

### III. COUNTRY PRIORITIES AND STRATEGY FRAMEWORK

49. **FYR Macedonia has established a generally clear and consistent policy direction.** During the nearly twenty years since independence, successive governments have, by and large, maintained a prudent, pro-growth macroeconomic framework, and introduced ambitious structural reforms while making determined and innovative investments in social protection.

50. **The current Government campaigned on and is now carrying out a development program for 2008 to 2012—*Rebirth in 100 Steps*—which set out clear overarching objectives; specifically, the Government has committed to:**

- increase economic growth and competitiveness to generate higher rates of employment and improved living standards;
- integrate FYR Macedonia into the EU;
- strengthen public administration and transparency and the rule of law;
- maintain good inter-ethnic relations and coexistence upon the principles of mutual tolerance and respect; and
- invest in education as the most successful way of creating strong individuals.<sup>12</sup>

51. **Though advocating reforms in diverse sectors, the Government program highlights growth and employment challenges and states that “a strong economy is the basis for everything.”** The Plan supports achieving faster, sustainable growth as the means to create jobs and improve living standards. Specifically, “One Hundred Steps” identifies macroeconomic stability, sustainable debt levels, and low taxes as the foundation for growth. But it also recognizes complementary conditions, such as a favorable business environment, a more efficient agriculture sector, improved infrastructure, and better education and health systems. The Program strives for “honesty” in governance, and identifies reforms to strengthen government reporting, judicial services, and anti-corruption activities as central. Across all sectors, the Plan prioritizes upgrading public and private sector practices and systems to comply with EU Accession requirements delineated in the EU *acquis*. The strategy has received strong public support.

52. **In addition to the broad national goals identified above, FYR Macedonia has clearly identified its path to EU membership.** It has done this through supporting policy documents including a National Development Plan, which serves as the basis for accessing EU funds,<sup>13</sup> and a National Program for Adoption of the *acquis communautaire* (NPAA). The NDP builds on and details the Government program, with a focus on meeting EU requirements in key areas; the NPAA is a detailed plan with a set timeframe for the passage of national legislation and other accession obligations. As such, both documents provide a framework to tailor WBG support.

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<sup>12</sup> *Rebirth in 100 Steps*. Program of VMRO-DPMNE 2008-2010 ([www.VMRO-DPMNE.org.mk](http://www.VMRO-DPMNE.org.mk))

<sup>13</sup> The NDP is designed to (i) initiate investment programming that is consistent with the EU multi-annual programming practice and (ii) improve consistency of sectoral programming in public investments. It assesses the existing economic, social and environmental situation; and identifies the key development/investment priorities at the national level. Finally, the NDP sets medium-term planning of the all investments that are expected to be at least partially financed from domestic or foreign public fund sources.