are involved in opportunity driven

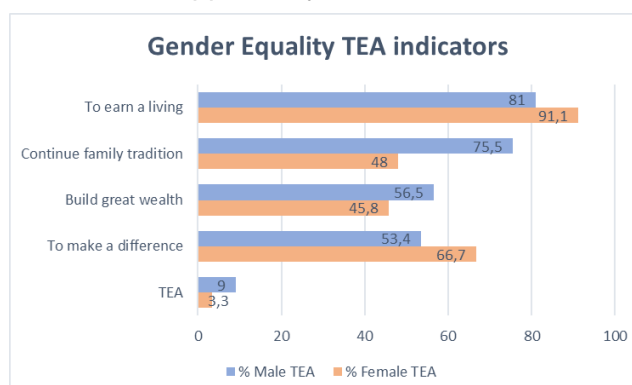


Figure 10: Gender equality TEA indicators, year 2019

⁴¹ Global Entrepreneurship Index, <https://thegedi.org/2019-global-entrepreneurship-index/>

⁴² Global Entrepreneurship Monitor 2019, www.gemconsortium.org

⁴³ Global Entrepreneurship Monitor 2019, www.gemconsortium.org

entrepreneurial activities lately is equal. The number of female to male entrepreneurs varies in the range 1: 2,45 (2013) to 1:2,82 (2016), while it is 2,73 in 2019.

The World Economic Forum Global Gender Gap 2021 report⁴⁴ ranks North Macedonia overall on 73rd place out of analysed 156 economies. The report analyses the participation of the women in the society based on four main pillars: economy, education, health and politics. Besides relatively high overall rank in the upper half of the countries the participation of the women in the economy in North Macedonia is ranked low, placing the country on 97th position

In terms of **entrepreneurship impact**, 1,9% of those involved in TEA, expect that will create at least 6 new jobs in the following 5 years (rank =32/50). Only 1,2% of the adults, both starting or running a new business, anticipate that at least 25% of the revenue will come from outside the country (rank 23/50).

The National Entrepreneurship Context Index (NECI) summarizes the assessment of Entrepreneurship Framework Conditions into a single composite score of the ease of starting and developing a business. In 2019, NECI for North Macedonia is 3,84 on a scale 0-10 with a rank 47/54. Expert rating of the entrepreneurship framework conditions is presented in the below figure⁴⁵. From the figure it can be deduced that the worst ratings experts gave to “Cultural and social norms” (Rank 49/54) and “Internal market burdens or entry regulation” (50/54). The best ranked criteria is “Internal market dynamics” where the country has the only ranking below 30th position (rank 28/54).

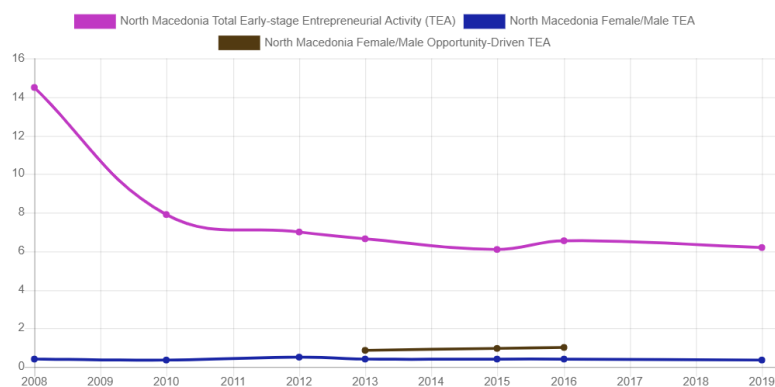


Figure 11: Gender equality TEA indicators, historical data,



Figure 12: Entrepreneurship Framework Conditions, GEM vs North Macedonia, 2019

⁴⁴ World Economic Forum, Global Gender Gap 2021 report, Available at: http://www3.weforum.org/docs/WEF_GGGR_2021.pdf

⁴⁵ Global Entrepreneurship Monitor 2019, www.gemconsortium.org

5. South-West region

5.1. Introduction to the South-West planning region

The South-West planning region is one of eight regions in North Macedonia. It is located in the west and south-west part of the country and borders Albania to the west and south. Internally, it borders with the Pelagonija, Polog, Skopje, and Vardar regions. The region covers 14% of the country area and consists of nine municipalities (see table below). Some 10,6% of the total population in the country lives in the South-West region. The average population density in the South-West planning region is 66,4 inhabitants per km², which is less than the country average of 81,3 inhabitants per km². The total number of registered business entities in the South-West region is 11'696, of which only 62% are active (2020). In 2019, the GDP per capita in the region is 4'213 EUR (78,1% of the country average), and the total GDP of the region is 924 Million EUR. Its share in the total GDP of the country decreased from 8,4% in 2015 to 8,2% in 2019.



Figure 13: Map of the South-West planning region

No.	Name of the Municipality	Inhabitants	Territory (km ²)	Active Businesses	Active businesses per sector (most relevant)
1	Centar Zhupa	7'137	103,15	78	22 Agriculture, forestry and fishing 21 Wholesale and retail trade 11 Construction 7 Manufacturing 4 Accommodation and food service
2	Debar	21'023	162,44	517	202 Wholesale and retail trade 57 Accommodation and food service 54 Construction 50 Manufacturing 26 Transportation and storage 10 Agriculture, forestry and fishing
3	Debarca	3'705	421,31	118	31 Wholesale and retail trade 26 Manufacturing 14 Transportation and storage 13 Construction 7 Agriculture, forestry and fishing
4	Kichevo	56'621	823,71	1'462	517 Wholesale and retail trade 143 Manufacturing 137 Accommodation and food service 137 Construction 85 Transportation and storage

5	Makedonski Brod	6'018	888,98	152	57 Wholesale and retail trade 17 Accommodation and food service 14 Manufacturing 13 Agriculture, forestry and fishing 9 Construction
6	Ohrid	51'434	642,15	2'654	815 Wholesale and retail trade 313 Accommodation and food service 293 Manufacturing 186 Construction 163 Transportation and storage
7	Plasnica	4'968	54,44	46	14 Wholesale and retail trade 8 Transportation and storage 7 Construction 4 Manufacturing
8	Struga	66'058	485,66	2'138	709 Wholesale and retail trade 290 Construction 219 Accommodation and food service 203 Manufacturing 123 Transportation and storage
9	Vevchani	2'415	22,80	103	40 Construction 16 Accommodation and food service 8 Manufacturing 9 Wholesale and retail trade 5 Agriculture, forestry and fishing
	Total	219'379	3'605	7'268	

Table 10: Overview of municipalities in the South-West region

5.2. Main economic activity

Of the productive economy, one of the most important sectors in the region is tourism, given the fact that the total number of rooms on its territory is 16'400 or 61,9% of the total number at the state level (26'503). Most of them are located in Ohrid and Struga. As much as 46,6% of the total number of tourists who come to the country annually stay in the South-West region. Thus, on average, about 1'300'000 overnight stays are made in the region annually by domestic and foreign tourists, representing 65% of the total overnight stays in the country. Only 9,6% of the total arable land in the country is in the South-West region, which is 103'373 ha, with less than 50% of arable land; the rest belongs to pastures. The most common agricultural products are wheat, corn, and potato, while the fruit orchards have the most significant yields of apples, plums, pears, and cherries. Other important sectors are manufacturing (automotive, electrical equipment, metal products etc.) as well as the up-and-coming ICT sector.

5.3. Business Environment and Investment Climate

The number of active business entities in 2020 in the South-West region was 7'268 and represented 9,95% of the total number of active business entities in the Republic of North Macedonia. For comparison, 10,56% of citizens have a residence in the South-West region⁴⁶. The number of companies in the region has increased for almost 2% in 2020 compared to

⁴⁶ State Statistical Office, makstat database, Data for 2019

2015. The biggest increase in number of companies took place in 2019 when the number of companies reached 7.520.

The number of active business entities per 1'000 inhabitants in South-West region is 34,31⁴⁷, and by this is ranked as 5th region in the country. The MSMEs create 99,85% of the total number of companies with 92,8% being micro companies. The ratio of number of companies' deaths and the number of newly established businesses is almost 93% in 2018⁴⁸, and this is higher than the ratio on national level with 77,45%.

The largest number of active business entities in 2020 is in the Municipality of Ohrid 2'654 (36,52%), followed by the Municipality of Struga with 2'138 (29,42%) and Kichevo with 1'462 (20,12%). In these three municipalities are registered almost 86% of the active business entities.

The total unemployment rate dropped from 33,9% in 2015 down to 24,4 in 2019, but it is still the third highest of all regions in the country. Unemployment rate of women was 26,4% and of youth 37,1% in 2019.

The total number of enrolled pupils in primary schools has dropped from 18'279 in the school year 2015/2016 down to 17'447 in 2019/2020 (decrease of 4,6%), while at the same time the total number of enrolled pupils in secondary schools has dropped from 7'785 down to 6'573 (decrease of 15,6%).

The number of graduated students in the South-West region shows small variation with slightly positive trend in the analysed period. The South-West region had in total 804 graduated students and 3,6 graduated students per 1'000 inhabitants in 2019 compared with 771 and 3,5 in 2015.

The Budget transparency index⁴⁹ for South-West region dropped from 8,8 in 2019 – 2020 down to 8,4 in 2020-2021 (ranked 7th from all 8 regions). The ranking of municipalities in the South-west region is as follows: Debarca (12⁵⁰), Vevcani (11), Ohrid (10), Centar Zhupa, Makedonski Brod (9), Kichevo (8), Plasnica (7), Debar (6) and Struga (4).

The Index of active transparency⁵¹ for South-West region dropped from 57% in 2020 down to 51% in 2021 (ranked =5⁵² from all 8 regions). In 2021 the ranking of municipalities in the South-west region is as follows: Ohrid (81,9%⁵³), Makedonski Brod (73,2%), Debarca (72,5%), Vevcani (68,6%), Centar Zhupa (55,1%), Debar (54,3%), Struga (47,2), Kichevo (45,7%), and Plasnica (10,1%).

The Government policies are relatively good, but the main complaint by the members of the focus groups were their implementation and enforcement by the Government agencies. Besides Governmental financing for SMEs (Employment Service Agency and FITD), there are two banks which offer credit lines for start-ups.

There are no communication channels between the public and private sector; the representatives of the private sector state that communication is only happening during the election time.

⁴⁷ ibid

⁴⁸ Last available data

⁴⁹ Center for Economic Analysis, available at: www.cea.org.mk

⁵⁰ The current maximum value is 16, and the lowest is 0.

⁵¹ Composite index consisted of: (i) Access to information, (ii) Budget and fiscal transparency and (iii) Responsibilities and services, Centre for Civil Communications, available at: www.ccc.org.mk

⁵² Shares 5 and 6 position with the North-East region

⁵³ The ranking is: 80% - 100% very good; 60% - 79% good; 40% – 59% average, 20% – 39% weak and 0% - 19% very weak.

Most municipalities in the South-West region do not have development plans for SMEs, tourism, rural development, women entrepreneurship, start-ups, ICT, etc. The municipal Local Economic Development (LED) offices (sectors or units) act more as project offices and have limited focus on the support of SMEs; their focus is rather put on the infrastructure projects. Furthermore, start-ups face difficulties when it comes to accessing the finance. This is because on one hand there is no support in the South-West region that can bring the start-ups to the stage that they would be bankable and on the other hand the commercial banks are not eager to take risks. Access to finance is a challenge for the start-ups in the South-West region, and still an important funding source is family and diaspora.

In the region there is no one stop shop regarding the provision of assistance with the business registration process. However, the lawyers and accountants in the region are said to provide such services to businesses. The municipalities in the South-West are in charge for the construction permit costs, which can be decreased by an approval through the municipal council. However, no official data in this regard could be obtained. Also, no information could be gathered regarding the activities in the grey or the informal economy in the region although it is considered significant.

Kichevo, Ohrid and Struga are the only municipalities with courts that deal with commercial cases. The socio-economic councils are established in Centar Zhupa, Debar, Ohrid, and Struga, and serve/could serve as a coordination platforms of the municipal stakeholders related to business environment, developing entrepreneurship, labour market development, youth employment, etc.

Natural resources are the main factor for development of the South-West region, but there are complaints about the infrastructure and inadequate human resources. The companies think that the Government agencies must be more active in supporting SMEs; the region needs support for start-ups with non-tangible (advice) and tangible support (accelerators, start-up centres, incubators, etc.), but stakeholders do not communicate sufficiently between themselves, and there is very little coordination.

5.4. Actors

The overview of actors in the South-West region is shown in the figure below.

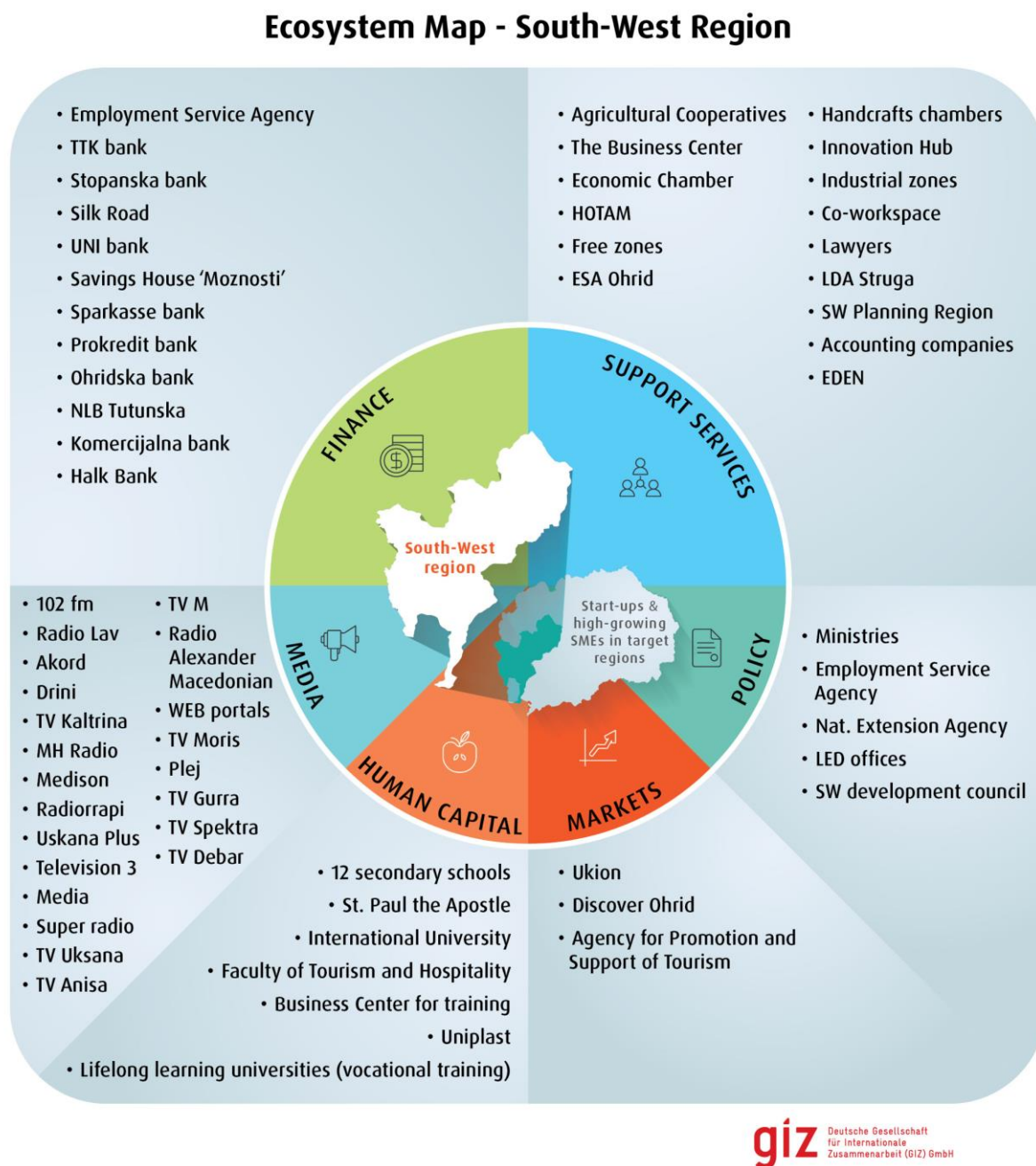


Figure 14: Map of actors in the South-West region

5.4.1. Policy

There are several Ministries (Ministry of Economy, Finance, Education and Science, Agriculture, Forestry & Water Economy, Labour, and Social Policy), Government agencies (Employment Service Agency, Regional offices of the National Extension Agency), and municipal organizations (Local Economic Development offices, Council for Development of the South-West Planning Region) present in the South-West region.

Council for development of the South-West planning region

The Council for Development of the South-west planning region is a body for harmonization and implementation of the development policy, and it consists of the 9 Mayors of the municipalities from the region. The Council approves as well as organizes and coordinates the activities for M&E of the implementation of the planning documents for regional development, such as: Development Programme, Action Plans, Annual lists of priority projects, etc. The Council promotes inter-municipal and cross-border cooperation, as well as it coordinates the municipalities with regards to regional development.

Employment Centres (ECs) of the national Employment Service Agency (EA)

The employment policy framework in the country is defined by the Programme of the Government. The EA, along with its ECs at local level, develops and implements services to increase the labour force competitiveness and meet the labour market needs by applying an individual approach to work, one that is oriented to the needs of both unemployed persons and employers. EA has local ECs in Debar, Kichevo, Makedonski Brod, Ohrid, and Struga.

Municipal Local Economic Development (LED) Offices

The work of municipal LED Offices is regulated by the Law on Local Self-Government⁵⁴, article 22.3 which states that “LEDs encompasses local economic planning, setting development and structural priorities; formulating local economic policy; providing support of SME companies and developing entrepreneurship on local level, and in that context, participation in establishing and developing local networks of institutions and agencies and promotion of partnerships”. In South-West region there are 9 LED offices, one in each municipality.

Regional offices of the National Extension Agency

The National Extension Agency has regional office in Ohrid and its local units in Debar, Kichevo, Makedonski Brod, Ohrid, and Struga. The Agency promotes agriculture and rural development by implementing the policy of the Ministry, maintaining a database of agriculture organizations, providing advisory services to agriculture organizations, enabling the transfer of knowledge & information and their implementation to improve the quality and quantity of agricultural production and its competitiveness.

5.4.2. Support

The following Business Support Organisations (BSOs) were identified in the process of mapping in the South-West region.

Municipality	BSO	Municipality	BSO	Municipality	BSO
Centar Zhupa	0	Kichevo	2	Plasnica	0
Debar	3	Makedonski Brod	0	Struga	5
Debarca	0	Ohrid	7	Vevchani	0

Table 11: Number of BSOs in the South-West region providing services

⁵⁴ https://aa.mk/WBStorage/Files/Zakon_lokalnata_samouprava.pdf

Agriculture cooperatives

There are three agriculture cooperatives in the South-West region: Ohridska Chereshna 2015, v. Dolno Lakocherej - Ohrid, Rural Invest - Struga and Eko Med - Debarca. The main focus of cooperatives is joint procurement of raw materials, marketing and sale of agricultural products, and processing of primary products.

Association of hotels and restaurants of North Macedonia (HOTAM) - Ohrid

The HOTAM was founded in 2000 and has two employees. It is a voluntary and non-profit trade association of hotel and catering businesses in North Macedonia, which finances itself through the membership fees. HOTAM works to enhance and improve the hotel business climate in North Macedonia by representing and promoting the industry to the general public, governmental bodies, and allied organizations within the country and abroad.

Business Centre within the Centre for development of the South-west planning region - Struga

The Business Centre was established in 2014 with one employee to increase competitiveness of the South-west region by supporting MSMEs and entrepreneurship. It is funded from the donor project through SDC and provides information, support and consulting services for MSMEs in the region.

Centre for development of South-West planning region - Struga

The centre employs five permanent staff in total. Additional temporary staff are used on certain occasions. The centre was founded in 2009 and it is financed by the ministry of local self-government and the municipalities in the region as well as through project-based funding. The activities of the Centre include project preparation and implementation, implementation of infrastructure investments projects for different target groups in the municipalities, public procurements, development of strategic documents; organization of workshops, seminars, and other events; networking, providing information and services for the main stakeholders in the region (public institutions, business associations, academia, NGO sector, etc.).

Co-workspace - Ohrid

Co-workspace - Ohrid was founded in 2019 and has two employees. It is self-sustainable and generates income through the renting of shared co-working spaces and consulting. Main clients are individuals, start-ups, MSMEs and digital nomads.

Enterprise Support Agency (ESA) - Ohrid

ESA Ohrid was established in 2000 and currently has two employees. It is funded through consulting projects, a voucher system and provide mentoring via APERNM. ESA Ohrid offers services such as consulting, training, business information, and promotion to the existing and new businesses in South-West region. Its current target groups include unemployed people interested in starting their own business, start-ups, and existing MSMEs. It implements the support programmes of the APERNM on regional level.

Free Economic Zones⁵⁵

There are 2 FEZs in the South-West region: FEZ Kichevo and FEZ Struga.

FEZ Kichevo⁵⁶ accommodate one company, is divided in two sections covering a distance of approximately 1,2 km, with Section 1 covering an area of 13,5 ha and Section 2 an area of 16,06 ha. The total coverage area is 29,56 ha and is located south-east of the town of Kicevo.

FEZ Struga⁵⁷ accommodate two companies, has an area of 30 ha and located in the village of Miseshevo, 4,5 km from the city of Struga towards the city of Ohrid.

⁵⁵ <https://fez.gov.mk>

⁵⁶ <https://fez.gov.mk/project/free-zone-kicevo>

⁵⁷ <https://fez.gov.mk/project/free-zone-struga/#1517476978192-e56b6d68-46451610-f1d47471-6284>

Industrial zones

The Centre for development of the South-West planning region has developed GIS based map for management of the construction land by the municipalities to attract FDIs. Information is provided of all greenfield and brownfield locations, as well as locations on privately owned land⁵⁸. In total, there are around 100 locations identified. Each location on the map has detailed information such as infrastructure availability, contact person, contact details, land ownership, etc.

Innovation Hub - Ohrid

The Innovation Hub was established in 2019 at the Faculty for Tourism and Hospitality – Ohrid, which is part of the University St. Kliment Ohridski – Bitola as a result of a CBC project between North Macedonia and Albania with the support of key partners (FITD and National Centre for Development of Innovation and Entrepreneurial Learning (NCDIEL). It currently has one employee and is funded by the EU. The Innovation Hub provides services for students, recent graduates, and university staff for start-up support, networking, and mobilizing additional funds (e.g. through EU and other funding programmes) to establish and grow their businesses.

Local Development Agency (LDA) - Struga

LDA was established in 2007 and currently has two employees. LDA Struga works to achieve the Millennium Development Goals and advocates the universal principles of sustainable socio-economic development, social inclusion of vulnerable groups, gender equality, interethnic dialogue and cooperation and environmental protection. It is mainly funded through donor support.

Regional chambers of the Economic Chamber of North Macedonia

The Economic Chamber has its regional chambers in Debar, Kicevo, and Ohrid, but only the one in Kicevo has a regional office. The headquarters in Skopje manage the others. The main activities are organizing trainings, providing information, preparing analysis, drafting acts, and other documents of interest to the regional economy.

Regional handicrafts chambers

The regional handicrafts chamber in Ohrid was founded in 2006 and employs one person. The chamber's primary goal is to represent and protect artisans' common social and economic interests. handicrafts chamber promotes and implements good business practices, standards, and norms of quality and protects and promotes fair competition. Regional handicrafts chambers operate also in Debar and Struga. They are funded through various sources, such as donations and membership fees, etc.

Tourism Cluster (TC) of Southwest Macedonia (EDEN)⁵⁹ - Ohrid

EDEN was founded in 2011 and does currently not employ anyone. EDEN is an independent, non-political and non-profit association, which brings together representatives from the private, public and civil sectors from the South-West region around the idea for successful development and management of sustainable tourism. EDEN strives to unite tourist offerings from the region, to develop and promote new products on the basis of the region's rich natural, cultural heritage, authentic and traditional hospitality, and raise the quality of offered tourist services through the close cooperation of different service providers. It is funded through membership fees and project-based donor money.

⁵⁸ <http://app.gdi.mk:8085/Invest.Southwest>

⁵⁹ <https://eden.mk/our-region/southwest-macedonia-eden-on-earth/ohrid/>

Accounting companies

There are 145 accounting companies in the South-West region. Most of them (63) are located in Ohrid, while two of them are in Vevcani, six in Debar, 31 in Kichevo, one in Makedonski Brod and 36 in Struga. All accounting companies work with micro and small, while 50% of them work with medium sized companies. All accountants have female entrepreneurs as clients, while 90% of the accountants have entrepreneurs that are under 40 years old as their clients. Due to the small market size, the accountants are not specialized in a specific industry sector.

Lawyers

In the South-West region there are 253 licensed lawyers from which: 135 registered in Ohrid, 59 registered in Struga, and 52 registered in Kicevo. The most common services that lawyers offer are the civil law, criminal law, and essential services on commercial law, while patent, and intellectual property law are on a limited level.

Service providers according to business phase (pre-start-up / start-up etc.)

The following figure presents an overview of the number of service providers that support entrepreneurs and MSMEs with focused assistance according to the business phase.

SERVICES - South-West Region

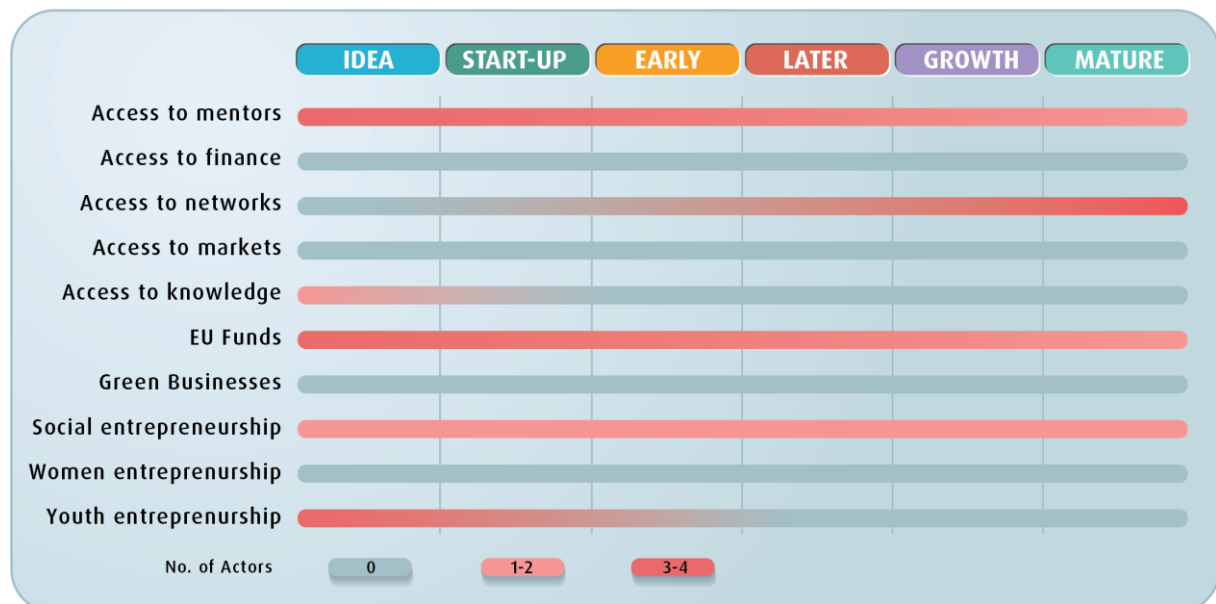


Figure 15: Service providers according to business phase in the South-West region

Several observations can be deducted from the graph above:

- In general, there is a very limited number of BSO's in the South-West region.
- Access to mentors is provided during all phases, but by limited number of BSOs.
- There is very limited support to entrepreneurs in the idea and start-up phase from actors providing access to finance.
- Access to networks is provided more often during the later stages.
- The access to knowledge is very limited, especially in the later stages.
- There is limited support for social entrepreneurship provided across all business phases.
- There is no specific support for green businesses and women entrepreneurs regardless of the business phase.

- Specific support for youth entrepreneurship is provided by few organisations in the idea, start-up and early phase only.

5.4.3. Finance

Commercial Banks

There is a good network of bank branches, but some municipalities (Vevchani, Debarca, and Plasnica, Centar Zhupa) do not have any bank branch present. The local bank branches follow the policy of their headquarters. The banks offer standard services for SMEs such as short and long-term loans, there is e-banking service available for business transactions, but besides standard loans there are limitations to the products' line offered. However, start-ups face difficulties when it comes to accessing the finance. Banks are more oriented in supporting the companies that have shown to have positive records during the last 3 years. Seen from these perspectives, banks represent a good source of funding for well-established companies. Most of the banks have products that offer better interest rates for women entrepreneurs, while two of them also have programmes for funding the start-ups.

Bank/Municipality ⁶⁰	Debar	Kichevo	Makedonski Brod	Ohrid	Struga
Halk	✗	✓	✗	✓	✓
Komercijalna Banka	✓	✓	✓	✓	✓
NLB	✗	✓	✗	✓	✓
Ohridska	✗	✓	✗	✓	✓
Prokredit	✗	✗	✗	✗	✓
Silk Road	✗	✗	✗	✓	✗
Sparkasse	✓	✓	✗	✓	✓
Stopanska	✓	✓	✗	✓	✓
TTK	✓	✓	✗	✓	✓
Uni	✗	✓	✗	✓	✓
Micro Finance Institutions					
Mozhnosti	✗	✗	✗	✗	✓

Table 12: Regional Branch Offices of the Banks and Saving houses in the South-West region

Employment Centres (ECs) of the national Employment Service Agency (EA)

The ECs in the region of the national EA provide access to finance through several support schemes for young entrepreneurs and start-ups. For example, for "Self-employment (entrepreneurship) supports, Wage subsidy support (Employment support for unemployed persons), Employment and growth of legal entities (creating new jobs in micro, small and medium enterprises, social enterprises, and civil society organizations), Support for employment of persons with disabilities (increasing employability and employment opportunities for registered unemployed persons with disabilities).

5.4.4. Human Capital

Secondary schools and vocational education

There are 11 public secondary schools in the South-West region. In most of the schools the number of students has decreased according to the last available statistical data from 2020.

⁶⁰ <https://southwestregion.mk/web/wp-content/uploads/2021/02/Finansiski-Uslugi.pdf>

However, 3 schools in Ohrid have increased the number of students, such as the general education school St. Kliment Ohridski and two vocational schools, St. Naum Ohridski and Vancho Pitosheski. The latter two have a well-organized vocational training with the business sector which might be the reason for a higher interest among the students. The secondary school Vancho Pitosheski has become regional VET centre under state jurisdiction.

Municipality	No. of public secondary schools	Students	Male	Female
Centar Zhupa	1	84	39	45
Debar	1	560	283	277
Kichevo	2	778	472	306
Makedonski Brod	1	78	28	50
Ohrid	4	2'286	1'235	1'051
Struga	2	1'644	856	788
Total	11	5'430	2'913	2'517

Table 13: Public secondary schools in the municipalities from the South-West region

All vocational schools have organized training with the business sector according to the curriculum. Some schools like St. Naum Ohridski - Ohrid, Vancho Pitosheski - Ohrid, Mirko Mileski - Kicevo, and Drita - Struga have their training facilities, but they conduct also vocational training with the local companies. However, the other vocational schools do not have well equipped training facilities. In addition, most vocational schools do not follow modern technology trends by updating vocational profiles such as renewable energy, energy efficiency, computer numeric control (CNC) machines operator and CNC software preparing, machine-learning, artificial intelligence, 3D printing, robotics, etc. Vocational school St. Naum Ohridski has however developed a powerful alliance with foreign investors, so that good students are employed immediately after finishing secondary school, mainly in the automotive industry.

Only four schools (Kiril and Metodij - Ohrid, 28mi Noemvri - Debar, Niko Nestor - Struga, and ATA - Centar Zhupa) organize trainings and workshops for their students outside the obliged curriculum. Those are free for students, and they depend on the school policies and enthusiasm of some of the professors.

Universities for lifelong learning (Rabotnicki Univerziteti)

There are two universities for lifelong learning (Rabotnicki Univerziteti) in the South-West region: Kuzman Shapkarev - Ohrid and Krste Misirkov - Kichevo. These universities act as institutions for lifelong learning and cultural development of employed people and citizens - especially adults and young people. The universities also provide vocational training as part of prequalification for adults according to the needs of local companies.

Vocational training institutions

There are two **private vocational training institutions** in the South-West region: Business Center for training Ohrid, established by Economic Chamber of North Macedonia that offers various prequalification of adults or tailored training for SME needs, and Uniplast Struga that provide training for Glass Reinforced Plastic mainly for own purposes.

Universities

There are 3 universities in the South-West region having a total of 1'061 students. The data on students is obtained from two universities only, while the privately-owned International

University of Struga did not provide the data. The state-owned Film Academy-Ohrid does not have students due to the “closing procedure”.

No.	Name of the Institution	Higher education institution	Location
1	University of Information Science and Technology “St. Paul the Apostle” - Ohrid	Faculty of Computer Science and Engineering	Ohrid
		Faculty of Communication Networks and Security	Ohrid
		Faculty of Information Systems, Visualization, Multimedia and Animation	Ohrid
		Faculty of Information and Communication Sciences	Ohrid
		Faculty of Applied IT, Machine Intelligence and Robotics	Ohrid
2	University “St. Kliment Ohridski” (UKLO) - Bitola	Faculty of Tourism and Hospitality	Ohrid
3	International University of Struga	Faculty of Political science	Struga
		Faculty of Economics	Struga
		Faculty of Law	Struga
		Faculty of Information Technologies	Struga

Table 14: Overview of higher education institutions in South-West region

University of Information Science and Technology (UIST) “St. Paul the Apostle” - Ohrid

UIST is a higher education state institution located in Ohrid which provides education and research in the field of information sciences and technology. Since its establishment in 2009 the university has had 3’783 students of which 375 graduated students. The university has vocational training with IT and telecommunication companies and its professors and students are involved in the EU Erasmus+ mobility programme.

Faculty of Tourism and Hospitality (FTH) – Ohrid

FTH – Ohrid is part of the University “St. Kliment Ohridski” (UKLO) in Bitola. It is one of the oldest higher education institutions in the field of tourism in the Balkans. The faculty includes six active programmes of studies where the new students can enrol. Three study programmes in the field of tourism and hospitality include: Tourism; Hotel and Restaurant Management; Gastronomy. The other three study programmes are: Customs and Freight forwarding; Insurance; and Management in the service sector.

International University of Struga (IUS) – Struga

IUS is a higher private educational institution accredited by the Ministry of Education and Science. The university started as “Euro College” in the academic year 2007/2008 when it gained accreditation by the MoES for two institutes, the Institute for European studies and International Politics and the Institute for Economic Development and Ecological Management. The university is very active with the Erasmus+ mobility programme.

5.4.5. Markets

Agency for Promotion and Support of Tourism - Struga

The primary function of the Agency for Promotion and Support of Tourism (with headquarters in Struga) is promoting the country’s including South-West region tourism abroad, attracting foreign tourists, as well as managing and supporting projects aimed at developing tourism in general.

Discover – Ohrid, Genuine experience – Ohrid, Experience Ohrid

The abovementioned web portals and applications promote the region as an attractive travel destination, the cultural heritage, and its attractions. They enable visitors to discover region history and natural treasures and promote tourism-related companies (hotels, restaurants, tourist service providers, etc.).

UKION Dooel - Ohrid

Ukion - Ohrid is an internet-oriented company based in Ohrid that provides e-commerce solutions to local companies for web stores and internet marketing.

5.4.6. Media

In the South-West region there are nine TV stations, twelve radio stations and five news web portals. They provide business news, but they do not have special shows to promote innovation, start-up business, female entrepreneurs, green business, success stories, etc. Please see annex for an overview of the media present in the South-West region.

5.5. Entrepreneurial culture and attitude

The findings on the entrepreneurial culture and attitude are based on the focus group discussions organized in the South-West region. Focus group members are partially positive about entrepreneurship or entrepreneurial failure. Focus group participants think that society does not have the opinion that entrepreneurship is a good career choice. People are more looking for a job in the public sector with paid benefits and lower job responsibility. The rate of company births per 1'000 inhabitants in South-West region was 2,62 in 2018, and it was lower than the average at national level with 3,04. Other indicator of lower entrepreneurial activity is that only 9 out of 23 projects approved by FITD⁶¹ in South-West region were in the frame of the support instrument Start-up/ Spin-off (5 in Struga, 2 in Kicevo, 1 Debar and 1 in Ohrid). However, the society in general respects entrepreneurial success. The data shows that awareness regarding the negative impact of pollution on the human health is present, but green and social entrepreneurship is still not highly valued.

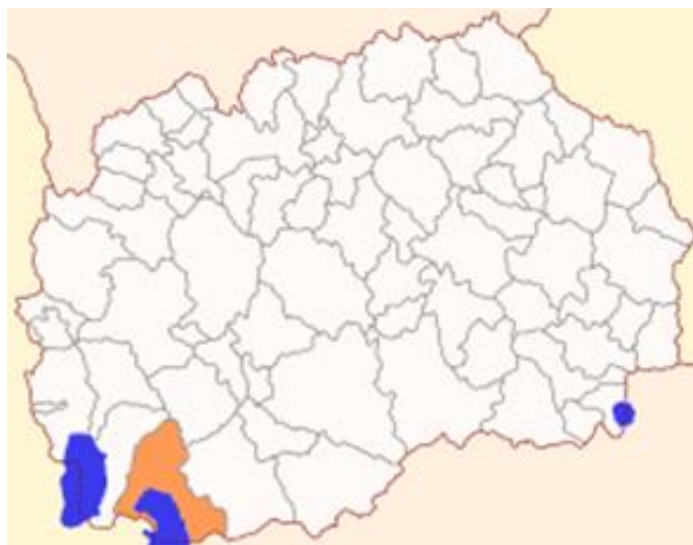
No negative prejudices towards female entrepreneurs were detected, but also a lack with regards to the support of female entrepreneurship was identified. There is an opinion that an integrated approach is needed to support female entrepreneurship by providing more kinder gardens and homes for the elderly so that women can focus on business more than taking care of children and/or parents. The main opinion is that females do not enter the business ownership (entrepreneurs) because of identified opportunity, but they chose so more out of necessity.

⁶¹ Status as of 19.04.2021

6. Municipality of Resen

6.1. Introduction to the Municipality of Resen

The Municipality of Resen is part of Pelagonija planning region. It is located in the south-west part of the country and borders Albania and Greece. Internally, it borders with the municipalities of Ohrid, Demir Hisar and Bitola. The municipality covers a surface of 740 km² and consists of 44 settlements. The average population density in the Resen municipality is 21,86 inhabitants per km², which is significantly less than the country average of 81,3 inhabitants per km². In 2019, the GDP per capita in Pelagonija region⁶² is 5'588 EUR, and the total GDP of the region is 1,27 Billion EUR. The share of the Pelagonija region in the creation of the national GDP was 11,3 % in 2019.



No.	Name of the Municipality	Inhabitants	Territory (km ²)	Active Businesses	Active businesses per sector (most relevant)
1	Resen	16,178 ⁶³	740,792	440	176 Wholesale and retail trade 43 Accommodation and food service 39 Transportation and storage 31 Manufacturing 22 Agriculture, forestry, and fishing

Table 15: Number of active businesses in the Municipality of Resen according to sectors

6.2. Main economic activity

The economy in the region has a long tradition and relies on agriculture with a particular focus on apple production and tourism. A combination of diverse types of land in the Prespa region provides for the growth of various plants and animals and a whole series of products made from the region's agricultural raw material. Orchards take the most significant part of the area in the area of Resen. Apples from Prespa Valley are a well-known brand around the whole Balkans. Tourism is one of the main economic drivers and growing industries in the Prespa cross-border area.

6.3. Business Environment and Investment Climate

The number of active business entities in the Municipality of Resen in 2020 represents 5,5% of the total number of active business entities in Pelagonija region. For comparison, 7,1% of citizens have a residence in the Municipality of Resen⁶⁴. The number of companies in the Municipality of Resen has decreased for 4,14% in 2020 when compared to 2015. The highest

⁶² GDP is not available at municipal level so the GDP of Pelagonija regions is used as a proxy

⁶³ <http://makstat.stat.gov.mk/>

⁶⁴ Data for 2019

number of companies was reached in 2016 when the number of companies was 470. The micro companies experienced a drop of almost 13% in 2020 when compared to 2015. Small companies grew for almost 16%, while the number of medium sized companies remained the same in the same period. The number of active business entities per 1'000 inhabitants in the Municipality of Resen is almost 29⁶⁵, and this is much lower than the number for Pelagonija region (36,71). The MSMEs create 99,8% of the total number of companies with 65,6% micro companies and 33,5% small companies. There are only 3 medium and one large company. The ratio of number of companies' deaths and the number of newly established businesses is not available at municipal level.

The total number of unemployed persons in the Municipality of Resen⁶⁶ was 1'543 which is (9,5% of the total population) from which 694 were women (almost 45%). The Total number of unemployed at age 15 – 40 years in the Municipality of Resen is 719 which represents 46,6% of total number of unemployed, while the number of unemployed women at age 15 – 40 years is 352 which represents 50,7% of total number of unemployed women.

The number of enrolled students in secondary education in the Municipality of Resen has decreased from 397 in 2015/2016 to 311 in 2019/2020, which is a significant decrease of 21,7%.

The number of graduated students in the Municipality of Resen shows variation in the analysed period with in general negative trend and significant drop in 2018. The Municipality of Resen had in total 57 graduated students and 3,53 graduated students per 1'000 inhabitants in 2019 while it was 67 (4,11) in 2016⁶⁷ and the highest number was reached in 2017 with 78 (4,79). The Budget transparency index⁶⁸ for Pelagonija region dropped from 10,0 in 2019 – 2020 down to 9,7 in 2020-2021 (ranked 3rd from all 8 regions). The ranking of Municipality of Resen is 8⁶⁹. The index of active transparency⁷⁰ for Municipality of Resen increased slightly from 60,5% in 2020 to 61% in 2021 (ranked =5⁷¹ in Pelagonija planning region).

According to the interviews conducted, the general opinion is that the entrepreneurial activity in the Municipality of Resen is low, but people see great potential in fresh and processed fruits and vegetables as well as tourism and old handicraft pottery.

The Government policies are relatively good, but there is an opinion that small and micro-companies should have a special facilitation rule, tax incentives, simple registration, low taxes, easy accounting, free legal aid in the first years of operation, tolerance, and educational inspection. Easy access to market chains and distribution chains is also required.

There is insufficient communication with the public sector. Natural resources are the main factor for the development of the Resen municipality (good climate, high solar insolation, natural beauty), but the main economic challenge is that adequate human resources is not available and low productivity. There is an opinion that governmental agencies at local level are heavily burdened with unnecessary administration and are hard to come by for entrepreneurs through no fault of their own. They should be more accessible and closer to entrepreneurs.

⁶⁵ ibid

⁶⁶ Source: Employment center Resen, Status on 30.05.2021

⁶⁷ Data for 2015 is not available

⁶⁸ Center for Economic Analysis, available at: www.cea.org.mk

⁶⁹ The current maximum value is 16, and the lowest is 0

⁷⁰ Compound index consisted of: (i) Access to information, (ii) Budget and fiscal transparency and (iii) Responsibilities and services, Centre for Civil Communications, available at: www.ccc.org.mk

⁷¹ Shares 5 and 6 position with the Municipality of Prilep

6.4. Actors

The overview of actors in the Municipality of Resen is shown in the figure below.

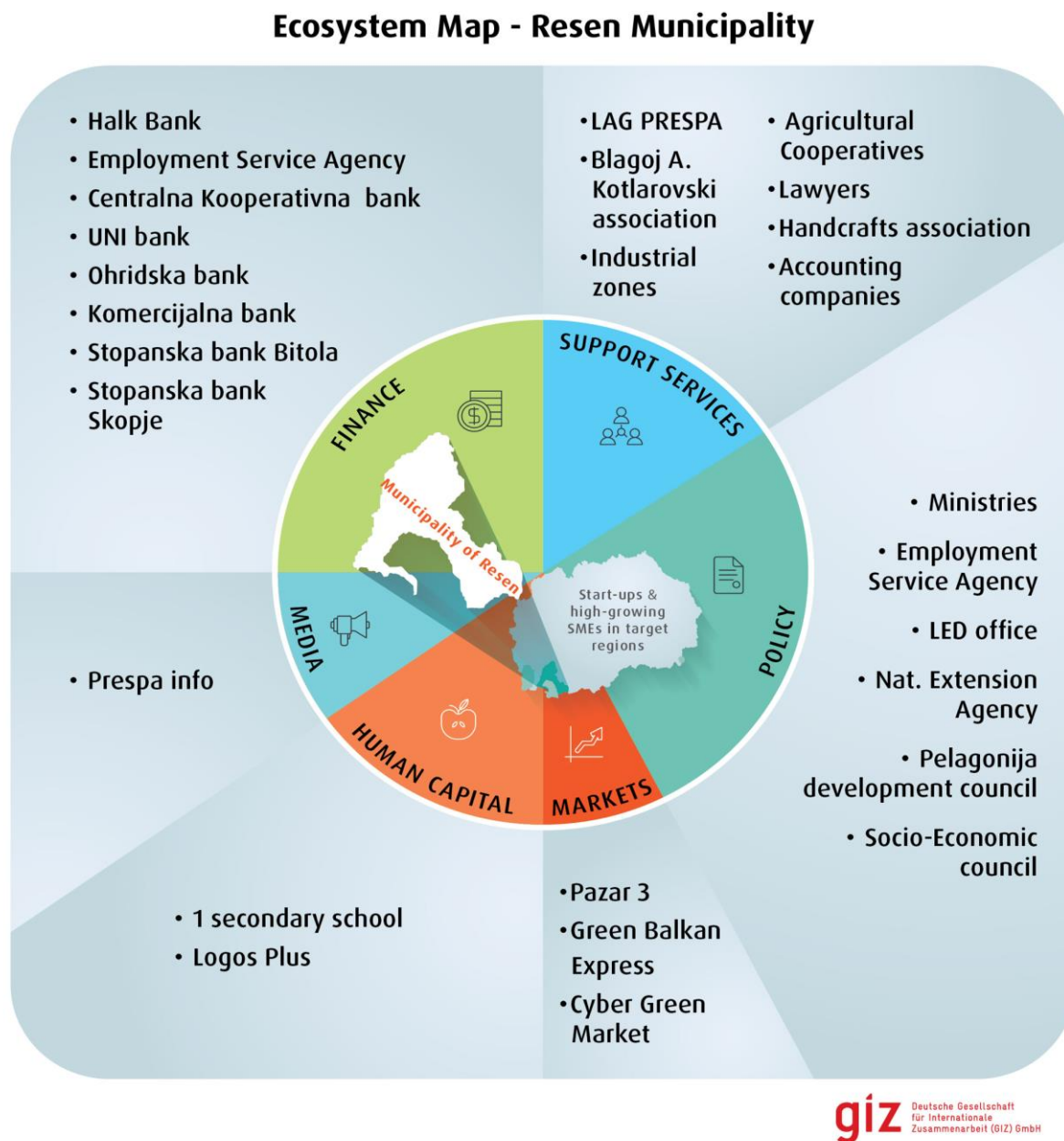


Figure 17: Map of Actors in the Municipality of Resen

6.4.1. Policy

There are number of governmental (Ministry of Labor and Social Policy, Ministry of Justice, Ministry of Finance, Ministry of Agriculture Forestry and Water Economy, Agency for Financial Support of Agriculture and Rural Development, Employment Service Agency) and municipal organizations are present in the Municipality of Resen.

Council for development of Pelagonija planning region

Mayor of the Municipality of Resen participates in the work of the Council for Development of Pelagonija planning region.

Employment Centre (EC) – Resen of the national Employment Service Agency (EA)

The employment policy framework in the country is defined by the Programme of the Government. The EA, along with its ECs, develops and implements services to increase the labour force competitiveness and meet the labour market needs by applying an individual approach to work, one that is oriented to the needs of both unemployed persons and employers. EA has local EC in Resen.

Local Socio-Economic Council – Resen

The Local Socio-Economic Council in Resen has been established in 2013 as a partnership between the municipality, private sector and trade unions. According the rules of procedure civil society organisations are also invited depending on the discussion topic. The Council aims at improving the living standards of citizens in the municipality by improving the business environment, developing entrepreneurship and social policy, adopting strategies and action plans for labour market development, increasing employment opportunities for young people, etc.

Municipal LED Office

The work of municipal LED unit is regulated by the Law on Local Self-Government⁷², The municipality has an active Development strategy 2016 - 2021, and Tourism Development Strategy 2019 - 2024.

Regional office of the National Extension Agency – Resen

The Agency promotes agriculture and rural development by implementing the policy of the Ministry, maintaining a database of agriculture organizations, providing advisory services to agrarian organizations, enabling the transfer of knowledge & information and their implementation to improve the quality and quantity of agricultural production and its competitiveness.

6.4.2. Support

The following 11 BSOs were identified in the process of mapping in the Municipality of Resen.

Agriculture cooperatives

There are six agriculture cooperatives in the Municipality of Resen: Resgrup – v. Volkoderi, Krani – v. Krani, Best of Prespa – v. Carev Dvor, Prespansko Jabolce – v. Asamati, Zdravo I Svezo - Resen, and Prespanka/Prespa apple - Resen. The main focus of cooperatives is a joint procurement of raw materials, marketing and sale of agricultural products, and processing of primary products.

⁷² https://aa.mk/WBStorage/Files/Zakon_lokalnata_samouprava.pdf

Association of fruit growers "Blagoj A. Kotlarovski" - Resen

The Association was established in 2006 and has one employee. It finances itself through fees for laboratory analyses and donor-based projects. The Association has an advisory role by performing agrochemical soil analysis and providing recommendations for the fertilization of orchards according to EU requirements. The second activity is a forecasting and signaling service that covers 90% of the surface of Prespa region. Based on the announcements given by the association and based on the data read from hydro-meteorological stations, the number of chemical treatments of the orchards has been reduced, and timely protection has been provided. A pheromone switch has also been used to track the flight of an apple worm butterfly.

Local Action Group (LAG) Prespa - Resen

The LAG was established in 2014 and currently employs one person. It is funded on project basis by donors. The LAG Prespa Resen is a non-profit-making entity of public, private and civil society organizations from rural areas with a broad representation from different socio-economic sectors. The LAG has elaborated and implements the Strategy for rural development 2014 – 2020. It provides the following services: design, development and implementation of projects for rural development; networking between public, private and civil society sectors and organization of events. The LAG is a member of Western Balkan Youth Cooperation Platform and the Regional Rural Development Standing Working Group in South Eastern Europe (SWG) – Prespa cross border region. It implements smaller projects targeting young people from rural areas and participates as a partner in regional and trans-national projects.

Municipal industrial zones⁷³

The municipal **Industrial zone Makazi** is located in the locality named Makazi – Cadastre Unit Kozjak near the national road A3 (Bitola – Resen). The total area of the industrial zone Makazi is 6 ha, it has one company and a 39% degree of development. The ownership of the zone is entirely state. Regarding the infrastructure, the area has road access, electricity, water supply, stormwater drains, and a sewage system.

The municipal **Industrial zone Prespateks** is located near the downtown area. It has a total area of 24 ha and it is hosting ten companies. This industrial zone is 70% state-owned and 30% privately owned. The industrial zone has complete infrastructure, electricity, water supply, stormwater drains, and a sewage system.

Regional handicrafts chamber - Resen

The regional handicrafts chamber was founded in the year 2004 and currently employs three. It is self-sustaining and finances itself through its membership fees. The chamber's primary goal is to represent and protect artisans' common social and economic interests. The handicrafts association promotes and implements good business practices, standards, and norms of quality, protects and promotes fair competition. The municipal handicraft association has 67 members.

Accounting companies

There are only 6 accounting companies in the municipality, most of them performing only accounting as a core business activity.

Lawyers

The Municipality of Resen has 17 licensed lawyers who deliver essential services on commercial law. The municipal court does not deal with business claims.

Service providers according to business phase

The following figure presents an overview of the number of service providers that support entrepreneurs and MSMEs with focused assistance according to the business phase.

⁷³ <http://investinpelagoniaregion.mk/en/pelagonia-planning-region/municipalities/municipality-of-resen/>

SERVICES - Resen Municipality

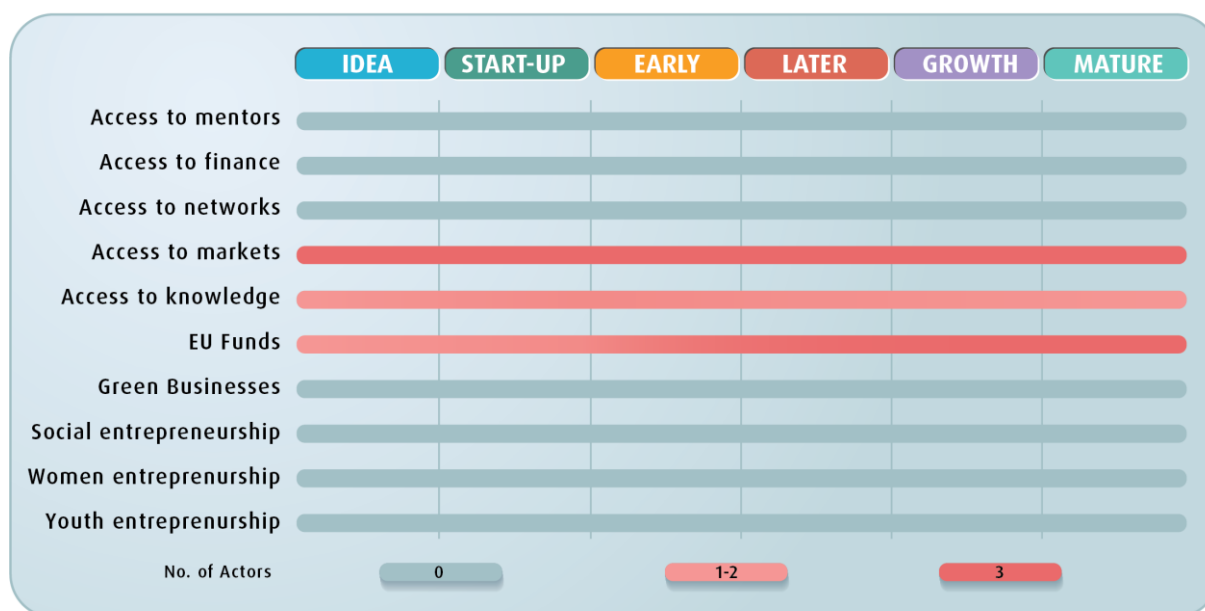


Figure 18: Service providers according to business phase in the Municipality of Resen

The following observations can be summarised from the graph above:

- In general, there is a very limited number of BSOs active in the municipality.
- No support for access to mentors, green businesses, social entrepreneurship and women entrepreneurs (regardless of the business phase) was identified.
- There is very little support to entrepreneurs from actors providing access to finance.
- Information on EU funding can be found across all phases.
- Access to markets is provided during all phases by few providers.
- There are few training providers (access to knowledge) across all phases.
- Limited support is provided to youth entrepreneurs in idea and start-up phase.

6.4.3. Finance

Commercial banks

The banking sector is well developed in the municipality of Resen. There are 7 banks with branch offices such as Stopanska bank AD Skopje, Stopanska bank AD Bitola, Komercijalna bank, Ohridska bank, Halk bank, UNI bank, and Centralna Kooperativna bank. However, start-ups face difficulties when it comes to accessing the finance. This because on one hand there is no support in the Resen Municipality that can bring the start-ups to the stage that they would be bankable (six months after the registration and one financial closed accounts), and on the other hand the commercial banks are not eager to take risks.

Employment Centre (EC) of the national Employment Service Agency (EA)

The EC in Resen of the national EA provides access to finance through several support schemes for young entrepreneurs and start-ups. For example, for “Self-employment (entrepreneurship) supports, Wage subsidy support (Employment support for unemployed persons), Employment and growth of legal entities (creating new jobs in micro, small and medium enterprises, social enterprises, and civil society organizations), Support for employment of persons with disabilities (increasing employability and employment opportunities for registered unemployed persons with disabilities).

6.4.4. Human Capital

Secondary schools and vocational education

There is one secondary school in the Municipality of Resen, having a total of 311 students in 2019/2020 (11% decrease since 2015/2016), almost equally male and female students. The school has general education and vocational education (agriculture and veterinary). The school has 10 ha of orchards for vocational training which generates extra income.

Vocational training institutions

The vocational school for foreign languages and computers Logos plus - Resen provides computer courses and international certification for the European Computer Driving Licence (ECDL), for programming languages such as C ++, Java, AutoCAD, Photoshop, etc.

Universities

There is no university in the municipality. However, the universities in Bitola and Ohrid are in very close proximity.

6.4.5. Markets

Pazar3⁷⁴

Pazar3 is a Resen based company that has developed an online platform in 2006 that allows Macedonian visitors (companies and citizens) to buy, sell and exchange products and services. Its release was accompanied by huge success, and the number of visitors grew since then. Today, Pazar3 is the leading internet marketplace in Macedonia with 70,000 visitors posting 1,600 new ads every day.

Green Balkan Express⁷⁵ is a web platform developed by the local company Elektronski Zelen Pazar Dooel Resen where any company, from the countries of the Balkan Peninsula, if they have products for export, from any industry and activity, can apply for a vendor account, get their online store, with a special control panel, from where they can set an unlimited number of products with descriptions, images, prices; use all modern commercial tools for discounts, cashback, loyalty points, affiliates, etc., have a detailed overview of their orders; and communicate with their potential customers and buyers.

Cyber Green Market⁷⁶ is a web community platform developed by the local company Elektronski Zelen Pazar Dooel Resen that promotes exports and wholesale of agricultural products, forest fruits, and their secondary products from the Balkan Peninsula. All interested parties from the Balkan Peninsula who have any point of interest in agriculture can contact each other and make offers of their products and/or services. The project has been supported by the FITD.

6.4.6. Media

There is no radio or TV municipal station. The regional TV TERA from Bitola covers also Resen. There is one web portal Prespa info⁷⁷ which provides information on major activities in the municipality, and which contains section on business.

6.5. Entrepreneurial culture and attitude

The findings for the Entrepreneurial culture and attitude are based on the interviews performed with relevant municipal stakeholders. According the interviewees the community does not pay enough attention to entrepreneurs. Other indicator of lower entrepreneurial activity is that only 1 out of 2 projects approved by FITD⁷⁸ in the Municipality of Resen was in the frame of the

⁷⁴ <https://www.pazar3.mk>

⁷⁵ <https://greenbalkanexpress.com>

⁷⁶ <https://cybergreenmarket.com>

⁷⁷ <http://prespainfo.com>

⁷⁸ Status as of 19.04.2021

support instrument Start-up/ Spin-off. Although they are the economic drivers with the payment of taxes and employment, the community does not show enough interest and does not recognize the persistence and value of entrepreneurs. Society opinion is that most popular is to work in the public sector. Young people choose the public sector as their preference. It shows that entrepreneurship is difficult with an uncertain income, with many uncertainties, and expensive. Green and social entrepreneurship society recognize the future, but no one acknowledges it as an option where attention should be focused. Also, social and environmental challenges are considered essential for society and the business community. There are no negative prejudices for female entrepreneurs, with no restrictions, but the local government institutions do not promote or support sufficiently the female entrepreneurship.

7. North-East region

7.1. Introduction to the North-East planning region

The North-East planning region⁷⁹ is one of eight regions in North Macedonia. It is located in the north and north-east part of the country and borders Serbia, Bulgaria and Kosovo. Internally, it borders with Skopje and East region. The region covers 9,3% of the country area and consists of six municipalities. Some 8,48% of the total population of the country live in this region. The average population density in the North-East region is 76,2 inhabitants per km², which is slightly less than the country average of 81,3 inhabitants per km². The total number of active business entities in the North-East region is 6'574 in 2020. The GDP per capita in the region is 3'051 EUR, and the total GDP of the region is 537,1 Million EUR. The share of the North-East region in the creation of the national GDP dropped from 5,2% in 2015 down to 4,8% in 2019.



No.	Name of the Municipality	Inhabitants	Territory (km ²)	Active Businesses	Active businesses per sector (most relevant)
1	Kumanovo	109'547	509,4	4'273	954 Wholesale/retail 432 Manufacturing industry 171 Construction 82 Agriculture 44 ICT
2	Kriva Palanka	19'676	480,81	701	216 Wholesale 63 Processing industry 16 Agriculture 7 ICT
3	Kratovo	9'057	375,44	260	74 Wholesale/retail 22 Construction 14 Processing industry 9 Agriculture 3 ICT
4	Staro Nagorichane	3'817	433,4	39	16 Agriculture 8 Wholesale/retail 7 Processing industry 7 ICT 1 Construction
5	Lipkovo	30'367	267,8	289	69 Wholesale/retail 29 Construction 22 Processing industry 8 Agriculture
6	Rankovce	3'622	240,7	60	16 Wholesale/retail 11 Agriculture 1 Processing industry

⁷⁹ https://en.wikipedia.org/wiki/List_of_cities_in_North_Macedonia#/media/File:Northeastern_statistical_region_en.svg

					1 ICT 1 Construction
	Total	176'086	2'310	6'574	

Table 16: Overview of the municipalities in the North-East region

7.2. Main Economic Activity

Traditionally, the region's most important sectors are food production, naturally sourced products, agriculture, textile and leather, construction. Kumanovo is the most central and most developed municipality, and the centre for natural business and administration in the region. Lipkovo is the second largest by population, rich in water and agricultural land, proximity to Kumanovo and Skopje, strong demographic structure, and diaspora connections. The Municipality of Kratovo's main potentials lie in agriculture (honey), mining, food processing, tourism and natural sourced products. Rankovce is the smallest among the municipalities, its citizens are predominantly engaged individually in agriculture as main income source. Kriva Palanka is rich in water resources, cultivable land and mining potential, on the crossroad of main transport connection with Bulgaria. Staro Nagoricane is home to several significant places of interest including archaeological sites, however most inhabitants work in agriculture. On the area of Staro Nagoricane are based factories for mushroom production and steel manufacturing. According to data from FITD⁸⁰, other industries of which companies from the region successfully applied for support are: Machine industry, Wood manufacturing, Furniture production and Wholesale.

7.3. Business environment and investment climate

The number of active business entities in 2020 in the North-East region was 4'092 and represented 5,6% of the total number of active business entities in the country. For comparison, 8,48% of citizens have a residence in the North-East region⁸¹. Kumanovo is the administrative centre of the region with the biggest number of inhabitants.

The number of companies in the region in 2020 has decreased for 1,13% when compared to 2015. The highest number of active companies was reached in 2019 with 4'139. Micro and small companies experienced growth, while the number of medium companies declined for almost 15% in the same period. The number of active business entities per 1'000 inhabitants in North-East region is 23,72⁸², and by this is the last ranked region in the country. The MSMEs create 99,88% of the total number of companies with 90,6% being micro companies. The ratio of number of companies' deaths and the number of newly established businesses is almost 91,64% in 2018⁸³, and this is significantly higher than the ratio on national level with 77,45%. The largest number of active business entities in 2020 has the Municipality of Kumanovo with 3'019 (73,8%), followed by the municipality of Kriva Palanka with 548 (13,4%), and Kratovo with 205 (5%). In these three municipalities are almost 92,2% of the active business entities.

The unemployment rate in North-East region has decreased from 43,2% in 2015 to 33% in 2019. However, that rate is still by far the highest of all regions in the country. Unemployment rate of women was 32,2% and of youth 50% in 2019.

The total number of enrolled pupils in primary schools has dropped from 16'536 in the school year 2015/2016 down to 15'710 in 2019/ 2020 (decrease of 5%), while at the same time the total number of enrolled pupils in secondary schools has dropped from 7'196 down to 6'291 (decrease of 12,6%). The number of graduated students in the North-East region shows small

⁸⁰ Database provided by FITD

⁸¹ Data for 2019

⁸² ibid

⁸³ Last available data

variation with slightly positive trend in the analysed period. The North-east region had in total 602 graduated students and 3,4 graduated students per 1'000 inhabitants in 2019 compared with 580 and 3,3 in 2015. The highest numbers were 646 and 3,7 in 2016.

The Budget transparency index⁸⁴ for North-East region increased from 8,3 in 2019 – 2020 to 8,5 in 2020-2021 (ranked 6th from all eight regions). The ranking of municipalities in the North-East region is as follows: Kratovo (13⁸⁵), Kriva Palanka (12), Kumanovo (11), Lipkovo (8), Staro Nagorichane (6), and Rankovce (1). The index of active transparency⁸⁶ for North-East region dropped from 53% in 2020 down to 51% in 2021 (ranked = 5⁸⁷ from all eight regions). In 2021, the ranking of municipalities in the North-East region is as follows: Kriva Palanka (95,7%⁸⁸), Kumanovo (88,6%), Kratovo (62,9%), Rankovce (46,4%), Staro Nagoricane (14,5%) and Lipkovo (11,6%).

The North-East region is a strategically important crossroad to the East and part of the Pan European Corridor VIII. However, the infrastructure is weak and underdeveloped, requiring capital investments for reconstruction of existing regional road networks. In the period from 2015-2019 the total length of the local road network covered with asphalt has increased only by seven kilometres. The cultivable agricultural land in the region covers 54,6% of the total territory and together with the number of sunny days and water availability represents strong potential for food production. The total area including the pastures represents 82,2% of the total regional area. The number of investments in the agricultural sector have doubled from 2015 to 2019. The agriculture is stated among top priorities also according to the Programme for development of the North-East planning region 2021-2026.

In the region only the Municipality of Kumanovo offers a one stop shop regarding the provision of assistance with the business registration process. Kumanovo as the only municipality in the region, furthermore, offers discounts for opening new production facilities of up to 20-50 EUR per m². Additionally, tax exemptions from the communal tax are granted, however rather through a custom-made approach and not as a general policy. Regarding grey or informal economy in the region, although requested, no data could be obtained. Kumanovo and Kriva Palanka are the only municipalities which host courts, that deal with business related cases. Along with the support of SME's and development of entrepreneurship, the promotion of foreign direct investments (FDI) and stimulation of domestic ones has been marked among top priorities in the Programme for development of the North-East region 2021-2026 for boosting economic growth and generating new employment opportunities. Same as in other regions, start-ups in the region face difficulties when it comes to accessing the finance. In general, banks are focused on supporting the companies that have positive income statements over the last three years. Access to finance is a challenge for the start-ups in the North-East region and still an important funding source have been family and diaspora.

Building capacities around the main industries is necessary in order for the region to increase its share in the national GDP from 4,8% to 7,0% until 2031 and be no longer listed as the weakest developed region in the country.

Most companies are reporting problems with labour availability, work ethics and appropriate qualifications. The growth of economic activity also depends on additional assistance for creating skilled labour. There is an existing gap of labour demand vs. arising market opportunities when it comes to supporting early-stage businesses and entrepreneurship.

⁸⁴ Center for Economic Analysis, available at: www.cea.org.mk

⁸⁵ The current maximum value is 16, and the lowest is 0.

⁸⁶ Composite index consisted of: (i) Access to information, (ii) Budget and fiscal transparency and (iii) Responsibilities and services, Centre for Civil Communications, available at: www.ccc.org.mk

⁸⁷ Shares 5 and 6 positions with South-West region

⁸⁸ The ranking is: 80% - 100% very good; 60% - 79% good; 40% – 59% average, 20% – 39% weak and 0% - 19% very weak.

Strong diaspora community and live connections with EU markets (e.g. Germany) and Middle East (Afghanistan, Qatar, UAE, etc.) seem to play a significant role for opportunity-based company creation led by young open-minded and well networked managers, who are planning to generate new business opportunities and profit, while using existing resources and engaging local community workers in the business cycle.

7.4. Actors

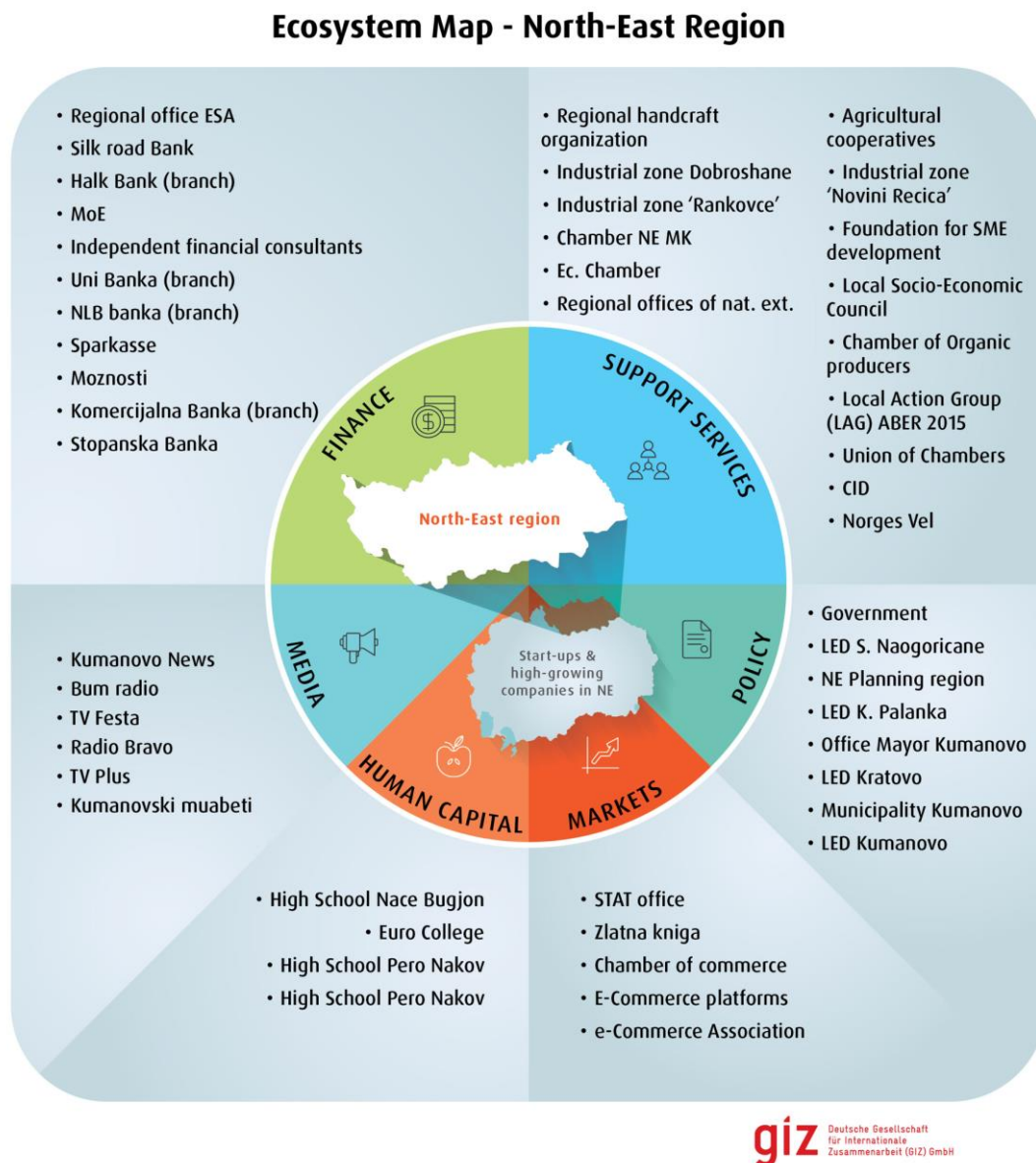


Figure 20: Map of actors in the North-East region

7.4.1. Policy

In general terms, all stakeholders at local level provide network support and direct involvement in initiatives leading to sustainable economic development. Apart from local governance, this includes: Regional branches of the ministries, the extension services and the Employment Centres of the national Employment Service Agency.

According to law on balanced regional development, local authorities have direct responsibility to work towards lowered disparities between and within the planning regions and improve the quality of life for all citizens. Interacting actors must work to increase competitiveness of the respected planning regions through strengthening their innovation capacity. In theory, interacting actors show strong commitment to cooperate and work together in achieving inter-municipal and cross-border cooperation of the units of local self-government for the purpose of stimulating economic growth. However, in practice, policy makers are facing financial challenges due to the inability to implement laws on tax collection and manage the resources for the benefit of the residents of all municipalities. Furthermore, there are disparities between some municipalities in terms of tax collection. This, along with over employment of civil servants in all municipalities, is affecting implementation and support of development projects.

Council for development of the North-East planning region

The Council for Development of the North-East region is a body for harmonization and implementation of the development policy, and it consists of the Mayors of the municipalities from the region. The Council approves as well as organizes and coordinates the activities for M&E of the implementation of the planning documents for regional development, such as: Development programme, action plans, annual lists of priority projects, etc. The council promotes inter-municipal and cross-border cooperation, as well as it coordinates the municipalities with regards to regional development.

Employment Centres (ECs) of the national Employment Service Agency (EA)

The employment policy framework in the country is defined by the Programme of the Government. The EA, along with its ECs at local level, develops and implements services to increase the labour force competitiveness and meet the labour market needs by applying an individual approach to work, one that is oriented to the needs of both unemployed persons and employers. EA has local ECs in Kratovo, Kriva Palanka, and Kumanovo.

Local Socio-Economic Council – Kumanovo

The Local Socio-Economic Council in Kumanovo has been established in 2010 as a partnership between the municipality, private sector and trade unions. According the rules of procedure civil society organisations are also invited depending on the discussion topic. The Council has published the handbook "Guide to local social dialogue". Focus is put on the issue of youth employment and strengthening the links between the labour market and appropriate education of young people.

Municipal Local Economic Development (LED) Offices

The work of municipal LED Offices is regulated by the Law on Local Self-Government⁸⁹. In North-East region there are 6 LED offices, one in each municipality. There is strong leadership provided from the current management of the LED office in the Municipality of Kumanovo, which aims at establishing a working group that will be additionally capacitated to answer the priority needs of the business community. With additional building capacity support, pro-active staff in LED unit and selected BSO's have potential to connect the community with businesses.

⁸⁹ https://aa.mk/WBStorage/Files/Zakon_lokalnata_samouprava.pdf

Regional offices of the National Extension Agency

The National Extension Agency has regional office in Kumanovo and its local units in Kratovo, Kriva Palanka and Kumanovo. The Agency promotes agriculture and rural development by implementing the policy of the Ministry, maintaining a database of agriculture organizations, providing advisory services to agriculture organizations, enabling the transfer of knowledge & information and their implementation to improve the quality and quantity of agricultural production and its competitiveness.

7.4.2. Support

At local level 35 BSOs were identified which are delivering services on increasing local economic activity and competitiveness. Often, they require additional capacity development for delivering services for the targeted actors in the ecosystem. Additional programmes for selected BSOs could generate high value-added services. In order for less-developed regions of the country to grow, produce added value and create a local living economy, additional programmes for selected BSO's are required to generate a fresh start and community engagement. Wide range of services are being offered, mainly in youth education, promotion of entrepreneurship, cross-border cooperation and building capacities at local level.

Municipality	BSO	Municipality	BSO	Municipality	BSO
Kratovo	5	Kumanovo	15	Nagorichane	2
Kriva Palanka	9	Lipkovo	3	Rankovce	1

Table 17: Number of BSOs in North-East region providing services (per Municipality)

Agriculture cooperatives

There are two agriculture cooperatives in the North-East region: Eko Kooperativa – v. Krstov Dol – Kriva Palanka, and Probuda 2015 – Kriva Palanka. The main focus of cooperatives is joint procurement of raw materials, marketing and sale of agricultural products, and processing of primary products.

Centre for development of North-East planning region - Kumanovo

The activities of the Centre include project preparation and implementation, implementation of infrastructure investments projects for different target groups in the municipalities, public procurements, development of strategic documents; organization of workshops, seminars, and other events; networking, providing information and services for the main stakeholders in the region (public institutions, business associations, academia, NGO sector, etc.).

Center for intercultural dialogue (CID) - Kumanovo

Founded in 2006 with currently ten employees, CID is funded by OSCE, Erasmus +, NED and the Embassy of Holland. It is an experienced organization working on intercultural acceptance promotion through capacity building processes. CID supports projects of informal education and engagement of youth work and it runs a strong base of local volunteers to support project development in early phases.

Chamber of organic producers (KOP) - Kumanovo

Founded in 2019 the KOP does not have any employees, but is managed through the members, which also fund the organization. The Chamber of Organic Producers (KOP) is relatively new organization working in the field of organic production, protecting and representing the interests of its members, therefore encouraging and promoting opportunities for the development and improvement of the organic producers and production.

The work of KOP spans all areas pertaining to agriculture, including forestry, aquaculture and fisheries, environment, trade, expansion, research and education. KOP promotes also producers' involvement in sustainable rural development, tackling other emerging challenges such as sustainable food production in challenging times for protection of the environment.

KOP acts as a self-regulatory body providing consultation, training and development, testing, research and analysis services and works together with a number of reputable partners and service providers from the fields of academia and business.

Regional handicrafts chamber - Kumanovo

Founded in 2006, with currently four employees. The chamber is financing itself as well as through the national budget. It provides specialized support for craftsman in the region and also nation-wide, especially for traditional businesses requiring special craft skills. They provide support for administrative issues in terms of registering businesses, support starting up business, organization of bazaars for its members and organization of trainings and mentorship for interested youngsters and entrepreneurs.

Foundation for support of entrepreneurship - Kumanovo

Established in 1999 with two employees, the Foundation is funded by the EU, APERNM and the Ministry of Economy. With over 4'400 members, its general goal is to provide support and development of the SMEs. The foundation runs a number of activities in education, project implementation support, consultancy for SMEs and early-stage companies. It implements the support programmes of the APERNM on regional level.

Industrial Zone “Novini Rechica”, village Rechica - Kumanovo

Located directly on A1 (E75) international highway (Corridor X), with total of 65 ha and 51 construction lots, the zone offers investors favourable conditions to start manufacturing operations. With a government decision in 2020, the zone was decentralized and brought under municipal governance. Domestic and foreign investors can invest under the same laws and regulations. The zones location is attractive due to the proximity to Skopje International Airport (21km) and road (Athens-Belgrade-Budapest) connections. Currently there are two functioning factories, both export oriented (over 60% of production is exported). The municipality is working on improving infrastructure.

Industrial Zone “Dobroshane” - Kumanovo

Is home to more than 40 developed manufacturing and wholesale businesses and several key industries around the North-East and Kumanovo region. The gasification of the zone is among top priorities of local governance.

Industrial Zone “Rankovce”

This 40,2 ha large zone is operated by the Agency for FEZ and has no companies registered yet. The zone is located near the border crossing Deve Bair towards Bulgaria and has a direct road connection with the planned motorway on Corridor VIII.

Local Action Group (LAG) ABER 2015 – Staro Nagorichane

Established in 2015 with one employee, LAG ABER 2015 is funded by SDC, USAID, the Ministries of Environment and Culture and the Embassy of France. It is active in promoting rural development and alternative tourism in the micro region of Kumanovo, Staro Nagoricane, and Lipkovo. It is based on the PPP managed model where the participation of the private and civil society sector membership structure is bigger than the public sector. The LAG has elaborated and implements the Strategy for rural development 2015 – 2020. The organization is implementing projects related to energy efficiency for kindergartens and capacity building for promotion of alternative tourism in *Bislimska Klisura* region.

Norges Vel - Kriva Palanka

Founded in 2003, with currently one full-time employee Norges Vel is funded by the Norwegian Aid program and the USAID. Norges Vel is a local economic development partner working on idea generation, entrepreneurship promotion, cooperation and commercialization of

businesses. It does so by developing connections with independent commercial players and youngsters that contribute to further growth in their local communities.

The organization is running *time-to-time* project activities for promotion of sustainable development based on a social, green and financially sound platforms. Norges Vel works on climate change challenges, lack of access to energy and the need for increased food production. Organization works on promotion of business development for small-scale farmers and entrepreneurs mostly in the North-east planning region.

Lawyers

There is an existing community of 120 lawyers in the region, out of which about 20 are specialized in providing services related to commercial and corporate law.

Accountants

Most of the accountants open offices in the two main centres of the region, Kumanovo and Kriva Palanka. There are total of 20 accounting companies in Kumanovo and around 5 in Kriva Palanka and no single accountants in the other municipalities. Services which are typically provided by the accountants in NE region include: Book-keeping; registration of new companies in the central registry, registration of employees in the state health fund; examination of accounting records and regulatory compliance and reporting, financial advice, tax consulting services, etc.

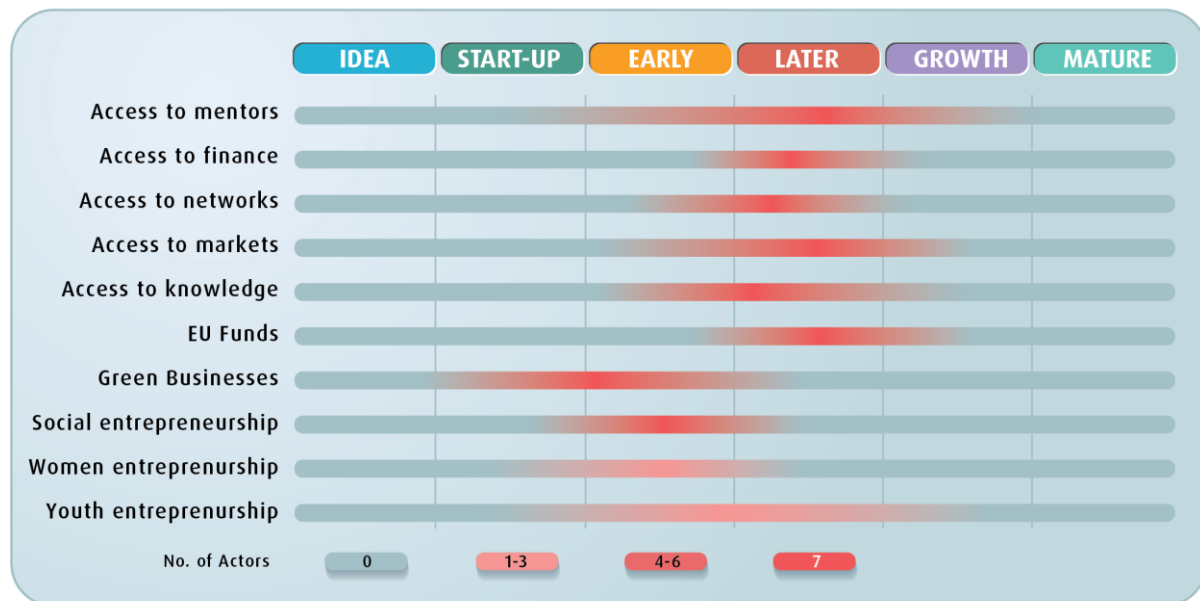
Regional chamber of commerce - Kumanovo

The Economic Chamber of North Macedonia has its regional chamber in Kumanovo, managed by the headquarters in Skopje. The main activities are organizing trainings, providing information, preparing analysis, drafting acts, and other documents of interest to the regional economy. It serves as a focal point for member companies and other stakeholders in the region.

Service providers according to business phase

The following figure presents an overview of the number of service providers that support entrepreneurs and MSMEs with focused assistance according to the business phase.

SERVICES - North-East region



giz Deutsche Gesellschaft
für internationale
Zusammenarbeit (GIZ) GmbH

Figure 21: Service providers in the North-East region according to the business phase

The following observations can be summarised from the graph above:

- Actors which provide access to mentors, finance, networks, markets and knowledge are active mainly in the early, later or growth stages.
- Information on EU funding is provided more to businesses in the later and growth phase.
- Very limited support regarding green businesses as well as women and youth entrepreneurship was identified and mainly in the start-up and early stages of businesses.
- The biggest support was identified with regards to social entrepreneurship mostly in early stage.

7.4.3. Finance

Commercial banks

Banks are supporting local businesses through favourable conditions. All commercial banks are not eager to take risks, with exception of two banks, one of which is offering 6-module credit programme of up to maximum 25'000 EUR (per company), where eligibility is structured especially for early-stage companies. There are total of 12 banks in the region, all of them having in total of 18 branches. ProCredit, Sparkasse and Halk Bank are mentioned as the most active ones in terms of supporting SMEs in rural areas. There is developed financial infrastructure with preference to support existing businesses. There is one additional financial institution (Saving house Mozhnosti) offering programme support to developed and early-stage businesses.

Bank Name	Kumanovo	Kratovo	K. Palanka
Silk Road Bank AD Skopje	✓	✗	✗
Halk Bank AD Skopje	✓	✓	✗
Sparkasse bank Makedonija AD Skopje	✓	✗	✗
Komercijalna banka AD Skopje	✓	✗	✗
NLB banka AD Skopje	✓	✗	✓
Ohridska banka AD Skopje	✓	✗	✗
ProCredit bank AD Skopje	✓	✗	✗
Centralna kooperativna banka AD Skopje	✓	✓	✓
Stopanska banka AD Skopje	✓	✗	✓
Stopanska banka AD Bitola	✓	✗	✗
TTK Banka AD Skopje	✓	✗	✗
Uni Banka	✓	✗	✓
Micro Finance Institutions			
Savings House "Mozhnosti"	✓	✗	✗

Table 18: Regional Branch Offices of the Banks and Saving houses in the North-East region

Employment Centres (ECs) of the national Employment Service Agency (EA)

The ECs in the region of the national EA provide access to finance through several support schemes for young entrepreneurs and start-ups. For example, for "Self-employment (entrepreneurship) supports, Wage subsidy support (Employment support for unemployed persons), Employment and growth of legal entities (creating new jobs in micro, small and medium enterprises, social enterprises, and civil society organizations), Support for employment of persons with disabilities (increasing employability and employment opportunities for registered unemployed persons with disabilities).

7.4.4. Human capital

Secondary schools and vocational education

The number of newly enrolled first graders in Kumanovo is decreasing. According to official data, the trend is showing a decline due to economically driven internal and external migration. According to research conducted by the Municipality of Kumanovo in April 2021, 81% of the young people would like to leave the region searching for better career opportunities. There are 184 pupils less compared to the year before. With one university in the region, most human capital is mainly developed through earlier stages of educational system. There are total of 90 primary and 10 secondary schools throughout the North-East region.

Schools in North-East region	Primary	Secondary
Kumanovo	35	6
Kriva Palanka	14	1
Kratovo	10	1
Lipkovo	16	2
Staro Nagoricane	11	0
Rankovce	4	0

Table 19: Public schools in the municipalities from the North-East region

Secondary Schools “Kiro Burnaz” - Kumanovo and “Pero Nakov” - Kumanovo

As part of the national programme supported by international donor community (SDC) and Ministry of education and science, these schools have started to organize vocational trainings with the business sector. This programme will continue in 2021/2022. Students can choose to enrol in: electrical engineering, mechanical engineering, agricultural technicians and veterinarian specialization among others.

Secondary School “Nace Bugjoni” - Kumanovo

As part of tailor-made curriculum, High School *Nace Bugjoni* is providing specialized trainings together with potential investors and other local and international companies. Several other high schools in the region could increase capacities for offering customized trainings.

The secondary school *Nace Bugjoni* has become regional VET centre under state jurisdiction.

Vocational training institutions

There are nine **vocational training institutions** in the North-East region one in Kratovo and 8 in Kumanovo, out of which three secondary vocational schools, one higher educational institution, and 5 private vocational training providers that offers various verified programmes for prequalification and/or additional qualification of adults (e.g. metal processing (CNC operator, welding, etc.), food processing, textiles, construction, agriculture, computer programming, web and graphic design, solar panels, etc.) or provide tailored training for SME needs (e.g. accounting, entrepreneurship, management, job seeking, etc.).

Universities

There is one university in the North-East region which offers degrees in higher education and one branch of a University from the Polog Region. There are no research institutes in the region.

No.	Name of the Institution	Faculties	Location
1	Euro College	Faculty of Economics (Bachelor / Master of Business Administration)	Kumanovo
2.	University of Tetova	Business and Public Administration Faculty	Kumanovo

Table 20: Overview of higher education institutions in North-East region

EURO College Kumanovo

The *EURO College* in Kumanovo provides degrees in business administration and within its economic faculty specializes in information technology and cyber security. This shows potential to work on creating content around this specific niche, as global demand for this type of labour is growing. The number of students enrolled could not be obtained, however there are 15 academic staff working for the Euro College. There is potential for informal and specific educational programmes, especially with B2B community and international software companies present in the region, as well as the local ones which are present in the industrial zones area (industrial manufacturing).

University of Tetova

Faculty of business administration - University of Tetova (branch in Kumanovo) provides study programs in business and public administration and is part of the curriculum of University of Tetova. The faculty provides specialization in business administration and public administration separately. There are around 800 enrolled students.

7.4.5. Markets

Apart from e-commerce platforms providing support on national level, marketplaces in North-East region (in terms of supporting the business and entrepreneurial ecosystem) are limited and very few. B2B gatherings, fairs, organized business events are mainly centralized (Skopje) and due to COVID-19 pandemic all this has been cut. However, there are market support events (webinars and workshops) organized from BSOs, to provide additional networking and know-how for companies. This is usually done by *Regional Chamber of commerce*. In addition, there are customized (per industry) events organized by the Textile trade association of North Macedonia, Handicrafts chamber and similar BSOs.

7.4.6. Media

Media landscape in the region is poor and is not in favour of creating business climate. Still, local media could create new content and be an important actor in terms of critical thinking and promotion of the idea to support entrepreneurship. There are total of 3 TV stations, 4 Radio stations and two (2) relevant news web sites sharing business news and related content. There is strong potential in developing media as business, as there is unmet market demand, especially with ongoing digitalization and new arising opportunities in the media segment.

7.5. Entrepreneurial culture and attitude

Migration for economic reasons is part of the history of the region and brings benefits in terms of faster and easier transfer of knowledge and technologies. On the other hand, this directly lowers the human resources capacities, as migration is most often a one-way street. The general characteristics are openness and adaptability, however, fostering innovative entrepreneurship often requires mediators from the stakeholder landscape. As per the national small and medium enterprise strategy (2018-2023), the role of the policy makers (including local regional level) is to create favourable business environment that will encourage entrepreneurship and investments and work towards the creation of a dynamic ecosystem of entrepreneurship and promotion of innovation. However, there is a significant amount of effort needed to be invested on all sides when it comes to improving the entrepreneurial culture and attitude of SMEs in the region. With only one institution for higher education in the whole region, there is a lack of young and educated people who are willing to take a risk in entrepreneurial perspective. Informal education or interlinking with educational institutions in other regions could play a crucial role in developing the entrepreneurial culture at next level.

Generally, the region is agricultural and mainly rural. However, with valuable natural resources in the rural areas, the business mindset and culture in general is low when it comes to starting business and promoting entrepreneurship. The culture of the people does not differ in essence to the other regions, but in the North-East the entrepreneurship is not seen as a primary career choice.

The rate of company births per 1'000 inhabitants in North-East region was 1,97 in 2018, and it was significantly lower than the average at national level with 3,04. Other indicator of lower entrepreneurial activity is that only 2 out of 7 projects approved by FITD⁹⁰ in the North-East region were in the frame of the support instrument Start-up/ Spin-off (both in Kumanovo). Most businesses are traditionally driven, investments come from inner circles of the family and failure is not accepted well in the community.

The media is not sharing positive business stories of youth entrepreneurship and successful businesswomen, although there are some positive examples in the region. The overall attitude for starting business is generally low. It has been identified in strategic documents that the region is rich in potentials for sourcing (food, mining), but more support through informal education to boost the entrepreneurial spirit is required.

⁹⁰ Status as of 19.04.2021

8. Polog region

8.1. Introduction to the Polog planning region

The Polog planning region is one of the eight regions of North Macedonia. It is located in the north-western part of the country and it borders the South-West and the Skopje regions. The Polog region covers an area of 2'416 km², which represents 9,7% of the territory of North Macedonia⁹¹. Polog region is consisted by nine municipalities in which Tetovo and Gostivar are the largest. Based on the latest information, the Polog region has a population of 322'605⁹² with a density of 132,7 per km². The GDP per capita of the Polog region is 2'577,4 EUR in 2019⁹³, and currently still the lowest GDP per capita in the country with only 47,7% of the national average. The GDP of the region is 831,5 Million EUR, while its share in the total GDP of the country increased from 7% in 2015 to 7,4% in 2019.

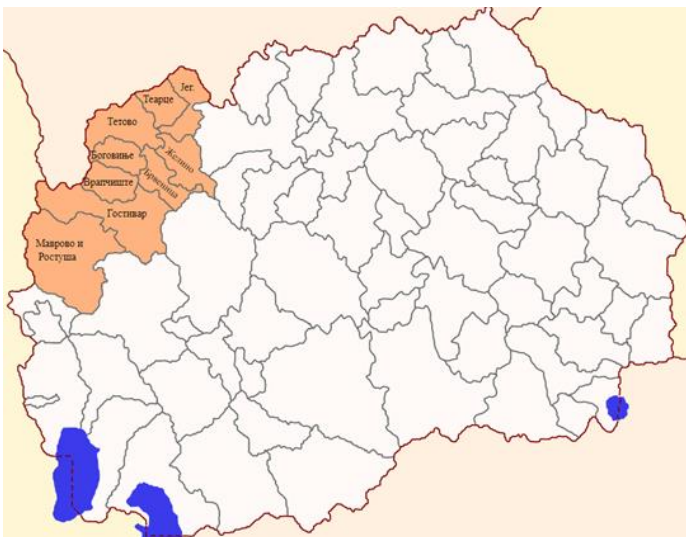


Figure 22: Map of the Polog planning region

No.	Name of the Municipality	Inhabitants	Territory (km ²)	Active Businesses	Active businesses per sector (most relevant)
1	Bogovinje	31'094	141,65	432	141 Wholesale and retail trade 91 Manufacturing 66 Construction 19 Accommodation and food service activities 14 Agriculture, forestry and fishing 10 Professional and scientific activities 01 Information and communication
2	Brvenica	16'622	164,89	290	99 Wholesale and retail trade 54 Manufacturing 42 Construction 22 Accommodation and food service activities 16 Agriculture, forestry and fishing 05 Professional and scientific activities 02 Information and communication
3	Gostivar	83'847	516,53	2'512	881 Wholesale and retail trade 327 Manufacturing 234 Construction

⁹¹ https://www.macedonia-timeless.com/eng/cities_and_regions/regions/polog-region/

⁹² State Statistical Office, makstat database

⁹³ State Statistical Office, makstat database

					234 Professional and scientific 216 Accommodation and food service activities 38 Agriculture, forestry and fishing 29 Information and communication
4	Jegunovce	10'346	176,81	181	52 Wholesale and retail trade 21 Construction 21 Accommodation and food service activities 16 Manufacturing 16 Agriculture, forestry and fishing 05 Professional and scientific activities 02 Information and communication
5	Mavrovo- Rostushe	8'848	674,91	127	32 Accommodation and food service activities 26 Wholesale and retail trade 16 Manufacturing 13 Construction 03 Agriculture, forestry and fishing 02 Information and communication
6	Tearce	23'023	136,49	385	106 Wholesale and retail trade 73 Manufacturing 65 Construction 39 Accommodation and food service activities 23 Agriculture, forestry and fishing 01 Information and communication
7	Tetovo	92'763	261,79	3'707	1308 Wholesale and retail trade 420 Manufacturing 362 Professional and scientific activities 336 Accommodation and food service activities 333 Construction 76 Information and communication 42 Agriculture, forestry and fishing
8	Vrapchishte	27'647	157,38	444	139 Wholesale and retail trade 94 Manufacturing 63 Construction 39 Accommodation and food service activities 14 Agriculture, forestry and fishing 09 Professional and scientific activities
9	Zhelino	28'415	200,94	330	106 Wholesale and retail trade 68 Construction 41 Manufacturing

					24 Accommodation and food service activities 16 Agriculture, forestry and fishing 06 Professional and scientific activities
Total:		322'605	2431,81	8'408	

Table 21: Overview of the active businesses in the Polog region

8.2. Main Economic Activity

The biggest contribution to the national share of exports from Polog region⁹⁴ in 2019 came from sectors such as Furniture (almost 35%), Rubber and plastic production (8,37%), Basic metals (8,19%) and Products of agriculture, hunting and related services (7,43%). Although not many established companies are present in the region, the ICT sector is a fast growing and promising sector with potential, also due to the availability of educated human capital.

8.3. Business Environment and Investment Climate

The number of active business entities in 2020 in the Polog region was 8'408 and represented 5,6% of the total number of active business entities in the country. For comparison, 15,53% of citizens have a residence in the Polog region⁹⁵. The number of companies in the region has increased by 11,3% in 2020 when compared to 2015 when the number was 7'554. The highest number of companies was reached in 2019 when the number of companies was 8'614. Micro, small and medium companies experienced a growth of 11,7%, 30% and 13,5% respectively within the same period. The number of active business entities per 1'000 inhabitants in the Polog region is 26,7⁹⁶, and by this it is the second lowest ranking region in the country after the North-East region. The MSMEs make up 99,9% of the total number of companies with 93,8% being micro companies. The ratio of number of companies' deaths and the number of newly established businesses was 83,88% in 2018⁹⁷, and this is higher than the ratio on national level with 77,45%. The largest number of active business entities in 2020 is in the Municipality of Tetovo 3'707 (44,09%), followed by the Municipality of Gostivar with 2'512 (29,88%). In these two municipalities almost 74% of all active business entities are located.

The unemployment rate in Polog region has slightly decreased from 29,6% in 2015 to 28,5% in 2019. However, that rate is the second highest of all regions in the country. Unemployment rate of women was 35,8% and of youth 42,4% in 2019.

The total number of enrolled pupils in primary schools has dropped from 29'632 in the school year 2015/2016 down to 28'624 in 2019/ 2020 (decrease of 3,4%), while at the same time the total number of enrolled pupils in secondary schools has dropped from 12'729 down to 10'687 (decrease of 16%). The Polog region had in total 1'080 graduated students and 3,3 per 1'000 inhabitants in 2019 compared with 1'047 and 3,3 in 2015.

The Budget transparency index⁹⁸ for the Polog region increased from 7,8 in 2019 – 2020 to 8,3 in 2020-2021 (ranked last from all eight regions). The ranking of municipalities in the Polog region is as follows: Gostivar (12⁹⁹), Zhelino (11), Mavrovo and Rostushe (10), Jegunovce, Brvenica (9), Bogovinje (8), Tearce, Vrapchishte (7), and Tetovo (2).

⁹⁴ State Statistical Office, makstat database, Regions in the Republic of North Macedonia 2020, Estimates of the project team

⁹⁵ Data for 2019

⁹⁶ ibid

⁹⁷ Last available data

⁹⁸ Center for Economic Analysis, available at: www.cea.org.mk

⁹⁹ The current maximum value is 16, and the lowest is 0.

The index of active transparency¹⁰⁰ for the Polog region dropped from 53% in 2020 down to 51% in 2021 (ranked = 5th ¹⁰¹ from all eight regions). In 2021, the ranking of municipalities in the Polog region is as follows: Tetovo (67%¹⁰²), Zhelino (65%), Gostivar (64%), Brvenica (59%), Jegunovce (52%), Mavrovo and Rostushe (49%), Bogovinje (47%), Tearce (26%) and Vrapcishte (10%).

The Polog region does have potential for development and for supporting the entrepreneurial activities. As related to human capital, more than 70 study programmes are offered in the region at higher education level. The companies in the Polog region therefore do have access to human resources. However, there is still a gap between the labour market demand and supply. Based on the interviews with the business sector, there is additional need for trainings so the graduates can come to a stage to be fully capable of doing the job. Therefore, the ICT companies offer payable additional training and internship programmes for the students or graduates. Currently, in the Polog region, there are established incubating centres and co-working spaces that play an important role in supporting the start-ups in their early stage. Also, these support organizations do provide training programmes and mentoring for the start-ups. However, start-ups face difficulties when it comes to accessing finance. This is because on one hand there is no support in the Polog region that can bring the start-ups to the stage that they would be bankable, and on the other hand the commercial banks are not eager to take risks. Therefore, they are more oriented in supporting the companies that have shown to have positive records during the last 3 years. Seen from these perspectives, banks represent a good source of funding for well-established companies. Most of the banks do also have better interest rates for women entrepreneurs, while two of them have programmes for funding start-ups. Yet, access to finance remains a challenge for start-ups in the Polog region, and still important funding sources are family and diaspora.

In the Polog region there are no one stop shops regarding the provision of assistance with the business registration process. The municipalities in the region do not offer any tax incentives or similar but are rather focused on supporting businesses through urbanization and education. Regarding grey or informal economy in the region, no data could be obtained, however it is assumed that grey economy exists, mainly in the rural areas.

Tetovo and Gostivar are the municipalities which provide basic courts, which deal with business related cases. Tetovo and Gostivar have local social economic councils, however the one in Gostivar is not very active.

The current regulations for doing business in Polog region seem to offer a good business environment. Furthermore, it is important to mention that support is available in the region and the lawyer and accountants play a good role in this. Yet, there is not enough support for accessing new markets, sales or product diversification. These services are scarce but have shown to be a success factor for some industries, especially in the furniture industry. That success has been achieved through cooperation among the businesses, BSOs and diaspora, which represents a good example also for other manufacturing industries.

¹⁰⁰ Composite index consisted of: (i) Access to information, (ii) Budget and fiscal transparency and (iii) Responsibilities and services, Centre for Civil Communications, available at: www.ccc.org.mk

¹⁰¹ Shares 5 and 6 positions with South-West region

¹⁰² The ranking is: 80% - 100% very good; 60% - 79% good; 40% – 59% average, 20% – 39% weak and 0% - 19% very weak.

8.4. Actors

The Figure below provides an overview of the relevant actors in the Polog region.

Ecosystem Map - Polog Region

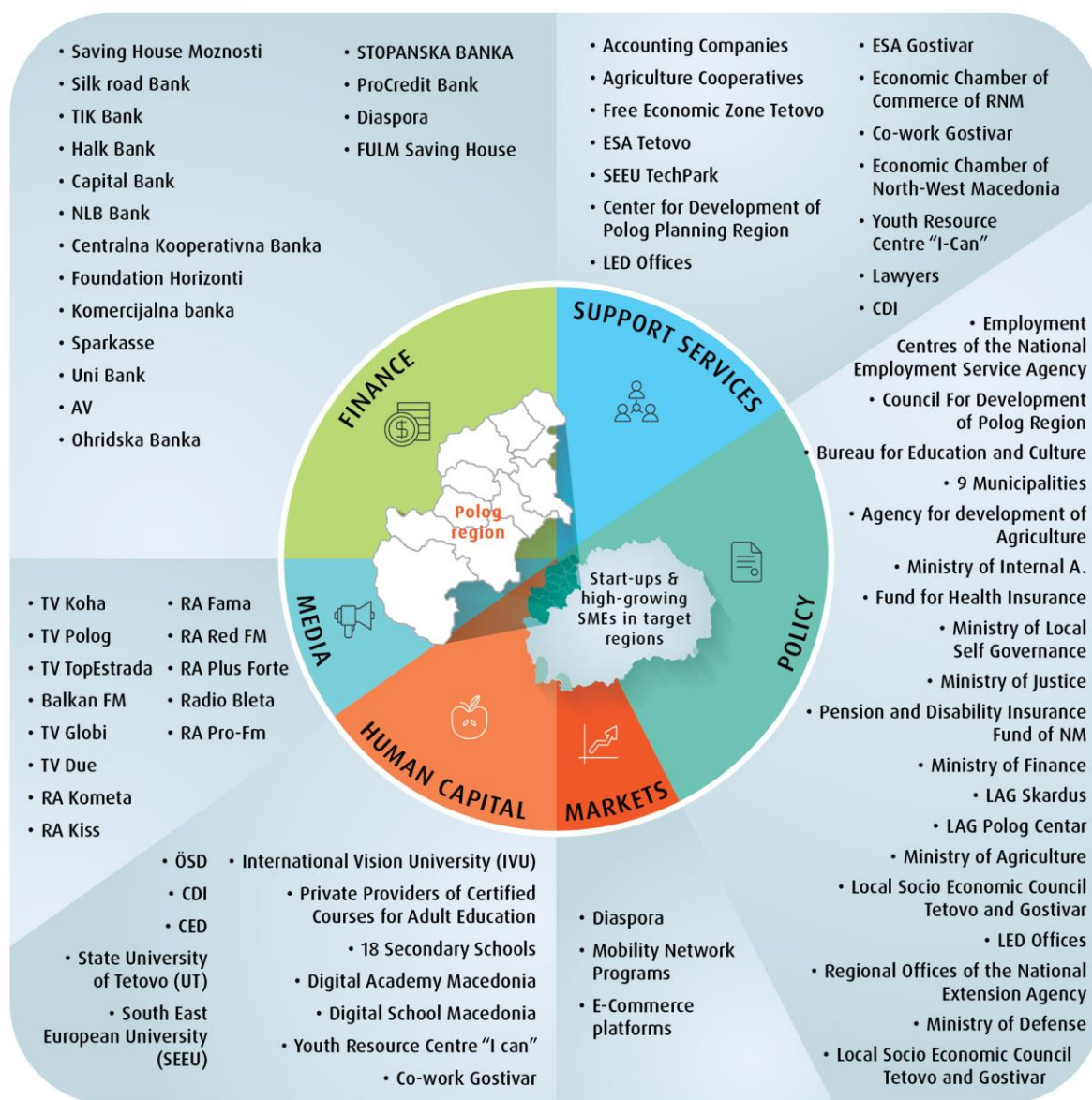


Figure 23: Map of actors in the Polog region

8.4.1. Policy

In the Polog Region there are branch offices from different government institutions such as: Employment Service Agency, Extension agency, Bureau for Education and Culture, Fund for Health and Insurance, Pension and Disability Insurance Fund, Ministry of Finance, Ministry of Justice, Ministry of Local Self-Government, Ministry of Agriculture, Forestry and Water Economy etc.

Council for development of the Polog planning region

The Council for Development of the Polog planning region is a body for harmonization and implementation of the development policy and it consists of the 9 Mayors of the municipalities from the region. The council approves, organizes and coordinates the activities for M&E of the implementation of the planning documents for regional development, such as: Development programmes, action plans, annual lists of priority projects, etc. The council promotes inter-municipal and cross-border cooperation, as well as coordinates the municipalities with regards to regional development.

Employment Centres (ECs) of the national Employment Service Agency (EA)

The employment policy framework in the country is defined by the Programme of the Government. The EA, along with its ECs at local level, develops and implements services to increase the labour force competitiveness and meet the labour market needs by applying an individual approach to work, one that is oriented to the needs of both unemployed persons and employers. EA has local ECs in Gostivar and Tetovo.

Local Socio-Economic Council – Gostivar

The Local Socio-Economic Council in Gostivar has been established in 2013 as a partnership between the municipality, private sector and trade unions. According the rules of procedure civil society organisations are also invited depending on the discussion topic. The council is focused specifically on establishing connections between the labour market and young unemployed people. The social partners through this institutional mechanism encourage all issues at local level: the local economy, the needs of the labour market, the development of the business climate, the harmonization of the education needs, etc.

Local Socio-Economic Council – Tetovo

The Local Socio-Economic Council in Tetovo has been established in 2012 as a partnership between the municipality, private sector and trade unions. According to the rules of procedure civil society organisations are also invited depending on the discussion topic. The Local Socio-Economic Council has a consultative - advisory function, as it considers various issues of economic and social life, provides its opinion, proposals and recommendations to the municipal council and other bodies. Special importance is given to the issue of youth employment and strengthening the links between the labour market and appropriate education of young people.

Municipal LED Offices

The work of municipal LED Offices is regulated by the Law on Local Self-Government¹⁰³, article 22. In Polog region there are 9 LED offices, one in each municipality. LED offices play different roles in particular municipalities, but in general LED offices provide very limited support services for the business sector. They are rather focused on infrastructure projects and are specialized in preparing applications for grants from different donors.

Regional offices of the National Extension Agency

The National Extension Agency has regional office in Tetovo and local units in Gostivar and Tetovo. The Agency promotes agriculture and rural development by implementing the policy

¹⁰³ https://aa.mk/WBStorage/Files/Zakon_lokalnata_samouprava.pdf

of the Ministry, maintaining a database of agriculture organizations, providing advisory services to agriculture organizations, enabling the transfer of knowledge & information and their implementation to improve the quality and quantity of agricultural production and its competitiveness.

8.4.2. Support

At local level seventeen BSOs were identified which are delivering services on increasing local economic activity and competitiveness.

Municipality	BSO	Municipality	BSO	Municipality	BSO
Bogovinje	1	Jegunovce	1	Tetovo	7
Brvenica	0	Mavrovo-Rostushe	1	Vrapchishte	1
Gostivar	5	Tearce	1	Zhelino	0

Table 22: Number of BSOs in Polog region providing services (per Municipality)

Agriculture cooperatives

There is one agriculture cooperative in Polog region: Rekanski farmer, v. Trnica – Mavrovo and Rostushe. The main focus of cooperatives is joint procurement of raw materials, marketing and sale of agricultural products, and processing of primary products.

Centre for Development of the Polog Planning Region - Tetovo

Centre for Development of the Polog Planning Region (CDPPR) has been established in 2008 according to the Law on Balanced Regional Development. Currently it has 8 employees. As a legal entity, it was established by all municipalities from the region. It is responsible for preparation, implementation and coordination of different regional development projects. The CDPPR plays an important role in increasing the interaction among different stakeholders in the region. The Centre is also providing the following services¹⁰⁴: Annual report for realization of the programme for development of Polog planning region, Provision of information to interested parties during implementation of the Programme, provision of professional and technical support to all municipalities during implementation, encouragement of inter-municipal cooperation's, professional assistance to interested organizations for preparation of regional development projects, promotion of the opportunities for development of the region and performance of professional, technical and administrative work for the needs of the Council for development of the Polog planning region. Business Centre was established within the CDPPR in 2014 with one employee to increase competitiveness of the region by supporting MSMEs and entrepreneurship.

Community Development Institute (CDI) - Tetovo

CDI – Tetovo is a national umbrella association for sustainable development education and social services. It counts eight employees with various educational backgrounds as well as national project coordinators as focal points and it was established in 2005. It is implementing different donor funded projects. Until the beginning of 2020, the CDI was the intermediary organization for the EU Erasmus programme for young entrepreneurs, which allows getting first-hand, practical coaching from experienced entrepreneurs running MSMEs. The CDI provides the following services and assistance free of charge: co-working spaces, business club urban, production of video content, financial support for new businesses, pool of experts / advisors, business contacts with companies and chambers at European level, information on EU grants schemes and funding available from development agencies, business plan development (and small-scale writing), matching companies with young unemployed people according to their needs and job position, legal advice on Covid-19 support measures both for company management and employees, etc. CDI has established an urban VET centre in

¹⁰⁴ <https://rdcpolog.mk>

collaboration with the secondary VET school Mosha Pijade, where it offers courses for unemployed persons to obtain skills for different professions and they have experience in offering different types of verified VET courses.

CO-Work - Gostivar

The Co-Work Gostivar¹⁰⁵ is a newly established BSO in the Municipality of Gostivar, funded by a private-public-partnership in January 2021. It is managed by three young individuals with experiences in offshoring services for software development and graphic design. Co-work Gostivar generates income from membership fees for the services and spaces provided. It aims to obtain equity in the supported start-ups. Its clients include amongst others: Young people, Freelancers, Start-ups by young people. Services which are provided include: facilities, trainings for students (e.g. web programming, digital marketing, etc.), organization of events etc. Co-Work Gostivar is closely cooperating with the companies in Polog region, especially in Gostivar. It also has good cooperation with the Youth Resource Centre “I Can” and the SEEU TechPark. It welcomes university students for internship and provides individual learning modules for each intern.

Enterprise Support Agency (ESA) – Tetovo / Gostivar

ESA Tetovo and ESA Gostivar have been established in 1998. Currently ESA Tetovo and Gostivar count three full time employees, and its revenues come from sale of services, donor funded projects, public funding and voucher scheme of APERNM. Their clients are start-ups, SMEs, APERNM and Donors. The type of services provided are mainly business advice and information, counselling, mentoring services for start-ups and mature SMEs, feasibility studies, business trainings, surveys and strategic plans at local, regional level, organisation of trade missions and trade fair. They implement the support programmes of the APERNM (info-desk, voucher programme and the self-employment programme) on regional level. Few businesses each year benefit from the voucher programme. Through the self-employment programme the establishment of 250-300 new businesses is supported each year in the region. Through the programmes of the Ministry of Economy, ESA Tetovo is supporting up to 80 businesses annually.

Free Economic Zone Tetovo

The Free Economic Zone (FEZ) in Tetovo is a Public Private Partnership (PPP) between the Government of the Republic of North Macedonia and the Norwegian Private Company. Currently in the zone there are two tenants. The Free Zone Tetovo offers all the rights and support as foreseen for all free zones in the country. However, since the zone in Tetovo is a PPP, the private investor is responsible for its management. For the companies within the zone, the FEZ in Tetovo is offering one stop shop support services for import and export administrative procedures. Almost all the services provided are offered by outsourced services. The FEZ is engaging the local companies, when possible, in offering catering services, construction and maintenance services etc. Large number of employees work currently in FEZ Tetovo.

Local Action Groups (LAGs)

There are already two established LAGs for development of the rural areas:

- LAG Skardus, is established by two municipalities: Jegunovce and Tearce;
- LAG Polog Centar is established by three municipalities: Bogovinje, Gostivar and Vrapchishte.

¹⁰⁵ <https://www.cwrk.mk/>

LAGs were established in a participatory process with the involvement of the public, private and civil society sector to address different economic and social issues in rural areas. LAG Skardus has implemented different projects¹⁰⁶ for: Building a functional partnership between local institutions, business sector and NGOs; Strengthening civil society organizations for positive social change; Renewable energy, etc.

Regional chambers of the Economic Chamber of North Macedonia

The Economic Chamber has its regional chambers in Gostivar and Tetovo, which are managed by the headquarters in Skopje. The main activities are organizing trainings, providing information, preparing analysis, drafting acts, and other documents of interest to the regional economy.

Economic Chamber of North-West Macedonia

The Economic Chamber of North-West Macedonia is also operating in the Polog region offering the services that are offered at the central level.

SEEU Tech Park - Tetovo

The SEEU TechPark¹⁰⁷ is one of the most active BSOs situated in the facilities of the South-East European University (SEEU). It is operating under the Business and Innovation Centre (BIC). BIC is a specially established unit within SEEU to facilitate the connection with the business sector and to boost students' entrepreneurial activities. Currently the SEEU TechPark counts seven full time employees, and it is closely cooperating with faculties and departments at the university. About 60% of BIC's income is generated from the tenants, 30% from projects and 10% from commercial services. The TechPark clients are usually start-ups, existing MSMEs, students and professors. Its business model is based on renting office space and infrastructure for start-ups and businesses, offering different trainings, providing support with regards to human capital and other services.

SEEU TechPark has a database of more than 350 mentors, trainers and experts from the country and EU. Usually, mentors are mobilised from two main categories: (i) current staff members of the SEEU with academic and professional background; and (ii) private consultants with whom they normally cooperate¹⁰⁸.

The TechPark offers various trainings, amongst others are: Start-up business trainings, IT courses, support tech, investor readiness, presentation and negotiation, digital marketing and crypto currencies.

SEEU TechPark incubation services include: Support in development of a business idea; Provision of office and coworking space, mentoring and training, access to networks, access to finance, development of presentation skills, identification of management team, assistance in technology commercialization; Help with regulatory compliance and intellectual property rights, etc.

The SEEU TechPark is also member of different entrepreneurial associations such as IASP - International Association of Science Parks and Areas of Innovation, and EU Digital Innovation Hubs Network – DIH.

Youth Resource Center “I-Can” - Gostivar

Youth Resource Centre (YRC) “I-Can”¹⁰⁹ is also a newly established BSO in the Municipality of Gostivar as a partnership of the Municipalities of Gostivar and Tetovo, CDPPR and SEEU.

¹⁰⁶ <https://lagskardus.mk/proekti>

¹⁰⁷ <http://techpark.seeu.edu.mk/en/about-us>

¹⁰⁸ <http://techpark.seeu.edu.mk/en/facilities-services/Consultants>

¹⁰⁹ <https://ican.mk>

YRC counts nine full time employees. The clients of the YRC involve: Start-ups by young people (in particular in the ICT sector), MSMEs as employers, unemployed people, people with disabilities, etc.

It offers office spaces and facilities, lectures and seminars, e-Learning, public events, hackathons, guidance on registering a company, company valuation, career/job search strategies, business consulting.

Accountants

Most of the accountants decide to open their offices in the two main centres of the region, Tetovo and Gostivar. As a result, there are 64 accounting companies in Tetovo and 48 in Gostivar and practically no accountants in the other municipalities. Services which are typically provided by the accountants in Polog region include: Bookkeeping; registration of new companies in the central registry, registration of employees in the state health fund; examination of accounting records and regulatory compliance and reporting, financial advice, tax consulting services, etc. On a smaller scale the following services are also offered: Organisation of events, advice in business modelling, tax review services, preparation of business plan in cooperation with third parties.

Lawyers

There are 183 licensed lawyers in Polog region. Lawyers in the Polog region are able to deliver services at large scale in the field of civil law, criminal law, and basic services on commercial law. As such the services related to protection of intellectual property rights are at low level in the region.

Service providers according to business phase

The following figure¹¹⁰ presents an overview of the number of service providers that support entrepreneurs and MSMEs with focused assistance according to the business phase.

SERVICES - Polog Region

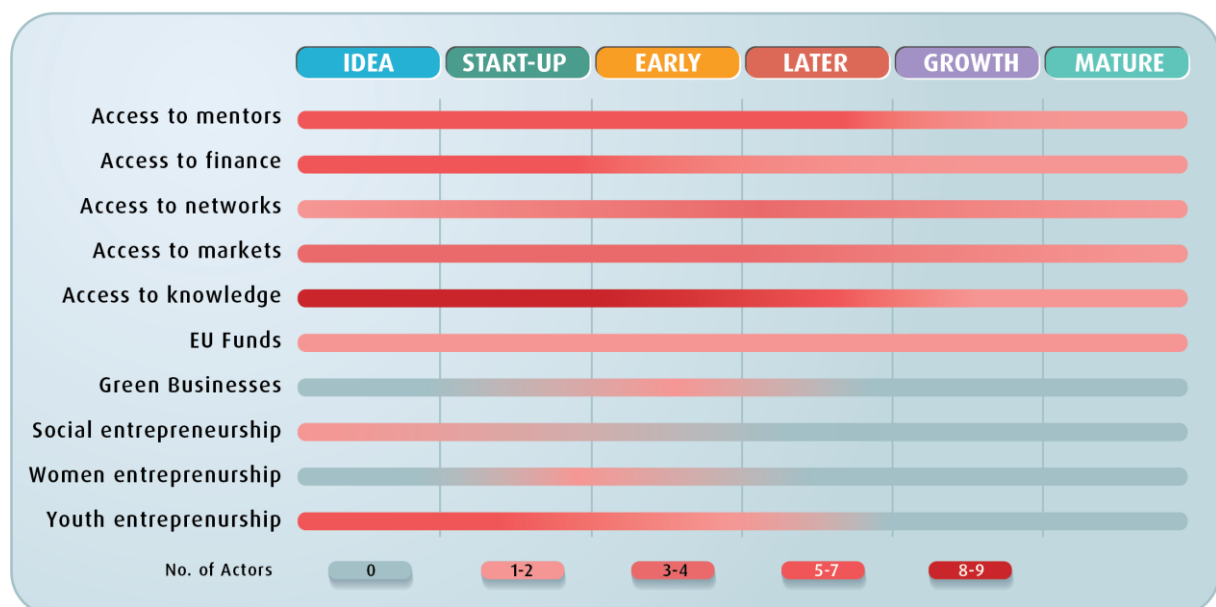


Figure 24: Service providers according to business phase Polog region

¹¹⁰ In the table the services that are provided by the accountants and which support the SMEs in access to finance are not provided.

The following observations can be summarised from the graph above:

- In general, there is a very limited number of BSOs.
- Access to mentors is provided only in the idea, start-up, early and later phase.
- Access to finance is mainly provided in the idea, start-up, and early phase
- Access to networks is provided to limited extent in start-up, early, later and growth phase.
- Access to markets is provided by limited number of providers across all phases, but mainly in idea, early, later and growth phase.
- There are number of training providers (access to knowledge) which are more focused on idea, start-up, early and later phase.
- There is limited support for green businesses by few providers start-up, early and later phase.
- There is very little support to social and youth entrepreneurship especially in idea, start-up and early phase as well as women entrepreneurship in start-up and early phase.

8.4.3. Finance

The Polog region remains the region with the lowest support through IPARD of all regions¹¹¹ and only 2,72% of the approved projects by the Fund for Innovation and Technological Development (FITD). On a lower level the BSOs in the Polog region are becoming active members of the EU programs such as COSME and Horizon 2020. In this regard SMEs are benefiting from the support provided by these programmes. However, banks remain the main source of finance for SMEs in the region. The self-employment programme of the Employment Service Agency also represents an important source of finance for the young entrepreneurs.

Otherwise, family and diaspora funding remain a source of funding for the companies in the region. Based on the interviews and on the discussions in the focus groups some of the most successful companies in the region of Polog are established with funding from diaspora.

Commercial banks and Micro finance institutions

Currently Banks, remain the main funding source for the SMEs in the region of Polog. The banks and the micro financial institutions in the region of Polog are only situated in two municipalities, as presented in the following table.

Bank Name	Tetovo	Gostivar
Capital bank AD Skopje	✓	✗
Centralna kooperativna banka AD Skopje	✓	✗
Halk Bank AD Skopje	✓	✓
Komercijalna banka AD Skopje	✓	✓
NLB banka AD Skopje	✓	✓
Ohridska banka AD Skopje	✓	✓
ProCredit bank AD Skopje	✓	✗
Silk Road Bank AD Skopje	✓	✗
Sparkasse bank Makedonija AD Skopje	✓	✓

¹¹¹ Strategy for regional development 2021 - 2031

Stopanska banka AD Bitola	✓	✗
Stopanska banka AD Skopje	✓	✓
TTK Banka AD Skopje	✓	✓
Univerzal Investment (Uni) bank AD Skopje	✓	✓
Micro Finance Institutions		
Foundation Horizonti	✗	✓
FULM Saving House	✓	✗
Saving House Mozhnosti	✓	✓

Table 23: Regional Branch Offices of the Banks and Saving houses in the Polog region

The services offered are similar to the services offered on national level. All the banks in the region are currently offering online banking services and have included mobile banking services. Also, services for international and domestic payments are offered. Related to consulting, the banks use “advisory” services only for their clients or potential clients. These advices are mostly related to the scale and the type of funding that might better fit the business idea. Otherwise, banks are offering different types of funding: short-term loans (less than 18 months), long-term loans, bank overdraft and provide special offers for women entrepreneurship. Obtained funding is mainly for: Working capital, Hiring and training staff, Refinancing / repayment of obligations and developing new products and services and expanding operations in other markets. The purpose however is not the main indicator if funding is granted, but rather the positive record of the company over the last few years.

The micro finance institutions in the region of Polog are providing the same services that are provided in the central level. Usually, these institutions provide: Micro Agricultural Loans, Micro Business Loans, Loans for Energy Efficiency and Micro Housing loans. The business loans are provided for different purposes such as: Loan for equipment and transport means, loan for new business premises, working capital and other business-related purposes.

Employment Centres (ECs) of the national Employment Service Agency (EA)

The ECs in the region of the national EA provide access to finance through several support schemes for young entrepreneurs and start-ups. For example, for “Self-employment (entrepreneurship) supports, Wage subsidy support (Employment support for unemployed persons), Employment and growth of legal entities (creating new jobs in micro, small and medium enterprises, social enterprises, and civil society organizations), Support for employment of persons with disabilities (increasing employability and employment opportunities for registered unemployed persons with disabilities).

8.4.4. Human Capital

Secondary schools and vocational education

Based on the official statistical data of North Macedonia, for the academic year 2019/2020 in the region of Polog there were 18 upper secondary schools (public and private), with a total number of 10'638 students, from which 46,65% were female. The number of enrolled students in the secondary education have decreased in the last five years. During the academic year 2015/2016, the total number of students enrolled in upper secondary schools for the Polog Region has been 12,729. This number has decreased for 16% in the last five years.

The secondary school Mosa Pijade Tetovo has become regional VET centre under state jurisdiction.

Schools in Polog Region	Primary	Secondary schools
Bogovinje	15	1
Brvenica	12	1
Gostivar	29	6
Jegunovce	16	-
Mavrovo and Rostushe	15	1
Tearce	8	-
Tetovo	23	8
Vrapcishte	12	1
Zhelino	17	-
Total	147	18

Table 24: Public schools in the municipalities from the Polog region

High Professional School “Gjocce Stojceski” - Tetovo

Since 2012,2013 the high school “Gjocce Stojceski” is operating as a high professional school in the Municipality of Tetovo. It is providing four-year programme in three major areas: Textile – Leather, Chemistry Technology and Applied Arts.

Vocational training institutions

There are eleven **vocational training institutions** in Polog region, 9 in Tetovo, one in Gostivar and one in Tearce, from which one NGO, 2 Universities for lifelong learning in Tetovo and Gostivar, and 8 private vocational training providers that offers various verified programmes for prequalification of adults (e.g. automotive sector, metal processing, food production, welding, textiles, furniture, construction, etc.) or provide tailored training for SME needs (e.g. accounting, leadership, entrepreneurship, etc.).

Universities

As related to higher education, 1'080 students from the Polog graduated in 2019 at the three existing universities, of which 57,5% were women. Similar trends were observed in the previous years.

No.	Name of the Institution	Faculties	Location
1	State University of Tetovo	Faculty of Natural Sciences and Mathematics	Tetovo
		Faculty of Philosophy	Tetovo
		Faculty of Philology	Tetovo
		Faculty of Arts	Tetovo
		Faculty of Physical Education	Tetovo
		Faculty of Law	Tetovo
		Faculty of Economics	Tetovo
		Faculty of Applied Sciences	Tetovo
		Faculty of Food Technology and Nutrition	Gostivar
		Faculty of Medical Sciences	Tetovo
		Faculty of Agriculture and Biotechnology	Tetovo
		Faculty of Pedagogy	Tetovo
		Faculty of Law	Tetovo
		Faculty of Public Administration and Political Science	Tetovo
2	South East European University	Faculty of Contemporary Social Sciences	Tetovo
		Faculty of Modern Sciences and Technologies	Tetovo

		Faculty of Languages, Cultures and Communications	Tetovo
		Faculty of Business and Economics	Tetovo
		Faculty of Contemporary Social Sciences	Tetovo
		Institute of Environment and Health	Tetovo
		Information and technology	Tetovo
3	International Vision University	Faculty of Law	Gostivar
		Faculty of Economics	Gostivar
		Faculty of Architecture	Gostivar
		Faculty of Social Sciences	Gostivar

Table 25: Overview of higher education institutions in the Polog region

South East European University (SEEU)¹¹² - Tetovo

Based on the self-evaluation report¹¹³ for the academic year 2019/2020, SEEU counts 195 full-time employees. From those, 97 are academic staff and 98 non-academic staff. Around 40% of the academic staff at SEEU are women. It offers study programmes in three languages (Albanian, Macedonian and English). The Faculty of Contemporary Sciences and Technologies has the highest rate of graduate employment with 92,6% followed by the Faculty of Business and Economy with 76,5%. In order to support development of the entrepreneurship and to deepen the cooperation with the business and entrepreneurial community SEEU has established the Business Innovation Centre (BIC – see support section). Based on the Triple Helix Model, BIC covers two units: Business Development Centre (BDC) and SEEU TechPark. SEEU hosts Max van der Stoep Institute (MVDSI) and the Institute for Environment and Health (IEH). MVDSI has three main research laboratories for: the Distributed Systems and Data Science Group (DSG), the Environment and Health Group (EHG) and the Virtual and Augmented Reality. The DSG and EHG labs are open towards external users. The IEH leads the environmental efficiency programme and is promoter and operator of the green energy initiative through the Low Emission Sustainable Campus Testbed. It provides services for energy production and energy performance evaluation¹¹⁴.

The University of Tetovo (UT)¹¹⁵ - Tetovo

A public university, which offers degree study programmes on three levels: Bachelor, Masters and PhD. UT counts 7'420 active students. The University of Tetovo offers scientific laboratories which can be used to support the connection to the business sector. At the moment only the construction laboratory is certified and accredited by state accreditation agency, and it is providing services for the construction of companies. The laboratory of food technology is also on the accreditation stage, after which it will be available to support the business activities in the Polog region. The University of Tetovo has also a business support centre and career centre and furthermore centres for Peace and Transcultural Communication, Languages and IT. University of Tetovo counts more than 700 employees, both academic and non-academic staff.

The International Vision University - Gostivar¹¹⁶

A private, degree awarding, higher education institution. It offers accredited programmes on both Bachelor and Master level. The University counts 698 students in all levels, and the lectures are held in Turkish language.

¹¹² www.seeu.edu.mk

¹¹³ <https://www.seeu.edu.mk/en/about/important-documents>

¹¹⁴ Source: Research Infrastructure Roadmap of the Republic of North Macedonia

¹¹⁵ <https://unite.edu.mk/en/>

¹¹⁶ <https://www.vizyon.edu.mk/en>

8.4.5. Markets

In the region of Polog, ESA Tetovo used to organize for nine years in a row the trade fair and EXPO in Tetovo. However, this activity is not present anymore in Tetovo. Currently, the diaspora offers great possibilities for SMEs to access different international markets, and mainly EU markets. Usually the companies, that have been established with the support of diaspora funds, aim at the EU market.

As related to the ICT sector, mobility of the individuals and students have helped in the establishment of access to market for the Polog region. As a result, there are established ICT companies that provide B2B services for companies in the USA and in EU countries.

At local level fairs are organised by the education institutions. SEEU is organizing annually the job fair and the University of Tetovo is organizing the fair for the food industry.

8.4.6. Media

In the region of Polog there are eight registered TV stations that are operating on regional level and eight radio stations (list of media is available in the annex). SMEs use these media for promotion of various products. However, there are no official programmes offered with the focus on entrepreneurship in the Polog Region.

8.5. Entrepreneurial Culture and attitude in the Region of Polog

In the region of Polog there has been a solid movement towards the establishment of the first incubating centre in the SEEU TechPark. In this environment the conditions for development of companies in the ICT sector were favourable. Currently the tenants and the businesses that jumped from the initial stage to a growth stage, are boosting the entrepreneurial culture in the ICT sector. However, in general, entrepreneurship remains in its “first” steps of development. The rate of company births per 1’000 inhabitants in Polog region was 2,37 in 2018, and it was lower than the average at national level with 3,04. Other indicator of lower entrepreneurial activity is that only 2 out of 14 projects approved by FITD¹¹⁷ in Polog region were in the frame of the support instrument Start-up/ Spin-off (1 in Gostivar, 1 in Tetovo). In higher education entrepreneurship courses are present on secondary school level however only as theoretical course. No other events are organized that support students to face entrepreneurial challenges at an early stage. This largely affects the entrepreneurial culture in the region. During the focus group discussions and the interviews, it came clear that one of the main obstacles in entrepreneurship is the fear of failing, to which the young generation never was exposed. Based on the discussion with some of the school directors and teachers, there was a positive attitude towards solving this problem. Furthermore, it was identified, that established companies that went through the incubating phase, were facing challenges in hiring new team members. Due to the lack of trained workforces their opportunity cost were high. The development of the human capital in line with the labour market needs and also in line with the development of the entrepreneurial culture is therefore crucial. Businesses on one hand were losing possible contracts because of the lack of human capital and on the other hand they are paying interns from 6 months to 1 year so they can come to a stage that they could deliver good and qualitative work for them.

Potential with highly motivated young entrepreneurs that can support development of the entrepreneurial mindset was detected. There is also a positive attitude of some BSOs that can integrate such activities in their daily work.

In the Polog region, the businesses established by the diaspora and the local community have shown to be amongst the most successful ones in the region. The diaspora has brought a new culture in doing business and has brought the “manufacturing spirit” to the region of Polog.



¹¹⁷ Status as of 19.04.2021


Based on the meetings with the representatives of these businesses they state that they brought the knowledge, funding and network from their previous work abroad. In most of the cases these are family businesses, but there are also businesses that have been established through partnerships with other companies from the main diaspora countries in western Europe (e.g. Germany, Switzerland).

Even though there are great examples of successful entrepreneurs, there is only a low level of promotion of these examples. Media remains “silent” in sharing the work of these people and in most of the cases, young generations cannot find their role models in the region.

There is no organized media community that can support and connect the entrepreneurial activities within the region and outside the borders of North Macedonia. Therefore, at this stage there is a need to increase the communication and the interaction in the region itself.

9. Overall Summary of Observations

Summary of Observations	
 <p>Business environment and investment climate</p>	<p>Pillar 1: Overall Summary</p> <ul style="list-style-type: none"> • MSMEs make-up for almost 99% of the economic activity. • Most of the businesses are located in the regional centres. • The economic profile of the region shows that the majority of activity is focused on internal consumption (e.g. wholesale, retail, local construction, etc.) with a small number of companies and employment in productive sector, which is also true in the case of start-ups. • Natural resources are often seen as a sector with potential for adding value however there is insufficient human capital and inadequate (business) infrastructure in the regions to make use of those potentials. • There is limited support by local policy makers regarding economic activities, including start-ups, entrepreneurship, etc. • Either no or only few one stop shops that support businesses in the registration and licensing process are active in the regions. • Official data regarding grey economy could not be obtained, however it is considered a substantial issue that exists in all regions. • Outwards migration and brain drain is resulting in a loss of know-how and higher value workers. • The youth unemployment rate is significantly higher than the average. • In terms of entrepreneurship, women are almost three times less represented than men. • The number of graduated students at universities is insufficient especially in the sectors where the market demand is high. • There are either only few or no alternative sources of finance in the regions. • There are no specialized credit lines for young people under 40 and social businesses. • Diaspora and family are often the main source of funding for entrepreneurs. • There is an insufficient cooperation among the stakeholders.
 <p>Interacting actors</p>	<p>Pillar 2: Overall Summary</p> <ul style="list-style-type: none"> • There are ministries and government agencies present in each region providing deconcentrated government services. • Local Socio - Economic councils offer a platform for dialogue for various stakeholders, and in particular on labour market and employment of youth. • In general, there are only few BSOs in all regions with only a limited number of staff (in most cases one - two employees), which are mainly working on donor funded projects and offer few services to MSMEs on a continuous basis and in a systematic manner. • There are no business incubators, start-up centres, accelerators and tech hubs that provide advisory support regarding entrepreneurship and that offer basic hard and soft infrastructure for start-ups (except to some extent in Polog region). • There is limited support through BSOs for businesses in the following areas: access to mentors, finance, networks, markets and knowledge.

	<ul style="list-style-type: none"> • There is limited support through BSOs for businesses in the following areas: social entrepreneurship, green business, women and youth entrepreneurs. • LED offices in municipalities provide limited support services for the business sector. • Local management and specialised consulting companies are not active in the regions. • Local services from accounting companies and law firms are mainly used to comply with the regulations. • Local business support services, other than accounting and law services, are not being engaged or valued. • Tenants in the Free Economic Zones in the target regions do not sufficiently include the local companies into their supply chains. • There is a good network of bank branches in the regions, which is predominantly lending to established businesses. • Only few banks are offering financing for start-ups and early-stage companies. • Saving houses and employment centres are the only providers of alternative sources of finance. • Secondary VET schools in all regions are providing technical education, however cooperation with the private sector remains low. • In three target regions pilot VET centres, under state jurisdiction, offering post-secondary VET are being created. • There are not many active private vocational training providers in the regions. • In all regions (except Resen) there are universities, while universities in Bitola and Ohrid are in close proximity to Resen. No research institutions could be identified in the regions.
 <p>Entrepreneurial culture and attitude</p>	<p>Pillar 3: Overall Summary</p> <ul style="list-style-type: none"> • In general, fear of failing is high in all regions, entrepreneurship is not seen as a good career choice and people prefer to work in the public sector or for already established companies. However, in the Polog region the university education seems to have an impact on shifting those perceptions. • It seems as generally success of entrepreneurs is respected, however there are either no or only few entrepreneurs who serve as role models and can pass on her/ his knowledge. • The media in all regions do not have special programmes/ shows/ broadcastings that promote successful entrepreneurs, innovation, start-up businesses, female and youth entrepreneurs, green businesses, etc. • It seems that in general there are no issues with women entrepreneurship. Women-led companies are established out of necessity rather than out of an entrepreneurial opportunity. • Entrepreneurs are not familiar with the concept and potential of green businesses and social entrepreneurship. • Formal entrepreneurial education in secondary and higher education is focused on theoretical level whereas the practical experience is missing. • Schools and universities are typically involved in the EU Erasmus+ mobility programme, which increased the entrepreneurial mindset and led to the establishment of start-ups by students in ICT sector in Polog region. • The diaspora has a positive influence on the attitude of establishing new businesses and on the culture of doing business in general.

10. Next Steps / Overall

Challenge/Hypothesis	Goal	Project Interventions
Business environment		
Most of the MSMEs are located in the regional centres.	To increase entrepreneurial activity in smaller municipalities.	<ul style="list-style-type: none"> Support the establishment of business support services (business registration and licensing process, easier access to finance, networks, mentoring, formalising grey economy etc.) within the target municipalities, by supporting LED offices and municipalities in developing their catalogue of services to MSMEs.
The number of graduated students at universities is insufficient especially in the sectors where the market demand is high.	To increase the number of graduated students in the sectors with high market demand.	<ul style="list-style-type: none"> Facilitate the linkages between the business associations and universities (e.g. networking- or peer-events etc.) Support the establishment of career information days at vocational schools and universities to increase visibility. Support educational institutions in promoting opportunities to potential students (e.g. career fairs, career counselling, etc.)
Limited access to finance for start-ups and not well-established companies.	To ease access to finance.	<ul style="list-style-type: none"> Increase variety of alternative sources of finance in the target regions through identifying and bringing together potential investors in accelerator programs and raise the awareness about investment possibilities Promote crowdfunding as a funding possibility through Expert-Workshops Establish alliances with commercial banks to promote specialized / favourable credit lines or similar products for entrepreneurs. Increase the involvement of the diaspora & business angels through the creation of events and informative material on a clear investment / involvement process in the local economy (e.g. accelerator programmes)
Small number of companies (and especially start-ups) and employment in productive sectors.	To increase the number of companies (and especially start-ups) and employment in productive sectors.	<ul style="list-style-type: none"> Assist the regional councils in establishing inclusive events on a quarterly basis by including the relevant actors from the quadruple helix Support the development of business infrastructure (Grant scheme, BSOs).
No specialist programmes for the identification, assistance, and development of start-ups in the target regions	To increase the number of sustainable start-ups that are competitive, innovative, and green.	<ul style="list-style-type: none"> Create partnerships with BSOs for the delivery of accelerator programmes in the target regions Implement regional accelerator programmes with the successful applicants Develop the mentor network and provide support to high potential start-ups

Interacting actors		
Ministries and government agencies are present in each region providing deconcentrated government services.	To increase number of beneficiaries of deconcentrated government services.	<ul style="list-style-type: none"> • Create and facilitate partnerships between the LED's, ministries and government agencies present in each target region to improve the access for beneficiaries to deconcentrated government services • Support beneficiaries in the application process (for government support and grant schemes.)
Local socio - economic councils offer platform for dialogue for various stakeholders, but their potential is not fully utilised.	To make better use of Local Socio - Economic councils.	<ul style="list-style-type: none"> • <i>Addressed under Municipal services (Box 1)</i>
BSOs have limited capacities, work mainly on donor funded projects and provide limited business support services.	To improve provision and quality of business support services.	<ul style="list-style-type: none"> • Elaborate a catalogue of specialised and / or advanced business support services with the BSOs • Set up virtual input modules and physical case study trainings where suitable trainings (online learning / physical / help desk) will be provided to develop the BSOs capacities • Support BSOs in implementing relevant and high-quality business support services • Facilitate networking events of BSOs with potential providers of business services outside the regions.
Tenants in the Free Economic Zones (FEZ) in target regions do not sufficiently include the local companies into their supply chains.	To develop local supply chains	<ul style="list-style-type: none"> • Identify local companies and support them in improving their standards to the needs of the FEZ tenants through the BSO's so they will can be included in their supply chains in the future • Inquire with the FEZ tenants about their needs of quality and material through facilitating events hosted by the BSOs • Establish dialogue between Agency for FEZ, Business associations, and Council of foreign investors/ Association of tech advanced companies on promoting local supply chains
Financial services provided by banks, saving houses and employment centres do not satisfy the needs of start-ups and early-stage companies.	To facilitate the access and increase the variety of financial products for start-ups and early-stage companies	<ul style="list-style-type: none"> • <i>Addressed under Box 3 "limited access to finance".</i>
Educational institutions do not meet the business sector demand for qualified work force.	To contribute in providing qualified work force according the needs of the business sector.	<ul style="list-style-type: none"> • Involve entrepreneurs in the secondary and higher education • Support regional VET centres through networking events to perform their coordination role, to provide post-secondary education and to foster the innovation of companies • Involve private vocational training providers in the regions in post-secondary education/ education of adults.

Entrepreneurial Culture and Attitude		
In general, fear of failing is high in all regions, entrepreneurship is not seen as a good career choice and people prefer to work in the public sector or for already established companies.	To promote entrepreneurship as a good career choice	<ul style="list-style-type: none"> • Set up “School Enterprise Programmes” using the Green Business Model to promote entrepreneurship as a career choice in schools • Support the facilitation of Kids-(Tech)Camps by purchasing the (Robotic) Tool-Kits under the involvement of the municipal youth councils through the BSOs/tech centres
Media in all regions does not promote sufficiently entrepreneurship.	To involve media in promoting entrepreneurship	<ul style="list-style-type: none"> • Create entrepreneurial content which can be shared and broadcasted through the media • Develop a template or a standard process which can be applied by the media stations (depending on the channels) to share the relevant content
Higher than average unemployment rate amongst the youth, and significant lower entrepreneurial activity of women.	To increase entrepreneurial activity of youth and women	<ul style="list-style-type: none"> • Raise awareness and promote entrepreneurship for youth, women and vulnerable groups (under inclusion of topics such as green businesses and social entrepreneurship) • Identify relevant groups and stakeholder and use possible synergies of other projects focusing on these topics • Identify, meet and engage with CSOs that represent these groups and identify relevant success stories which can be used as role models and support campaigns and/or activities of (for example) women leaders who advocate for women entrepreneurship • Develop and implement entrepreneurship training exclusively for female students • Hold workshops with these groups to promote entrepreneurship and encourage participation in the accelerator programs or similar activities • Set up a accelerator program through a BSO exclusively for women, people with disabilities or youth • Support implementation of self-employment programmes for women and youth (e.g. provide trainings and access to markets, etc.).
Students’ exchange and mobility programmes and diaspora have positive influence on the entrepreneurial attitude and on the culture of doing business in general.	To further engage and involve the alumni of exchange and mobility programmes and the diaspora in promoting entrepreneurial attitude and establishment of start-ups.	<ul style="list-style-type: none"> • Identify alumni / peers through the BSOs which can participate in the dialogue between students and entrepreneurs and share their success stories and experiences in a peer-review (Workshop) • Hold events (“Ted-Talk Format”) to engage the selected and willing peers within the universities they initially graduated from • Create clusters of students/potential entrepreneurs and support them to elaborate on business opportunities.

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12. Annex 1: Focus Groups

Focus Groups			
South-West Region Focus Group 1			
Institution / Field	Representatives	Date	Comments
Co-work space	Bozidar Gjoreski	26 May 2021	Physical
Sveti Apostol Pavle	Ana Krstevska	26 May 2021	Physical
Discover Ohrid	Stefan Tomovski	26 May 2021	Physical
LED Struga	Vladislav Zupan	26 May 2021	Physical
The Business Center	Katerina Vasileska	26 May 2021	Physical
LED Debar	Argetim Mucha	26 May 2021	Physical
EDEN	Jakov Jovanovski	26 May 2021	Microsoft teams
LED Centar Zupa	Erihana Feto	26 May 2021	Microsoft teams
LED Vevcani	Menka Kukoska	26 May 2021	Microsoft teams
Innovation Hub	Radmil Polenakovic	26 May 2021	Microsoft teams
Center for Development of the Southwest Planning Region	Mirjana Lozanoska	26 May 2021	Microsoft teams
Accountant	Toni Cvetkoski	26 May 2021	Microsoft teams
South-West Region Focus Group 2			
Institution / Field	Representatives	Date	Comments
Co-work space	Bozidar Gjoreski	26 May 2021	Physical
Sveti Apostol Pavle	Jovan Karamacheski	26 May 2021	Physical
LED Debar	Argetim Mucha	26 May 2021	Physical
ESA Ohrid	Mimoza Popovska	26 May 2021	Physical
LDA Struga	Katerina Vasileska	26 May 2021	Physical
EDEN	Jakov Jovanovski	26 May 2021	Microsoft teams
LED Centar Zupa	Erihana Feto	26 May 2021	Microsoft teams
LED Vevcani	Menka Kukoska	26 May 2021	Microsoft teams
Innovation Hub	Radmil Polenakovic	26 May 2021	Microsoft teams
Center for Development of the Southwest Planning Region	Mirjana Lozanoska	26 May 2021	Microsoft teams
Accountant	Toni Cvetkoski	26 May 2021	Microsoft teams
North-East Region Focus Group 3			
Institution / Field	Representatives	Date	Comments
BDA Company, President of Socio-economic Unit	Najden Bajdovski	19 May 2021	Physical
LED Municipality Kumanovo, Local development	Ahmed Jasarovski	19 May 2021	Physical
LED Municipality Kratovo	Ivan Peshevski	19 May 2021	Physical
LED Kumanovo, Manager	Aleksandar Krstevski	19 May 2021	Physical
Businessman, Niksi Kumanovo	Nikola Vuckovski	19 May 2021	Physical
Kumanovo News	Suzana Nikolic	19 May 2021	Physical
Entrepreneur, Benton NI	Nazim Ejupi	19 May 2021	Physical
Regional Handcraft organization	Tina Iseini	19 May 2021	Physical

Norges Vel	Daniela Atanasovska	19 May 2021	Physical
Entrepreneur, Aris DOO	Goran Aris	19 May 2021	Physical
Centre for intercultural dialog – CID	Florim Redzepi	19 May 2021	Physical
Entrepreneur	Mile Kostov	19 May 2021	Physical
Local action Group (LAG) Aber 2015	Bojan Bojkovski	19 May 2021	Physical
Municipality Kumanovo / EU funding	Irena Danevska	19 May 2021	Physical
Municipality Kumanovo / EU funding	Teodora Tosevska	19 May 2021	Physical
NGO Kula Kratovo	Ivan Ivanovski	19 May 2021	Physical
Polog Region Focus Group 4			
Institution / Field	Representatives	Date	Comments
SEEU TechPark	Avni Arifi	27 May 2021	Physical
Youth Resource Centre “I Can”	Azir Aliu	27 May 2021	Physical
Centre for Development of Polog Planning Region (CDPPR)	Fatmir Saiti	27 May 2021	Physical
Municipality of Tetovo – Education Department	Enver Beqiri	27 May 2021	Physical
ESA Tetovo	Nebi Jusufi	27 May 2021	Physical
Business Centre at Centre for Development of Polog Planning Region (CDPPR)	Bojana Mladenovic	27 May 2021	Physical
LED Tetovo	Rugova Kurtishi	27 May 2021	Physical
LED Bogovinje	Ikmet Selmani	27 May 2021	Physical
University of Tetovo	Vjollca Hasani Limani	27 May 2021	Physical
Youth Resource Centre “I Can”	Bekim Jashari	27 May 2021	Physical
Polog Region Focus Group 5			
Institution / Field	Representatives	Date	Comments
ESA Gostivar	Muzafer Tairi	27 May 2021	Physical
ESA Tetovo	Nebi Jusufi	27 May 2021	Physical
Community Development Institute (CDI)	Sreten Koceski	27 May 2021	Physical
Youth Resource Centre “I Can”	Bekim Jashari	27 May 2021	Physical
Multipark LLC	Lumni Ajvazi	27 May 2021	Physical
Multipark LLC	Nebi Izairi	27 May 2021	Physical
Lawyer	Albin Bexheti	27 May 2021	Physical
Accountant	Lutfi Asani	27 May 2021	Physical
Co-Work Gostivar	Lokman Musliu	27 May 2021	Physical
University of Tetovo	Elsana Aqifi	27 May 2021	Physical
University of Tetovo	Bardhyl Dauti	27 May 2021	Physical

13. Annex 2: List of Interacting Actors

National Level

Name	Coverage / Locality	Policy	
		Subcategory	Link / URL
Government of Republic of North Macedonia	MK (nationwide)	Government	www.vlada.mk
Cabinet of the Deputy Prime Minister for Economic Affairs, Coordination of economic instruments and investments	MK (nationwide)	Government	FB Twitter Instagram
Ministry of Economy	MK (nationwide)	Government	https://economy.gov.mk
Ministry of Education and Science	MK (nationwide)	Government	https://mon.gov.mk
Ministry of Finance	MK (nationwide)	Government	https://finance.gov.mk
Ministry for Local Self-Government	MK (nationwide)	Government	https://mls.gov.mk
Ministry of Information Society and Administration (MIOA)	MK (nationwide)	Government	https://mioa.gov.mk
Ministry of Agriculture, Forestry and Water Economy	MK (nationwide)	Government	http://www.mzsv.gov.mk
Ministry of Labour and Social Policy	MK (nationwide)	Government	https://www.mtsp.gov.mk
Agency for Promotion of Entrepreneurship of the Republic of North Macedonia	MK (nationwide)	Government	http://apprm.gov.mk
Agency for Promotion and Support of Tourism	MK (nationwide)	Government	http://tourismmacedonia.gov.mk
Invest North Macedonia	MK (nationwide)	Government	https://investnorthmacedonia.gov.mk
Free Zones Authority	MK (nationwide)	Government	https://fez.gov.mk
Employment Service Agency	MK (nationwide)	Government	https://av.gov.mk
State office of industrial property	MK (nationwide)	Government	http://www.ippo.gov.mk
Bureau for Regional Development	MK (nationwide)	Government	https://brr.gov.mk
Center for Vocational Education and Training	MK (nationwide)	Public institution	http://csoo.edu.mk

Adult Education Centre	MK (nationwide)	Public institution	http://cov.gov.mk
Agency for financial support of Agriculture and Rural development	MK (nationwide)	Government	http://www.ipardpa.gov.mk
National Extension Agency	MK (nationwide)	Government	https://agencija.gov.mk

Support			
Name	Coverage / Locality	Subcategory	Link / URL
Economic Chamber of Commerce Macedonia	MK (nationwide)/ Skopje	Economic Chamber	https://www.mchamber.mk
Economic Chamber of North-West Macedonia	MK (nationwide)/ Skopje	Economic Chamber	https://oemvp.org
Macedonian Chambers of Commerce	MK (nationwide)/ Skopje	Economic Chamber	https://chamber.mk
MASIT - ICT Chamber of Commerce	MK (nationwide)/ Skopje	Economic Chamber	https://masit.org.mk
Delegation of the German economy in North Macedonia (AHK)	MK/ Germany (nationwide)/ Skopje	Economic chamber	https://nordmazedonien.ahk.de
Macedonian-German economic association (DMWV)	MK/ Germany (nationwide)/ Skopje	Business Association	LINK
Business Accelerator UKIM (at FEIT Faculty) - Skopje	MK (nationwide)/ Skopje	Business Support Organisation (BSO)	https://accelerator.ukim.mk
Accelerator Seavus - Skopje	MK (nationwide)/ Skopje	BSO	https://seavusaccelerator.com
Accelerator X Factor - Veles	MK (nationwide)/ Veles	BSO	http://xfacc.mk
CEED Hub Skopje	MK (nationwide)/ Skopje	BSO	https://ceedhub.mk
Start-up Macedonia	MK (nationwide)/ Skopje	BSO	https://startupmacedonia.mk
Euro-Macedonian knowledge innovation center (EMKICE)	MK (nationwide)/ Skopje	BSO	https://emkice.mk
NEWMAN's Business Accelerator	MK (nationwide)/ Skopje	BSO	http://www.newmansba.com
Funky Co-working	Skopje	BSO	FB
Public room	Skopje	BSO	http://publicroom.org
Coffice	Skopje	BSO	http://www.coffice.com.mk

Next Gen Center Center Skopje	Skopje	BSO	http://www.nextgen.mk
Open space	Skopje	BSO	http://openspace.mk
Social Innovation Hub	MK (nationwide)/ Skopje	BSO	FB
Social Impact Lab	MK (nationwide)/ Skopje	BSO	http://socialimpactlab.co
Co&Work Skopje	Skopje	BSO	http://www.cowork.mk
Brainster Space	MK (nationwide)/ Skopje	BSO	https://brainster.co
YES Foundation	MK (nationwide)/ Skopje	BSO	http://www.yes.org.mk
YES Network	MK (nationwide)/ Skopje	BSO	http://www.yes-network.org
Association for Development of New Options (ARNO)	MK (nationwide)/ Skopje	BSO	http://www.arno.org.mk
Seavus Incubator	MK (nationwide)/ Skopje	BSO	http://www.seavusincubator.com
Seavus Education & Development Center (SEDC)	MK (nationwide)/ Skopje	BSO	https://www.sedc.mk
Business Impact Lab Skopje	MK (nationwide)/ Skopje	BSO	http://www.businessimpactlab.com
Association for research, communication and development "Public" Skopje	MK (nationwide)/ Skopje	BSO	https://public.org.mk
Association of business women	MK (nationwide)/ Skopje	BSO	FB
Foundation for Management & Industrial Research (MIR)	MK (nationwide)/ Skopje	BSO	http://www.mir.org.mk
Berin DOO Intellectual Property Agency	MK (nationwide)/ Skopje	Private company	https://www.berin.mk
MAP - Macedonian Association of (Fruit and Vegetables) Processors	MK (nationwide)/ Skopje	Business Association	http://map.org.mk
Business Confederation of Macedonia	MK (nationwide)/ Skopje	Employers Association	http://bcm.mk
Regional Environmental Center (REC) Macedonia	MK (nationwide)/ Skopje	NGO	http://mk.rec.org

NGO "Center for Climate Changes" (CCC) - Gevgelija	MK (nationwide)/ Gevgelija/ Skopje/ Ohrid	NGO	https://ckp.org.mk
Attorney Chamber of the Republic of North Macedonia '	MK (nationwide)/ Skopje	Professional Association	https://www.mba.org.mk
Institute of Accountants and Chartered Accountants of the Republic of Macedonia (ISOS)	MK (nationwide)/ Skopje	Professional Association	https://www.isos.com.mk
City of Skopje Innovation Centre – Skopje	Skopje	BSO	https://www.innovationlab.mk
Skopje Lab – Centre for innovations of the City of Skopje	Skopje	BSO	https://skopjelaab.mk
Macedonian e-Commerce Association	MK (nationwide)/ Skopje	Business Association	https://ecommerce.mk
Roma Entrepreneurship Development Initiative REDI - Skopje	Eastern Europe and Balkans	Regional NGO	https://redi-ngo.eu
NGO Readiness for Europe	MK (nationwide)/ Skopje	NGO	www.re2020.org.mk
European Policy Institute (EPI)	MK (nationwide)/ Skopje	NGO	www.epi.org.mk
Economic Research & Policy Institute Finance think	MK (nationwide)/ Skopje	NGO	https://www.financethink.mk
Center for Research & Policy Making CRPM	MK (nationwide)/ Skopje	NGO	http://www.crpm.org.mk
National centre for development of innovation and entrepreneurial learning (NCDIEL)	MK (nationwide)/ Skopje	BSO	https://ncdiel.mk
Macedonian Association of metal and electrical industry (MAMEI)	MK (nationwide)/ Skopje	Business Association	https://mamei.mk
Union of Macedonian Associations of Creative Industries (UMPACI)	MK (nationwide)/ Skopje	Business Association	https://umpaci.com
Start-up Academy	MK (nationwide)/ Skopje	BSO	FB
NGO CEFE Macedonia	MK (nationwide)/ Skopje	BSO	https://cefe.mk

Macedonian Civic Education Centre (MCEC)	MK (nationwide)/ Skopje	BSO	https://www.mcgo.org.mk
NGO Konekt	MK (nationwide)/ Skopje	BSO	https://konekt.org.mk
Habitat for Humanity Macedonia	MK (nationwide)/ Skopje	BSO	http://www.habitat.org.mk
Centre for Energy Efficiency of Macedonia (MACEF)	MK (nationwide)/ Skopje	BSO	https://macef.org.mk
Association for businesses and consultants "Kreacija"	MK (nationwide)/ Skopje	BSO	https://www.kreacija.org
Union of Associations of engineers "Engineering Institution of Macedonia"	MK (nationwide)/ Skopje	BSO	www.engineer.org.mk
Small Business Chamber	MK (nationwide)/ Skopje	Economic Chamber	https://www.sbch.org.mk
PwC Academy	MK (nationwide)/ Skopje	Private company	https://www.pwc.com/mk/en/services/pwc_academy.html
Macedonia 2025	MK (nationwide)/ Skopje	International, independent, non-political 'think & do' tank	https://www.macedonia2025.com

Finance			
Name	Coverage / Locality	Subcategory	Link / URL
Fund for Innovation and Technological Development (FITD)	MK (nationwide)	Government Fund	https://fitr.mk
Silk Road Bank AD Skopje	MK (nationwide)	Bank	www.silkroadbank.com.mk
Halk bank AD Skopje	MK (nationwide)	Bank	www.halkbank.mk
Sparkasse bank Makedonija AD Skopje	MK (nationwide)	Bank	https://sparkasse.mk
Capital bank AD Skopje	MK (nationwide)	Bank	http://www.capitalbank.com.mk
Komercijalna banka AD Skopje	MK (nationwide)	Bank	https://www.kb.com.mk
NLB banka AD Skopje	MK (nationwide)	Bank	http://www.nlb.mk
Ohridska banka AD Skopje	MK (nationwide)	Bank	https://www.ohridskabanka.mk
ProCredit bank AD Skopje	MK (nationwide)	Bank	https://www.pcb.mk

Centralna kooperativna banka AD Skopje	MK (nationwide)	Bank	http://www.ccbank.mk
Stopanska banka AD Skopje	MK (nationwide)	Bank	https://www.stb.com.mk
Stopanska banka AD Bitola	MK (nationwide)	Bank	https://www.stbbt.mk
TTK Banka AD Skopje	MK (nationwide)	Bank	http://www.ttk.com.mk
Universal investment (Uni) bank AD Skopje	MK (nationwide)	Bank	https://www.unibank.mk
Development Bank of North Macedonia AD Skopje	MK (nationwide)	Development Bank	https://www.mbdp.com.mk
National Bank of North Macedonia	MK (nationwide)	National Bank	https://www.nbrm.mk
Microcredit Foundation Horizonti	MK (nationwide)	Foundation	https://horizonti.org.mk
Savings House Moznosti	MK (nationwide)	Savings house	http://www.moznosti.com.mk
Alliance of Microfinance Organizations from Macedonia (MF)	MK (nationwide)	Union of microfinance organisations	http://www.mfo.mk
Saving House FULM	MK (nationwide)	Savings house	https://www.fulm.com.mk
Financial Credit Centre BS	MK (nationwide)	Financial entity	https://fkCBS.com.mk
Faktor Trust	MK (nationwide)	Financial entity	http://www.faktortrust.com.mk
Audit company RSM Macedonia DOOEL Skopje	MK (nationwide)	Financial entity	https://www.rsm.global/macedonia
Euro MK doo	MK (nationwide)	Financial entity	http://www.euomk.com.mk
EOS Matrix Macedonia	MK (nationwide)	Receivables management	https://mk.eos-solutions.com
Macedonian Enterprise Development Foundation (MEDF)	MK (nationwide)	Foundation	https://www.mrfp.org.mk
PCES doo	MK/ Worldwide	PCES Broker for Financial Institutions	http://pces.mk
Macedonian Credit Bureau	MK (nationwide)	Credit bureau	https://mkb.mk
South Central Ventures	SEE (regional)	Venture Capital Fund	https://sc-ventures.com
Crimson Development Foundation	MK (nationwide)	Foundation	http://www.crimsoncapital.org
SEAF Macedonia	MK (nationwide)	Private Equity Fund	https://www.seaf.com/investing/europe/seaf-macedonia
CEED Macedonia	MK (nationwide)	Foundation	www.ceed-macedonia.org
CEED Business Angels Club	MK (nationwide)	Network of Business Angels	FB

Innovation 2 Business Angel Network (I2Ban)	MK (nationwide)	Network of Business Angels	FB
Business Angels Macedonia	MK (nationwide)	Network of Business Angels	FB
Summer Work & Travel Alumni	MK (nationwide)	Crowdfunding platform	FB
World Business Angels Investment Forum (WBAF) Angel Investment fund	Worldwide	Business Angels Investment Fund	FB
Macedonian Banking Association	MK (nationwide)	Business Association	https://mba.mk
Alternative Financial Services Association of North Macedonia	MK (nationwide)	Business Association	https://afd.mk

Human Capital			
Name	Coverage / Locality	Subcategory	Link / URL
University "Ss. Cyril and Methodius" (UKIM)	Skopje	University	http://www.ukim.edu.mk
University "St. Kliment Ohridski" (UKLO)	Bitola	University	https://www.uklo.edu.mk
University "Goce Delcev"	Shtip	University	https://www.ugd.edu.mk
University "Mother Teresa"	Skopje	University	http://unt.edu.mk/mk
European University	Skopje	University	https://www.eu.edu.mk
University American College	Skopje	University	https://uacs.edu.mk
American University of Europe, AUE-FON	Skopje	University	https://aue.edu.eu
International Balkan University	Skopje	University	https://www.ibu.edu.mk
University for Tourism and Management	Skopje	University	https://www.utms.edu.mk
University of Audio-visual Arts, European Film Academy, ESRA Paris - Skopje - New York	Skopje	University	http://www.esra.com.mk
International Slavic University Gavril Romanovich Derzhavin (MSU)	Sveti Nikole	University	https://msu.edu.mk
MIT University	Skopje	University	https://www.mit.edu.mk
University Euro Balkan	Skopje	University	http://www.euba.edu.mk

Integrated Business Faculty	Skopje	Faculty	http://www.fbe.edu.mk
Business Academy Smilevski	Skopje	Higher vocational school	http://www.bas.edu.mk
Managers Academy/ University of Sheffield International Faculty, CITY College	Skopje	Higher vocational school	https://managersacademy.mk
Institute for advanced composites and robotics	Prilep	Private scientific institution	https://www.iacr.edu.mk
Private Higher Vocational School for Journalism and Public Relations	Skopje	Higher vocational school	https://www.vs.edu.mk
Institute for communicational studies	Skopje	Private scientific institution	https://iks.edu.mk
Institute for Social and Humanistic Research	Skopje	Non-for-profit scientific institution	http://www.isshs.edu.mk
Institute for business economy	Skopje	Private scientific institution	http://ibi.edu.mk
Franklin University of Ohio in cooperation with UKLO	Bitola/ USA	Foreign higher education institution	Link https://www.franklin.edu
Economic Faculty – Ljubljana in cooperation with MSU	Sveti Nikole/ Slovenia	Foreign higher education institution	Link https://www.uni-lj.si/eng
Institute for Research in Environment, Civil Engineering and Energy (IEGE)	Skopje	Privately owned Scientific Research Institution	http://www.iege.edu.mk
The Lifelong Learning Center	Skopje	Umbrella organisation of providers of non-formal adult education	https://lifelonglearning.mk

Markets			
Name	Coverage / Locality	Subcategory	Link / URL
National Bank of North Macedonia/ Central Bank Bills Auctions	MK (nationwide)	National Bank	LINK
National Bank of North Macedonia/ Interbank Deposit Market	MK (nationwide)	National Bank	LINK

National Bank of North Macedonia/ Government Security Auctions	MK (nationwide)	National Bank	LINK
National Bank of North Macedonia/ Secondary Markets	MK (nationwide)	National Bank	LINK
MIOA/ e-services for the businesses and the citizens	MK (nationwide)	Government	www.uslugi.gov.mk
National Electronic Register of Regulations (ENER)	MK (nationwide)	Government	https://ener.gov.mk
Ministry of Economy/ e-services businesses	MK (nationwide)	Government	www.konkurentnost.mk
Employment Service Agency/ portal for job seekers and employers	MK (nationwide)	Government	http://av.gov.mk
Agency for Real Estate Cadastre/ portal with geospatial data and status of services	MK (nationwide)	Government	https://www.katastar.gov.mk
Health Insurance Fund/ portal for health insurance services	MK (nationwide)	Government	www.fzo.org.mk
Ministry of Labour and Social Policy/ Pension and Disability Insurance Fund	MK (nationwide)	Government	http://www.piom.com.mk
Ministry of Transport and Communications/ portal for e-Building permits	MK (nationwide)	Government	https://www.gradezna-dozvola.mk
Customs Administration/ portal with information on licences for import-export and transit of goods	MK (nationwide)	Government	www.exim.gov.mk
Ministry of Finance/ Public Revenue Office	MK (nationwide)	Government	https://etax-fl.ujp.gov.mk
Public Procurement Bureau	MK (nationwide)	Government	https://e-nabavki.gov.mk
Macedonian Stock Exchange	MK (nationwide)	Stock exchange	https://www.mse.mk
Central Registry of the Republic of North Macedonia	MK (nationwide)	Central Registry	https://www.crm.com.mk
State Statistical Office	MK (nationwide)	State Statistical Office	https://www.stat.gov.mk

State Statistical Office/ makstat database	MK (nationwide)	State Statistical Office	http://makstat.stat.gov.mk
National Bank of the Republic of North Macedonia / statistical portal	MK (nationwide)	National Bank	https://nbstat.nbrm.mk
Agency Invest North Macedonia/ export portal	MK (nationwide)	Government	http://export.investnorthmacedonia.gov.mk
Agency Invest North Macedonia/ brownfield portal	MK (nationwide)	Government	http://brownfield.investnorthmacedonia.gov.mk/
Agency Invest North Macedonia/ suppliers portal	MK (nationwide)	Government	http://supplier.investnorthmacedonia.gov.mk
Agency Invest North Macedonia/ market information	MK (nationwide)	Government	https://investnorthmacedonia.gov.mk/export
Agency for Free Economic Zones/ investment opportunities	MK (nationwide)	Government	https://fez.gov.mk
Agricultural Market Information System	MK (nationwide)	Government	http://ponudapobaruvalacka.zpis.gov.mk
Macedonian Chambers of Commerce	MK (nationwide)	Economic chamber	https://chamber.mk
Economic Chamber of North Macedonia	MK (nationwide)	Economic chamber	https://www.mchamber.mk
Economic Chamber of North-West Macedonia	MK (nationwide)	Economic chamber	https://oemvp.org
MASIT – ICT Chamber	MK (nationwide)	Business Association	https://masit.org.mk
MAP Macedonian Association of Fruit and Vegetable Processors (MAP)	MK (nationwide)	Business Association	http://map.org.mk
Macedonian Association for e-Commerce	MK (nationwide)	Business Association	https://ecommerce.mk
Macedonian Association of metal and electrical industry (MAMEI)	MK (nationwide)	Business Association	https://mamei.mk
Delegation of the German economy in North Macedonia (AHK)	MK/ Germany (nationwide)	Economic chamber	https://nordmazedonien.ahk.de
Macedonian-German economic association (DMWV)	MK/ Germany (nationwide)	Business Association	LINK
Target Group/ Biznis mreza	MK (nationwide)	Business data and intelligence	http://biznismreza.mk

Data masters / Academy	MK (nationwide)	Business data and intelligence	https://www.datamasters.co
R3 Infomedia/ Zlatna kniga	MK (nationwide)	Business data	https://zk.mk
e-kupi	MK (nationwide)	Online store	https://www.ekupi.mk
Kliknijadi	MK (nationwide)	Online food delivery	https://www.kliknijadi.mk
One Stop shop	MK (nationwide)	Online store	https://onestopshop.mk
Kajgana Media doo	MK (nationwide)	Online store	https://shop.kajgana.com
SS Media DK DOOEL	MK (nationwide)	Online store	https://onlineshopping.mk
Webspot/Grouper	MK (nationwide)	Online store	https://grouper.mk
R3 Infomedia/Market Konekt	MK (nationwide)	Online store	https://marketkonekt.com
Paket Market doo Skopje	MK (nationwide)	Online supermarket	https://www.paket.mk
Kupuvaj Online	MK (nationwide)	Online store	https://www.kupuvajonline.net
Kliknikupi	MK (nationwide)	Online store	https://www.kliknikupi.mk
Nama	MK (nationwide)	Online store	https://nama.mk
Outleton	MK (nationwide)	Online store	https://outleton.com
NikMit	MK (nationwide)	Online store	https://nikmit.mk
Fashion Group	MK (nationwide)	Online store	https://www.fashiongroup.com.mk
Bifeks	MK (nationwide)	Online store	https://www.bifeks.com
Tim Institut	MK (nationwide)	Market research companies	http://www.timinstitut.mk
BSC Estek	MK (nationwide)	Market research companies	https://estek.com.mk
Indago	MK (nationwide)	Market research companies	https://indago.mk
M-Prospect	MK (nationwide)	Market research companies	http://m-prospect.com
Rating Agency	MK (nationwide)	Market research companies	https://rating.mk
IPSOS	MK (nationwide)	Market research companies	https://www.ipsos.com/mk-mk
German Embassy in Skopje	Worldwide	Market information	https://skopje.diplo.de/mk-mk/themen/wirtschaft
Swiss Import Promotion Programme (SIPPO)	Worldwide	Market information	https://www.sippo.ch
OECD	Worldwide	Market information	LINK
World Bank	Worldwide	Market information	LINK

Media			
Name	Coverage / Locality	Subcategory	Link / URL
Public Broadcasting Company MACEDONIAN RADIO TELEVISION Skopje	MK (nationwide)	Public service	http://mrt.com.mk
Trade Broadcasting Company ALFA TV DOOEL Skopje	MK (nationwide)	State-level TV through a digital terrestrial multiplex operator	https://alfa.mk
Trade Broadcasting Company ALSAT - M DOO Skopje	MK (nationwide)	State-level TV through a digital terrestrial multiplex operator	https://alsat.mk
Trade Broadcasting Company KANAL 5 DOOEL Skopje	MK (nationwide)	State-level TV through a digital terrestrial multiplex operator	https://kanal5.com.mk
Trade Broadcasting Company Television SITEL DOOEL Skopje	MK (nationwide)	State-level TV through a digital terrestrial multiplex operator	https://sitel.com.mk
Trade Broadcasting Company TELEVIZIJA MAKPETROL DOOEL Skopje	MK (nationwide)	State-level TV through a digital terrestrial multiplex operator	https://telma.com.mk
Trade Broadcasting Company COMPANY 21- M DOOEL Skopje	MK (nationwide)	TV at the state level through an operator of a public electronic communication network	https://tv21.tv
Trade Broadcasting Company TV SHENJA DOOEL Skopje	MK (nationwide)	TV at the state level through an operator of a public electronic communication network	https://shenja.tv
Broadcasting company TELEVIZIJA SONCE DOOEL Prilep	MK (nationwide)	TV at the state level through an operator of a public electronic communication network	http://tv-sonce.com
Trade Broadcasting Company 24 VESTI DOOEL Stip	MK (nationwide)	State-level TV via satellite	https://24.mk
Broadcasting Company NASHA TV DOOEL - Skopje	MK (nationwide)	State-level TV via satellite	https://nasatv.com.mk
Public Broadcasting Company MACEDONIAN RADIO TELEVISION Skopje	MK (nationwide)	Public service	LINK

Trade Broadcasting Company RADIO ANTENNA 5 Petrov, Janevski and Gushev DOO Skopje	MK (nationwide)	Radio at the state level through a terrestrial transmitter	http://www.antenna5.com.mk
Trade Broadcasting Company Radio KANAL 77 DOOEL Stip	MK (nationwide)	Radio at the state level through a terrestrial transmitter	https://kanal77.mk
Broadcasting company METROPOLIS RADIO DOO Skopje	MK (nationwide)	Radio at the state level through a terrestrial transmitter	http://www.metropolisradio.com.mk
Biznis info	MK (nationwide)	Portal with business news	https://biznisinfo.mk
Inovativnost	MK (nationwide)	Portal with business news	https://inovativnost.mk
Fakulteti	MK (nationwide)	Portal with business news	https://www.fakulteti.mk
Faktor	MK (nationwide)	Portal with business news	https://faktor.mk
Pari	MK (nationwide)	Portal with business news	https://pari.com.mk
Bankarstvo	MK (nationwide)	Portal with business news	https://bankarstvo.mk
eMagazine	MK (nationwide)	Portal with business news	https://emagazin.mk/category/biznis
Biznis point	MK (nationwide)	Portal with business news	http://www.biznispoint.com
Vrabetovanje	MK (nationwide)	Portal for employment	https://www.vrabetovanje.com.mk
Najdi rabota	MK (nationwide)	Portal for employment	https://www.najdirabota.com.mk
Denar	MK (nationwide)	Portal with business news	https://denar.mk
Bankometar	MK (nationwide)	Portal with business news	https://www.bankometar.mk
Build mk	MK (nationwide)	Portal for construction business	http://www.build.mk
MIA	MK (nationwide)	Portal with business news	https://mia.mk/biznis
Plus info	MK (nationwide)	Portal with business news	https://plusinfo.mk/category/biznis
Pretpriemac	MK (nationwide)	Portal for business education	http://www.pretpriemac.com
Pretpriemac	MK (nationwide)	Portal for entrepreneurship	http://www.pretpriemac.mk
Exploring Macedonia	MK (nationwide)	Tourism portal	http://www.exploringmacedonia.com
Kapital	MK (nationwide)	Business magazine	https://kapital.mk
Ekonomija i Biznis	MK (nationwide)	Business magazine	https://www.ekonomijaibiznis.mk
Porta 3	MK (nationwide)	Magazine for construction, architecture and environment	https://www.porta3.mk

Official Gazette of the Republic of North Macedonia	MK (nationwide)	Official Gazette	https://www.slvesnik.com.mk
IT mk	MK (nationwide)	Portal for IT	https://www.it.mk
Smart portal	MK (nationwide)	Portal for IT and technology	https://www.smartportal.mk
Marketing365	MK (nationwide)	Portal for marketing, media and PR	https://marketing365.mk
Fashionel	MK (nationwide)	Portal for fashion	https://fashionel.mk
Zemjodelie	MK (nationwide)	Portal for agriculture	https://zemjodelie.mk
Trending topics in SEE	Regional (SEE)	Portal with section on start-ups	https://www.trendingtopics.eu/channel/startups

South-West Region

Policy			
Name	Coverage / Locality	Subcategory	Link / URL
Municipality of Vevcani	Municipality of Vevcani (local level)	Local Government	https://vevcani.gov.mk/
Municipality of Debar	Municipality of Debar (local level)	Local Government	http://dibra.gov.mk/newmk/
Municipality of Ohrid	Municipality of Ohrid (local level)	Local Government	https://ohrid.gov.mk/
Municipality of Kichevo	Municipality of Kichevo (local level)	Local Government	https://kicevo.gov.mk/mk/
Municipality of Makedonski Brod	Municipality of Makedonski Brod (local level)	Local Government	https://www.mbrod.gov.mk/index.php/mk/
Municipality of Plasnica	Municipality of Plasnica (local level)	Local Government	https://plasnica.gov.mk/
Municipality of Struga	Municipality of Struga (local level)	Local Government	https://www.struga.gov.mk/mk/
Municipality of Centar Zupa	Municipality of Centar Zupa (local level)	Local Government	https://merkezjupa.gov.mk/

Support			
Name	Coverage / Locality	Subcategory	Link / URL
The Center for Development of the Southwest Planning Region	SW region	Government	https://southwestregion.mk/en/
Innovation Hub	SW region	EU funded project	https://www.innov8cbc.com/
LDA Struga	SW region		http://www.ldastruga.org/
EDEN Ohrid	SW region	Cluster	https://eden.mk/

Finance			
Name	Coverage / Locality	Subcategory	Link / URL
See national level	MK (nationwide)	Bank	n/a

Human Capital			
Name	Coverage / Locality	Subcategory	Link / URL
University "St. Kliment Ohridski" (UKLO) – Faculty for tourism and hospitality - Ohrid	Ohrid	Faculty	n/a
University of Information Science and Technology "St. Paul the Apostle"	Ohrid	University	http://uist.edu.mk
International University of Struga	Struga	University	https://iust.edu.mk

Markets			
Name	Coverage / Locality	Subcategory	Link / URL
Agency for Promotion and Support of Tourism	All country	Tourism	http://tourismmacedonia.gov.mk/
Discover – Ohrid	SW region	Tourism	https://discoverohrid.mk/
UKION Doel	Country		https://www.ukion.mk/

Media			
Name	Coverage / Locality	Subcategory	Link / URL
Trade Broadcasting Company TV M Arnaudov Mihajlo Ohrid DOOEL	Regional/ South-West region	TV at the regional level through an operator of public electronic communication network that does not use limited resources	https://tvm.mk
Trade Broadcasting Company TELEVISION 3 DOOEL Skopje	Regional/ South-West region	TV at the regional level through an operator of public electronic communication network that does not use limited resources	https://tri.mk
Trade Broadcasting Company Jovan Trpeski TV MORIS DOOEL Ohrid	Local/ South-West region	TV at the local level through an operator of public electronic communication networks	FB
Trade Broadcasting Company T.V. KALTRINA Mazar Tateshi, Struga DOOEL	Local/ South-West region	TV at the local level through an operator of public electronic communication networks	FB
Trade company for broadcasting activity SPECTRA, Municipality of Labunista DOOEL	Local/ South-West region	TV at the local level through an operator of public electronic communication networks	https://spektra.com.mk
Trade Broadcasting Company DIBRA TV DOOEL Debar	Local/ South-West region	TV at the local level through an operator of public electronic communication networks	FB
Trade Broadcasting Company TV GURRA DOOEL Kicevo	Local/ South-West region	TV at the local level through an operator of public electronic communication networks	http://tvgurra.net
Trade Broadcasting Company TV-ANISA DOOEL v. Plasnica-Plasnica	Local/ South-West region	TV at the local level through an operator of public electronic communication networks	FB
Trade Broadcasting Company TELEVISION USKANA MEDIA DOOEL Kicevo	Local/ South-West region	TV at the local level through an operator of public electronic communication networks	http://www.uskana.mk
Broadcasting company Jon-Radio DOOEL Struga	MK (nationwide)	Radio at the state level through a terrestrial transmitter	http://www.jonradio.mk
Trade and broadcasting company RADIO	Local/ South-West region	Radio at local level via terrestrial transmitter	FB

ALEXANDER MACEDONIAN Ilija Tanevski Kicevo DOOEL			
Trade radio-broadcasting company RADIO AKORD DOOEL Kicevo	Local/ South- West region	Radio at local level via terrestrial transmitter	FB
Trade Broadcasting Company RADIO MEDISON DOOEL Kicevo	Local/ South- West region	Radio at local level via terrestrial transmitter	http://radiomedison. mk
Trade company for broadcasting RADIO USKANA-PLUS uvoz- izvoz DOOEL Kicevo	Local/ South- West region	Radio at local level via terrestrial transmitter	FB
Trade Broadcasting Company Ivancho Pashoski RADIO LAV DOOEL Ohrid	Local/ South- West region	Radio at local level via terrestrial transmitter	FB
Trade Broadcasting Company Zoran Zdravkovic MH - RADIO Ohrid DOOEL	Local/ South- West region	Radio at local level via terrestrial transmitter	n/a
Limited Liability Company for Broadcasting Mitanoski Vele SUPER RADIO Ohrid DOOEL	Local/ South- West region	Radio at local level via terrestrial transmitter	https://superradio.c om.mk
Trade Broadcasting Company RTV DRINI DOOEL Struga	Local/ South- West region	Radio at local level via terrestrial transmitter	n/a
Company for telecommunications and broadcasting PLEJ RADIO Struga DOOEL	Local/ South- West region	Radio at local level via terrestrial transmitter	FB
Company for performing broadcasting activity radio on local level RADIO RRAPI Municipality of Struga DOOEL	Local/ South- West region	Radio at local level via terrestrial transmitter	https://rrapi.mk
Commercial Broadcasting company RADIO 102KA- FM DOOEL Struga	Local/ South- West region	Radio at local level via terrestrial transmitter	https://102.mk
Ohrid 24	Web portal	Web news	www.ohrid24.info
Ohrid news	Web portal	Web news	www.ohridnews.com
Ohrid info	Web portal	Web news	www.ohridinfo.com
Alaturka	Web portal	Web news	https://www.alaturk a.info
Vox struga	Web portal	Web news	https://voxstruga.mk

Municipality of Resen

Policy			
Name	Coverage / Locality	Subcategory	Link / URL
Municipality of Resen	Municipality of Resen (local level)	Local Government	http://resen.gov.mk/
Council for development of Pelagonija planning region	Regional (Pelagonija region)	Development	https://pelagonijaregion.mk/?lang=en
Employment Centre (EC) – Resen	Local	Employment agency	http://av.gov.mk/home.nspx
Socio-Economic Council – Resen	Local	Social	http://www.orm.org.mk/index.php/en/component/k2/item/238-fonded-local-economic-and-social-council-in-a-municipality-resen
National Extension Agency – Resen	Local	Agriculture	https://agencija.gov.mk/

Support			
Name	Coverage / Locality	Subcategory	Link / URL
LAG Prespa	Regional	Support	http://www.prespalag.com
Agricultural cooperative PRESPA APPLE	Local	Support	https://agrotim.mk/agron-redhepi/
Agricultural cooperative RESGRUP	Local	Support	https://agrotim.mk/mende-ivanovski-zadrugite-se-idnina-na-makedonskoto-zemjodelstvo
Agricultural cooperative KRANI	Local	Support	LINK TO FB page
Agricultural cooperative PRESPANKA – PRESPA APPLE	Local	Support	LINK to FB page

Finance			
Name	Coverage / Locality	Subcategory	Link / URL
See national level	MK (nationwide)	Bank	n/a

Human Capital			
Name	Coverage / Locality	Subcategory	Link / URL
SOU Car Samoil	Local	Agriculture	https://www.facebook.com/csamoil
Logos plus	Local	ICT	http://www.logosplus.mk/

Markets			
Name	Coverage / Locality	Subcategory	Link / URL
Pazar 3	Country level	Market	https://www.pazar3.mk
Green Balkan Express	Regional	Market	https://greenbalkanexpress.com

Cyber Green Market	Regional	Market	https://cybergreenmarket.com
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Media			
Name	Coverage / Locality	Subcategory	Link / URL
Trade Broadcasting Company TV Studio TERA Mangovski Zoran Bitola DOOEL	Regional/ Pelagonija Region (Resen)	TV at the regional level through an operator of public electronic communication network that does not use limited resources	https://tera.mk
Prespa Info	Local	News	https://prespainfo.com/

North-East Region

Policy			
Name	Coverage / Locality	Subcategory	Link / URL
Municipality of Kumanovo	Municipality of Kumanovo (local level)	Local Government	https://kumanovo.gov.mk/
Municipality of Kriva Palanka	Municipality of Kriva Palanka (local level)	Local Government	https://www.krivapalanka.gov.mk/en/
Municipality of Kratovo	Municipality of Kratovo (local level)	Local Government	https://www.opstinakratovo.gov.mk/?lang=en
Municipality of Lipkovo	Municipality of Lipkovo (local level)	Local Government	N/A
Municipality of Staro Nagoricane	Municipality of Staro Nagoricane (local level)	Local Government	http://staronagoricane.gov.mk/
Municipality of Rankovce	Municipality of Rankovce (local level)	Local Government	http://rankovce.gov.mk/

Support			
Name	Coverage / Locality	Subcategory	Link / URL
Centre for development of North-East planning region			https://northeastregion.gov.mk/

Finance			
Name	Coverage / Locality	Subcategory	Link / URL
See national level	MK (nationwide)	Bank	n/a

Human Capital			
Name	Coverage / Locality	Subcategory	Link / URL
Private Higher Education Professional Institution for Business Studies "Euro College"	Kumanovo	Higher vocational school	https://www.eurocollege.edu.mk
University of Tetova	Kumanovo	n/a	n/a

Markets			
Name	Coverage / Locality	Subcategory	Link / URL
See national level	MK (nationwide)	n/a	n/a

Media			
Name	Coverage / Locality	Subcategory	Link / URL
Trade Broadcasting Company TELEVISION PLUS DOO Kumanovo	Local/ North-East region	TV at the local level through an operator of public electronic communication networks	https://tvplus.mk

Trade Broadcasting Company TV KANAL FESTA DOOEL Kumanovo	Local/ East and North-East region	TV at the local level through an operator of public electronic communication networks	FB
Trade Broadcasting Company PROTEL DOOEL Probitip	Local/ East and North-East region	TV at the local level through an operator of public electronic communication networks	FB
Trade radio-broadcasting company ALJBANA PLUS DOOEL - Kumanovo	Local/ North-East region	Radio at local level via terrestrial transmitter	n/a
Trade Broadcasting Company RADIO BRAVO DOOEL Kumanovo	Local/ North-East region	Radio at local level via terrestrial transmitter	http://radiobravo.com.mk
Trade Broadcasting Company RADIO BUM DOOEL Kumanovo	Local/ North-East region	Radio at local level via terrestrial transmitter	https://radiobum.com.mk
Trade Broadcasting Company RADIO JEHONA FM DOOEL Kumanovo	Local/ North-East region	Radio at local level via terrestrial transmitter	FB
Kumanovo News	Local/ North-East region	Portal with business news	https://kumanovonews.mk
Kumanovski muabeti	Local/ North-East region	Portal with business news	https://kumanovskimubeti.mk

Polog Region

Policy			
Name	Coverage / Locality	Subcategory	Link / URL
Municipality of Tetovo	Municipality of Tetovo (local level)	Local Government	https://www.tetova.gov.mk/
Municipality of Gostivar	Municipality of Gostivar	Local Government	http://gostivari.gov.mk/mk/
Municipality of Tearce	Municipality of Tearce	Local Government	https://www.tearce.gov.mk/
Municipality of Bogovinje	Municipality of Bogovinje	Local Government	http://komunabogovine.gov.mk/
Municipality of Vrapciste	Municipality of Vrapciste	Local Government	https://komunavrapcisht.gov.mk/
Municipality of Zhelino	Municipality of Zhelino	Local Government	http://mkd.zhelina.gov.mk/
Municipality of Jegunovce	Municipality of Jegunovce	Local Government	https://opstinajegunovce.gov.mk/
Municipality of Mavrovo and Rostushe	Municipality of Mavrovo and Rostushe	Local Government	http://www.mavrovoirostuse.gov.mk/
Municipality of Brvenica	Municipality of Brvenica	Local Government	http://www.brvenica.gov.mk/

Support			
Name	Coverage / Locality	Subcategory	Link / URL
SEEU TechPark	Tetovo	BSO	https://techpark.seeu.edu.mk/
Co-Work Gostivar	Gostivar	BSO	https://www.cwrk.mk/
Youth Resource Center "I Can"	Gostivar	BSO	https://ican.mk/
ESA Tetovo	Tetovo	BSO	http://www.esate.com.mk/
CDPPR Polog	Polog Region	BSO	https://rdcpolog.mk/
ESA Gostivar	Gostivar	BSO	http://www.esa.com.mk/
COORDEA	Tetovo/Skopje	Private BSO	https://coordea.com/

Finance			
Name	Coverage / Locality	Subcategory	Link / URL
See national level	MK (nationwide)	Bank	n/a

Human Capital			
Name	Coverage / Locality	Subcategory	Link / URL
South East European University (SEEU)	Tetovo	University	https://www.seeu.edu.mk
University of Tetovo	Tetovo	University	https://unite.edu.mk
International Vision University	Gostivar	University	https://www.vizyon.edu.mk

Markets			
Name	Coverage / Locality	Subcategory	Link / URL
See national level	MK (nationwide)	n/a	n/a

Media			
Name	Coverage / Locality	Subcategory	Link / URL
Globi TV	Regional/ Polog Region	TV at the regional level	http://globi.mk/
Trade radio broadcasting company TV Koha Mevaip DOOEL Tetovo	Regional/ Polog Region	TV at the regional level through a digital terrestrial multiplex operator	http://tvkoha.tv
Trade Broadcasting Company TELEVISION POLOG DOOEL Tetovo	Regional/ Polog Region	TV at the regional level through an operator of public electronic communication network that does not use limited resources	https://pollogu.mk
Trade Broadcasting Company TOPESTRADA DOOEL Tetovo	Regional/ Polog Region	TV at the regional level through an operator of public electronic communication network that does not use limited resources	https://topestrada.tv
Trade Broadcasting Company TV K & M KISS & MENADA DOOEL Tetovo	Regional/ Polog Region	TV at the regional level through an operator of public electronic communication network that does not use limited resources	https://kiss-menada.mk
Trade Broadcasting Company TV DUE Nazmi DOOEL Gostivar	Local/ Polog region	TV at the local level through an operator of public electronic communication networks	
Trade Broadcasting Company G-TELEVIZIJA DOOEL Gostivar	Local/ Polog region	TV at the local level through an operator of public electronic communication networks	
Commercial Broadcasting Company KLAN MACEDONIA	Tetovo, MK (nationwide)	TV at the state level through an operator of a public electronic	https://klanmacedonia.mk

DOOEL export-import Tetovo		communication network	
Trade Broadcasting Company KOMETA 2000 Rade DOOEL Gostivar	Gostivar	Radio	http://www.radiokometa.com.mk/ (web site not functional)
Trade Broadcasting Company RADIO PRO-FM DOOEL Gostivar	Gostivar	Radio	http://profm.com.mk/
Trade Broadcasting Company BALKAN FM RADIO DOOEL Gostivar	Gostivar	Radio	http://www.balkanfmcbc.com/ (web site not functional) FB (last posted on 25 March, 2021)
Trade Broadcasting Company BLETA DOOEL Tetovo	Tetovo	Radio	http://www.radiobleta.info/ (web site not functional) FB (last posted on 12 June, 2019) https://onlineradiobox.com/mk/bleta/?cs=mk.bleta (radio available by another provider "Online Radio Box")
Trade Broadcasting Company RADIO KISS DOOEL Tetovo	Tetovo	Radio	https://www.webcybernetics.eu/station/radio-kiss-tetovo/ (radio available by another provider "Web Cybernetics") FB (last posted on 27 December, 2020)
Trade radio broadcasting company RADIO FAMA DOO Tetovo	Tetovo	Radio	http://www.radiofama.org/ (web site not functional)
Trade Broadcasting Company RADIO RED FM DOOEL Tetovo	Tetovo	Radio	http://radioredfm.online/ FB (last posted on 2 April, 2021)
Trade radio broadcasting company PLUS FORTE DOOEL Tetovo	Tetovo	Radio	https://plusforteradio.wordpress.com/ FB
TV Koha	Tetovo	News Portal	http://tvkoha.tv/