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EUROPEAN SOCIAL CHARTER

2nd report on the implementation of
the European Social Charter

submitted by

**THE GOVERNMENT OF “THE FORMER YUGOSLAV
REPUBLIC OF MACEDONIA”**

(Articles 11, 12 and 13 for the period 01/01/2005 – 31/12/2007)

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REPUBLIC OF MACEDONIA
MINISTRY OF LABOUR AND SOCIAL POLICY

**SECOND REPORT
ON THE IMPLEMENTATION OF
THE EUROPEAN SOCIAL CHARTER**

Submitted by

THE GOVERNMENT OF REPUBLIC OF MACEDONIA

(reference period: 2005-2007)

(for articles 11, 12 and 13)

Skopje, October 2008

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PREFACE

The Republic of Macedonia hereby submits its second Report on implementation of ratified provisions of the 1961 European Social Charter, in accordance with the Article 21 of the Charter.

The Report has been prepared in compliance with the new reporting system, adopted by the Committee of Ministers and in effect since October 31, 2007.

This Report covers the provisions of the Charter belonging to the *second thematic group (Health, social security and social protection)*, concerning Articles 11, 12 and 13 accepted by the Republic of Macedonia, for the reference period 2005-2007.

In accordance with the Article 23 of the European Social Charter, copies of this Report have been communicated to the relevant national organizations of employers and trade unions :

- *Confederation of free trade unions of Macedonia*
- *Federation of trade unions of Macedonia*
- *Union of independent and autonomous trade unions of Macedonia*
- *Confederation of trade-union organizations of Macedonia*
- *Organization of employers of Macedonia*
- *Confederation of employers of Macedonia*

ARTICLE 11- The right to protection of health

With a view to ensuring the effective exercise of the right to protection of health, the Contracting Parties undertake, either directly or in co-operation with public or private organisations, to take appropriate measures designed inter alia:

- 1. to remove as far as possible the causes of ill-health;*
- 2. to provide advisory and educational facilities for the promotion of health and the encouragement of individual responsibility in matters of health;*
- 3. to prevent as far as possible epidemic, endemic and other diseases.*

Article 11§1

Law on health care protection and Law on health insurance provide equal access to health facilities, at the same time, respecting the right on equality of all citizens in the Republic. As in many countries in the world, the Republic of Macedonia has established health insurance with which the citizens, as healthy persons, set aside certain monthly amount of their incomes in corresponding institution - Health Insurance Fund; these financial means bound this Institution that in a case of disease or injury, it will cover all expenses for health care protection and for paying of all allowances in a case of temporary work disability due to sickness or injury

The Law on health insurance determines two types of health care insurance: Mandatory and voluntary.

By the mandatory health care insurance, every citizen of the Republic of Macedonia is mandatory provided with health care insurance, in order to ensafe social and material safety in a case of sickness or injury, in circumstances when citizens need health care services and allowances in case of sickness and injury on the base of the principles for compulsoriness, comprehensiveness, solidarity and efficiency, as generally accepted principles in all democratic countries where the mandatory health insurance has been introduced.

According to the principle of *compulsoriness*, health insurance is mandatory for all citizens, stipulated as insured persons in the Law.

According to the principle of *comprehensiveness (universality)*, mandatory health insurance includes all citizens of the Republic of Macedonia, regardless of their working and legal status, including unemployed persons and all social categories.

The principle of *solidarity* represents interconnected relation among all inured persons, which is realized trough the obligation for permanent contribution payment in certain percentage according to the amount of any insured person's salary, i.e. according to the determined insurance base and insured persons having need of health care protection.

According to the principle of *equality*, insured persons receive equal treatment regarding health insurance contribution payment obligation, as well as regarding equal right application in a case when insured persons have certain needs and under same conditions they have access to health care, regardless of the basis of their insurance, insurance category and paid contribution amount.

Health care services are provided through *three levels of health care*:

- family doctor,
- specialist and consultative, and
- hospital health care protection.

Any insured person, in order to use health care protection in primary, should select doctor in the area of:

- general medicine,
- labor medicine,
- pediatrics
- school medicine,
- gynecology, and
- general dental medicine, depending on the place of residence, or place of work.

The prevention and mouth cavity and teeth treatment in the primary health care protection includes: dental examination and other types of dental assistance in order to determine follow and verify health condition, as well as mouth cavity and teeth treatment. Dental examinations can be preventive or examination on request of the insured person.

The insured person has access to *home treatment*, in a situation when no hospital treatment is necessary, in the cases of : disabled or persons with heavy disability; chronic disease in stage of deterioration or complications; following operations needing swathing and injury care; hospital treatment continuation on hospital health care institution proposal and in the case of ill persons in terminal sickness stage.

The insured person has access to *urgent medical assistance* without referral from selected doctor, in the nearest health care institution providing primary health protection, or in the health care institution, that has urgent medical assistance service, depending on the place of residence, or the place where insured person is at the moment of the need for urgent medical assistance.

Sanitary vehicle can be used in a non-urgent case, and ill or injured person due to disability or limited ability cannot use public transportation. Selected doctor, i.e. competent doctor from the adequate hospital health care institution, determines the need of sanitary vehicle transportation.

Nursing visit represents provision of professional assistance and following of the condition of the insured person-parturient woman and of the newborn, after childbirth, in order to provide preservation and improvement of parturient women and child health condition, facing higher risk of disease manifestation. Nurses of chosen doctor-gynecologist team realize nursing visit.

Any insured person has right to *drugs* on the basis of drug prescription. Doctor- medical doctor or doctor of dental medicine, having status of selected doctor in the primary health care protection, proscribes drug prescription.

Specialist and consultative health care protection includes specialist examinations, diagnostic, therapeutic and rehabilitation procedures, depending on medical indications. Any insured has the right on *specialist and consultative health care protection*, which is realized in health care institution providing this type of health care services on that area, on the basis of selected doctor's referral.

In a case when due to the nature of the sickness, it is impossible to provide ambulance or home treatment, insured person is sent to hospital treatment in the nearest health care institution providing adequate hospital health care protection.

Hospital health care protection includes: examination and treatment of ill and injured persons by application of medical knowledge, skills, methods and treatment means, operation treatment, treatment by physical medicine, medical rehabilitation, advices, medical care and

accepted methods of traditional medicine in hospital conditions, in order to provide convalescence and health condition improvement; drugs, auxiliary materials serving for application of drugs and other sanitary material indispensable for treatment; hospitalization and standard hospital conditions diet.

Medical rehabilitation of ill and injured persons includes procedures related to physical medicine (massage, kinezi therapy, electrotherapy, hydrotherapy, thermotherapy etc.), rehabilitation with professional assistance and by application of orthopedic devices, in order to prevent or to eliminate the possibility of reduced level of working or functional ability of any insured person. Medical rehabilitation is applied by infirmary and polyclinics, in the framework of hospital treatment and by specialized health care institutions.

Any insured person has the right on braces, orthopedic and other devices, supplementary and sanitary devices and materials, dental and technical devices in a manner determined in Health Insurance Fund Rulebook, which in details arranges the types and indications related to medical devices and instruments, standards for materials applied upon their production, and procurement of new devices before the expiring of determined deadlines. Doctor-specialist in the corresponding area determines the need for braces, orthopedic devices and other instruments.

Any insured person has the right to medical treatment abroad, in a case when there is no possibility for treatment in health care institutions in the country and in a case when the insured person is working abroad or is temporary staying abroad.

Several precisely determined insured people's categories, during the period of temporary work disability due to sickness or injury and during maternity leave, birth and maternity receive *salary compensation*.

As far as travel costs of insured person treated with chemo dialysis are concerned, when there is possibility, they have the right on this medical treatment in the place of residence, or in the nearest health care institution performing chemo dialysis. Insured persons receive travel costs compensation in a case of eyesight, hearing and speech exercises performed far from the place of residence, and are being performed in an infirmary.

In March 2004, the Law amending the Law on health care protection ("Official Gazette of the Republic of Macedonia" No. 10/04) has been adapted, which for the first time in health care history in the Republic of Macedonia has led to *privatization* of some segments of health care institutions offering primary health care protection in the domain of dental medicine and pharmaceuticals, and following Law amendments ("Official Gazette of the Republic of Macedonia" No.84/05) led to privatization of primary medical protection in the area of medicine. The reason is the intensive health care activities development, which are being performed in public health care institutions in a case when there is no health care system development strategy, leading to significant increase of the number of health care professionals from all areas, and especially of highly educated health care professionals-doctors and dental practitioners who are paid by the Health Insurance Fund, regardless of the number of provided services and the number of insured persons.

These circumstances (overdeveloped health care system) inevitably led to health care sector transformation.

The model for primary health care protection activities was chosen, in order to provide transformation of public health care institutions segments into private health care institutions trough pharmacies sale by repurchase and public stock exchange auction, which included transformation of public health care institutions segments by lease of location and equipment.

The objectives were the following:

- creation of possibilities for competence between public and private sector, elimination of unprofessional focusing on this health care segment, regardless of working results and establishment of payment per insured person system, or according to certain programs.
- encouraging of privatized doctors or surgeries to establish positive professional relationship with patients, because otherwise they will chose to use the services of other doctor.
- grater patient's satisfaction related to health care service.
- higher level of satisfaction of the doctor, in a case when he/she is responsible for health care services provision and receives financial means adequate to the results from doctor's personal work.
- private doctor has to respect the fact that his/hers patient is insured by the Health Insurance Fund or the doctor should charge his services.
- health Insurance Fund has defined system for financing of services intended for insured persons, it should pay certain amount for each insured person in the private health care protection or per service price or arranged budget related to specialist services, which shall lead to elimination of lump financing, not taking in consideration performed services.
- development of concurrence among private health care doctors that will have certain impact on service quality rising.

Privatization process was realized transparently and there are visible results: improvement of patients' access to drugs, elimination of illegal medical and dental operations, improvement of doctors' acceptance, and the Health Insurance Fund stopped with payment of salery and now moved to the payment of drug value under determined price and capitation per insured person by determined amount, as well as payment with personal financial means for health care services for persons which are not insured by the Fund.

Law on Protection of Patients' Rights

It is important to note that in 2008, a new individual **Law on Protection of Patients' Rights** was prepared and adopted (published in the "Official Gazette of the RM" No.82/08).

This Law, in details defines and prescribes the subject of protection of the rights of patients in use of health protection and provision of high quality and continuous health protection, it sets out the duties and responsibilities of the health institutions, health workers and the Health Insurance Fund in improving and protecting the rights of patients, as well as the procedure for protection of the patients' rights.

Law on drugs

The *Law on Drugs and Medical Accessories* ("Official Gazette of the RM" No.106/07) determines the conditions for trading, production and trade, quality assessment, safety and efficiency, as well as production monitoring, trade and drugs quality control, additional drugs, devices and medical instruments.

Modification of EU legislation in this area imposed the need for transposition of European Union legislation into the Macedonian legislation. This shall provide quality, safe and effective drugs for the needs of Macedonia's population trough standardized procedures, clear rules, determined prices of prescribed drugs and application of standards in the area of production, retail sale and wholesale. Free circulation of goods in European Community countries imposes the need for establishment of free drug import procedure, aside from the specific drug categories, which due to their nature need origin tracking and identity verification.

The absence of proper capacities for repetition of some procedures, which have already been applied in order to verify the quality, surety, and pharmaceutical products efficiency of foreign production, has led to standardization of documentation included in competent authorities procedures.

Pharmaceutical sector represents one of the most important health care system segments. Strategic drugs determinations include creation of rational health care system that will provide timely provision and accessibility of essential drugs and rational drug use. There are many countries with different health care protection systems and different levels of health care consumption face the problem related to harmonizing of growing demand and means limitation, higher drug price of separate drugs and the consumption in general.

The mission of the *Bureau for drugs* includes provision of these services:

- issue of approvals for production and trade, medical devices and controlled substances;
- provision of drug quality control, medical devices and controlled substances fulfilling the demands, needs and expectations of users, legal demands and other normative documents.

The Bureau for drugs, as a segment of the Ministry of Health has taken some specific steps in order to provide functional organizational plan that will function as an effective and transparent service which will have certain benefit for citizens health and will provide quality, effective and safe drugs for the population of the Republic of Macedonia, regardless of place of residence, the regardless of the fact whether the degree of health care service provision is of primary, secondary or tertiary level.

Very important segment of the reforms in pharmaceutics arising from the competences of the Bureau for Drugs is the adoption of the *Law on drugs and medical instruments* ("Official Gazette of the Republic of Macedonia" No.106/2007).

This Law allows the transposition of almost all of the European directives and their practical application will provide harmonization with procedures and standards of the European Union, referring to drugs.

There has been rationalization and reforms related to the issue of licenses and approvals for import and export of drugs, medical devices, herbal drugs, narcotic drugs, psychotropic substances, precursors and toxin. This represents application of clear determination, which includes faster access to drugs for end users, health care institutions and patients.

Domestic pharmaceutical industry, in the role of strategic partner of Macedonian health, has access to all necessary substances and raw materials, indispensable in technological process of production of drugs, providing sufficient quantity of stocks for long and continued drug production.

In order to provide successful functioning of pharmaceutical inspectorate, the Ministry of Health, regarding monitoring strengthening, in its new systematization has envisaged establishing of regional inspectorates, which shall lead to in situ efficiency strengthening of this crucial sector of the Bureau for Drugs, providing improvement of responsibility and the most important, improvement of the quality of health care services provided by pharmacies.

Regarding the wholesale, in the Republic of Macedonia there are 120 registered big drugstores, out from which, 10 represents big systems and realize 90% of the total trade with drugs and medical devices.

The new Law on Drugs provides precise definition the conditions for wholesale, especially regarding the drug quality control of the drugs imported by drugstores and regarding the tracing of the drug after it has been put on sale, i.e. the segment for tracing of side effects, the pharmacovigilance.

Regarding the retail sale-pharmacies, there has been a process of reregistration of around 400 pharmacies. In the Republic of Macedonia, there are 750 pharmacies, which are equally dispersed on the territory of the Republic and which provide optimal provision of the population. The policy of the Bureau for Drugs includes opening of pharmacies in rural areas, in order to provide drugs for the population living in these areas. The initiative of the Bureau for Drugs included maximal number of pharmacies in the system of the Health Insurance Fund, related to the proscription of Positive List drugs, which led to greater access to drugs for all citizens of the Republic of Macedonia, regardless of the place of residence and the level of health care protection in the location of pharmacies. This initiative should encourage the pharmacies to provide complete range of drugs and to provide higher number of services; likewise, there was initiation of payment per service for the pharmacies, instead procedural amount of marginal profit, received before. This led to drastic improvement of drug provision in the country and maximal drug provision for persons with chronic diseases and there are no situations when these patient did not have access to adequate therapy.

In the course of the year 2008, *the Positive drug list* was extended with inclusion of 56 new drugs, providing coverage of the diseases that until now, were not accompanied by corresponding therapy, such as persons with cystic fibrosis, malignant diseases, disease related to pregnancy and labor, drugs which are indispensable for organ transplantation, drugs for ophthalmologic diseases, new antibiotics and antidotes. This commitment demonstrates that the Ministry of Health has clear and straightforward intention related to the acceptance of world trends in the area of pharmacotherapy and their incorporation in Macedonian health care system. Likewise, the steps demonstrate that the care for patients' health is not just a declarative statement, but that there is practical implementation, which can be felt by the patients treated in health care institutions.

There has been process of rationalization regarding drugs, medical devices, herbal drugs and toxins. Regarding the registration and necessary documents for drugs registration, medical devices, herbal drugs and toxins, the highest European standards and procedures were respected. In the Republic of Macedonia, there has been shortening of drug registration deadlines and the procedure lasts no longer than 30 days.

This registration procedure has stimulating effect on multinational companies from referent countries with established values for quality, surety and efficiency regarding drug registration in the Republic of Macedonia.

In 2007, 242 drugs has been registered, out of which, 50% come from referent countries, the European Union, Switzerland, USA and Australia. In addition, there are domestic companies and companies from ex-Yugoslavia territory. There is a quite small interest by the third-countries companies in drug registration in the Republic of Macedonia.

Up to now, in the Republic of Macedonia there are 2,650 drugs with different forms, intensity and packaging that are registered or have status of registration approval. Almost all medical devices, starting from surgical consumed material to orthopedic devices, stents, medical plastic, reagents in trade in the Republic of Macedonia have already been registered, guarantying the quality, efficiency and safety.

The Bureau for Drugs has issued *Drugs Register of the Republic of Macedonia*, which contains all necessary information related to registered drugs, forms, intensity and dose. The issue of the Register shall be permanent task and it shall be issued on annual level.

The Bureau for Drugs follows the condition of the drugs in sale in the republic of Macedonia, especially regarding the tracing of drugs side effects and we are glad to say that during the last two years there have been no serious incidents related to drug usage by the patient, which represents a proof that the drugs that are traded in the Republic of Macedonia are of high quality, efficiency and action.

In 2008, the Bureau for Drugs established intensive cooperation with European Drug Agency, European pharmacopoeia, European Directorate for the Quality of Medicines, Drug Agencies of EU countries and Drug Agencies of neighboring countries.

The objective of this cooperation is the exchange of information from all drug spheres, and especially regarding fake drugs, drug traffic and side effects of drugs.

In 2008, there has been VAT reduction from 18% to 5% for all drugs and medical devices.

NATIONAL STRATEGY ON DRUGS

The National Strategy on Drugs was adopted in 2001. The overall objective of the National Strategy on Drugs is the establishment of a mainstreamed healthcare system, which shall provide for a timely supply and availability of essential drugs, as well as rational use thereof. The fundamental objective is to provide for the wellbeing of the patients and for healthcare services - drugs that shall have be of high quality, safe, effective and easily available to all. The strategy puts a special emphasis on the effective education of the healthcare personal, as well as to the establishment of an efficient monitoring system.

One of the priorities of the national strategy is the supply of drugs under their generic names, so as to achieve an effective pharmacotherapy, sustainable and acceptable prices of drugs, both for the patients and for the society. Prescribing drugs under their generic names is one of the indicators for assessment of their rational use in the primary healthcare.

Activities under the strategy on drugs:

- ensuring the supply of drugs for the entire population, at all levels of healthcare, with proven quality, safety and efficiency;
- introduction of control mechanisms on the market of pharmaceuticals in the Republic of Macedonia, such as: control of pricing of drugs (uniform prices of drugs have been established, the VAT for drugs has decreased from 18% to 5%, which provides for greater availability and more affordable prices of drugs);
- the *Positive List of Drugs* has been developed, in accordance with the Medicine Guidelines, which is evidence based;
- in cooperation with the Faculty of Pharmacy and the Pharmaceutical Chamber, trainings are being organized for the professionals in the pharmaceutical sector aimed at promotion of the healthcare for the population (in this context, there are ongoing training of pharmacists employed in pharmacies at the entire territory of RM, concerning the regulations on pharmaceuticals and the pharmaceutical care, i.e., the communication between the pharmacist and the patient, the necessary information the patient should receive prior to the issuing of the drug, the role of the pharmacists in education of population on the rational and adequate use of drugs);
- provisions on monitoring of the consumption of drugs at primary, secondary and tertiary level of healthcare;
- establishment of a pharmacovigilance system (monitoring of the adverse and unforeseen effects of drugs);
- there is an ongoing survey carried out by the Drug Bureau, aimed at establishing the current situation in the pharmacies concerning the supply of drugs from the Positive List, so as to arrive to a realistic assessment of the need for these drugs, and the possibility to provide compensation funding for such drugs by the HIFM;
- there is an ongoing continual in-service training of the Bureau's employees aimed at professional and timely implementing of procedures relating to registration and import of drugs and medical instrument, inspection control of all entities pursuing production or trade of drugs.

By the adoption of the new Law on Drugs, strengthening of the inspection supervision over the implementation, development of a positive list with generic names of drugs, decreasing the VAT on drugs, setting the margin for drugs, which lead to lowering of prices, the greatest portion of the strategy's objectives have been achieved.

According to the *Law on protection of the population against infectious diseases* and the relevant by-laws, the Ministry of Health, through the **State Sanitary and Health Inspectorate**, supervises the implementation of measures for prevention of the outbreak and spreading, and for suppression of infectious diseases, so as to protect the population against infectious diseases.

The Inspectorate derives its competence from the following legislation:

- Law on sanitary and health inspection (Official Gazette of RM, no. 71/06)
- Law on protection of the population against infectious diseases (Official Gazette of RM, no. 66/04)
- Law on Healthcare (Official Gazette of RM, no. 38/91, 73/92, 46/93, 55/95, 17/97, 21/98, 9/00, 25/00, 10/04, 47/04, 84/05, 111/05, 65/06, and 5/07)
- Law on Health Insurance (Official Gazette of RM, No. 25/00, 31/00, 96/00, 50/01, 11/02, 84/05, 37/06, 18/07 and 36/07)
- Law on Record Keeping in the field of Healthcare (Official Gazette of SRM, no. 37/79 and 15/95)
- Law on Termination of Pregnancy (Official Gazette of SRM, no. 19/72, 18/82)
- Law on the conditions for taking, exchanging, transporting and transplanting human body parts for treatment purposes (Official Gazette of RM, no. 30/95)
- Law on Mental Health (Official Gazette of RM, No. 71/06)
- Law on Safety of Blood Supply (Official Gazette of RM, No. 110/07)
- Law on Protection Against Smoking (Official Gazette of RM, No. 36/95, 70/03, 29/04 and 37/05)
- Law on Waste Management (Official Gazette of RM, No. 68/04, 71/04, 107/07)
- Law on Precursors (Official Gazette of RM, No. 37/04)
- Law on Consumer Protection (Official Gazette of RM, No. 38/04, 77/07)
- Law on Health and Safety of Foodstuffs and Consumer Goods (Official Gazette of RM, No. 53/91 and Official Gazette of RM, No. 15/95)
- Law on quality of Ambient Air (Official Gazette of RM, No. 67/04, 92/07)
- Law on Potable Water Supply and Drainage of Urban Effluent Waters (Official Gazette of RM, No. 68/04, 28/06)
- Law on Protection Against Environmental Noise (Official Gazette of RM, No. 79/07)
- Law on Product Safety (Official Gazette of RM, No. 33/06)
- Law on Safety of Cosmetic Products (Official Gazette of RM, No. 55/07)
- Law on Chemicals (Official Gazette of RM, No. 113/07)
- Law on Biomedically Assisted Fertilization (Official Gazette of RM, No. 37/08)
- Law on Genetically Modified Organisms (Official Gazette of RM, No. 35/08)

The inspection supervision covers the space, facilities, premises, devices, and equipment (facilities providing healthcare in the public and private healthcare sector of all three categories, educational institutions, social work centres, homes providing care for children and for the elderly, facilities providing hygiene care to the population, sports and recreational facilities) activities and persons pursuing healthcare activities, as well as any other persons that may have any detrimental effects on human health. Any facility that is a subject of supervision shall be assessed in terms of the sanitary and hygiene state, whether the required and obligatory preventive measures have been taken, in terms of use of disinfectants, prohibition of smoking, etc.

The main objective is to prevent the outbreak and spreading of infectious diseases, improve of the general sanitary and hygiene conditions in the public facilities within the scope of competencies of the Inspectorate, reduce the number of infectious diseases and improve the working conditions, improving the conditions of facilities where healthcare is provided, prevention of the outbreak and spreading of intrahospital infections.

The supervision covers implementation of general and specific measures for prevention of the outbreak, early detection, prevention of spreading, and suppression of infectious diseases and infections, in case of epidemiologic indications – when there is a threat of the presence of infectious agents in the facilities used for production and trade of food, and persons who may threaten the health of the overall population with their health condition (germ carriers);

- exhumation and transport of human remains on the territory of the Republic of Macedonia, and across its borders;
- safe management of medical waste, i.e., supervision over the creating, selection, packaging and disposal of medical waste,
- the persons, goods and means of transport at border cross points, as regards the protection of public health against introduction and spreading of infectious diseases;
- infrastructural and other facilities, in case of natural disasters and other emergencies.

Tabular review of regular supervision and measures taken in 2005:

Facilities subject to sanitary-hygiene and health supervision	Inspections	Issued decisions for removal of identified shortages	Misdemeanor charges filed
educational, social, childcare institutions	1,218	886	24
catering facilities (accommodation facilities and amenities)	213	94	6
manufacturing and trade in cosmetics, children's toys, consumer goods	648 the total of 455 samples were taken and tested, out of which 39 were defective	171	4
public sector healthcare facilities (healthcare homes, general hospitals, special hospitals, clinics and institutes)	1,118	515	132
private sector healthcare institutions facilities	1,977	649	14
surface waters (rivers and lakes), recreational pools	44	17	1
facilities providing hygiene care	959	486	6
public utilities and landfills	56	31	1
Protection against smoking	2,336		
Immunization control	70		
Transport of human remains	42	42	
Supervision of passengers in the international traffic	1,884	1,884	
TOTAL:	6,961	3,004	321

The State Sanitary and Health Inspectorate (SSHI), during the reporting period, has closed down the total of 35 facilities, in particular: 11 educational-social care institutions (primary and secondary schools, social care institutions and children's resorts), 10 catering facilities (accommodation facilities and relevant amenities), 2 of the public healthcare sector, 9 of the private healthcare sector, 19 emitting harmful matters, 1 providing hygiene care and 2 other facilities.

In the reporting period SSHI has carried out the total of 1,317 inspections for evaluation of the hygiene-technical conditions.

Within this period the SSHI imposed temporary suspensions of employment to the total of 1,450, on two separate grounds - persons who were germ carriers and persons who failed to take to compulsory hygiene-technical examination.

In the reporting period SSHI issued the total of 69 permits for import of radioactive material.

In the course of 2005, within its scope of competences, the SSHI had taken activities aimed at suppression of 11 epidemics that were caused by alimentary infection agents and alimentary intoxication agents. The epidemics were caused by consumption of food in catering facilities in the following towns: Skopje 4, Kumanovo 2, Bitola 1, Ohrid 1, Shtip 1, Berovo 1 and Vinica 1.

Health supervision over the import of consumer goods

Import approval applications filed	Samples taken	Import approved
Total 3,237	3,902	26,402,838 kg.

Tabular review of regular supervision and measures taken in 2006:

Facilities subject to sanitary-hygiene and health supervision	Inspections	Issued decisions for removal of identified shortages	Misdemeanor charges filed
educational, social, childcare institutions	849	405	19
catering facilities (accommodation facilities and amenities)	167	101	4
manufacturing and trade in cosmetics, children's toys, consumer goods	631 the total of 293 samples were taken and tested, out of which 45 were defective	322	4
public healthcare facilities (healthcare homes, general hospitals, special hospitals, clinics and institutes)	1,013	442	257
private sector healthcare institutions facilities	2,350	972	33
surface waters (rivers and lakes), recreational pools	82	65	2
facilities providing hygiene care	641 419 samples were taken to test the safety of water	295	7
public utilities and landfills	82	42	1
other inspections	1,064	134	60
TOTAL	6,910	2,789	386
Protection against smoking	4,212		
Immunization control	208		
Transport of human remains	164	164	
Supervision of passengers in the international traffic			

In the course of 2007, within its scope of competences, the SSHI had taken activities aimed at suppression of 8 epidemics that were caused by alimentary infection agents and alimentary intoxication agents.

Tabular review of regular supervision and measures taken in 2007:

Facilities subject to sanitary-hygiene and health supervision	Inspections	Issued decisions for removal of identified shortages	Misdemeanor charges filed
educational, social, childcare institutions	977	868	14
catering facilities (accommodation facilities and amenities)	160	101	7
manufacturing and trade in cosmetics, children's toys, consumer goods	517 the total of 242 samples were taken and tested, out of which 21 were defective	179	
public healthcare facilities (healthcare homes, general hospitals, special hospitals, clinics and institutes)	1,058	658	136
private sector healthcare institutions facilities	3,362	1,174	50
surface waters (rivers and lakes), recreational pools	88	40	6
facilities providing hygiene care	543, and 419 samples were taken to test the safety of water	295	17
public utilities and landfills	56	31	1
Protection against smoking	3,744		
Immunization control	208		
TOTAL:	7,581	3,385	261
Transport of human remains	90	90	
Supervision of passengers in the international traffic	1,852	1,852	

STATISTICAL INDICATORS

The following table presents specific additional available statistical data and indicators on the healthcare activity and services in the Republic of Macedonia:

	2005	2006
Life expectancy at birth (TOTAL)	73.76	73.76
Life expectancy at birth (MALE)	71.63	71.63
Life expectancy at birth (FEMALE)	75.90	75.90
Infant mortality rate/ 1,000 live births	12.8	11.5
Perinatal mortality rate/ 1,000 live births	16.9	15.3
Number of physicians (TOTAL)	4,999	5,176
- number of physicians per 1,000 inhabitants	2.47	2.56
Number of dentists (TOTAL)	1,375	1,175
- number of dentists per 1,000 inhabitants	0.68	0.58
Number of pharmacists (TOTAL)	878	908
- number of pharmacists per 1,000 inhabitants	0.43	0.45
Number of nurses (TOTAL)	5,697	5,848
- number of nurses per 1,000 inhabitants	2.82	2.90
Number of obstetricians (TOTAL)	1,315	1,288
- number of obstetricians per 1,000 inhabitants	0.65	0.64
Total number of medical care beds (TOTAL)	9,569	9,440
- number of medical care beds per 1,000 inhabitants	4.73	4.67
Number of primary healthcare institutions (public/private)	50 / 522¹	50 / 498¹
Inpatient healthcare organizations		
- general hospitals (public/private)	16	15 / 1
- clinics and institutes (public/private)	21	21
- special hospitals and rehabilitation centres	17	18
- hospitals for TB and pulmonary diseases (public/private)	3	2
- psychiatric hospitals (public/private)	3	3
- other specialized hospitals (public/private)	4	4 / 2

Source: State Healthcare Institute

¹ the number of private sector healthcare institutions does not contain the number of dental care practices

Statistical data about specific diseases as the most characteristic causes of death (morbidity rates):

Diseases	Morbidity per 1,000 population (Mb ‰)	
	2005	2006
I. Infectious and parasitic diseases (A00-B99)	39.3	34.8
II. Neoplasms (C00-D48)	10.2	8.7
III. Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism (D50-D89)	31.3	26.8
IV. Endocrine, nutritional and metabolic diseases (E00-E88)	30.4	30.6
V. Mental and behavioral disorders (F00-F99)	38.1	28.9
VI. Diseases of the nervous system (G00-G98)	12.7	12.4
VII. Diseases of the eye and adnexa (H00-H59)	43.2	36.2
VIII. Diseases of the ear and mastoid process (H60-H95)	31.1	25.8
IX. Diseases of the circulatory system (I00-I99)	135.9	119.0
X. Diseases of the respiratory system (J00-J98)	545.7	414.1
XI. Diseases of the digestive system (K00-K92)	67.0	55.9
XII. Diseases of the skin and subcutaneous tissue (L00-L99)	51.7	42.7
XIII. Diseases of the musculoskeletal system and connective tissue (M00-M99)	64.6	50.8
XIV. Diseases of the genitourinary system (N00-N98)	97.8	75.0
XV. Pregnancy, childbirth and the puerperium (O00-O99)	44.0	34.0
XVI. Certain conditions originating in the perinatal period (P00-P96)	3.1	
XVII. Congenital malformations, deformations and chromosomal abnormalities (Q00-Q99)	3.0	2.7
XVIII. Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified (R00-R99)	29.8	23.5
XIX. Injury, poisoning and certain other consequences of external causes (S00-T98)	25.7	20.5
XX. External causes of morbidity and mortality (V01-Y98)	9.7	
XXI. Factors influencing health status and contact with health services (Z00-Z99)	87.5	87.3

Source: State Healthcare Institute

Article 11§2

A **Healthcare Strategy of the Republic of Macedonia** is being developed within the Ministry of Health of RM, with support by the *Health Sector Management Project* (a project implemented with support of the World Bank).

This document sets forth the strategic goals for development of healthcare by 2020, and presents a framework for development of all segments of the healthcare system. It includes the specific strategies, action plans, legislation and other activities that have been carried out so far and have goals arising from the document.

Further implementation of this Strategy shall imply development of other documents in all segments, so as to provide for an organized development of activities for promotion of the healthcare system in the Republic of Macedonia, the ultimate goal being promotion of public health.

So far, several specific strategies and action plans have been adopted.

Primary strategic document (strategic framework):

- *HEALTH STRATEGY OF THE REPUBLIC OF MACEDONIA (safe, efficient, and just healthcare system) (2020)** - A framework strategy, under development, within the framework of a joint project of the Ministry of Health and the World Bank*

Specific strategies, action plans, programmes, projects and other documents that define the policies and measures for specific areas of healthcare

Adopted strategies and action plans:

- National Narcotics Control Strategy of the Republic of Macedonia (2006-2012)* (2007)
- Strategy to reduce the harmful effects of alcohol abuse on public health in the Republic of Macedonia (2008-2012)* (September 2007)
- National Mental Health Strategy*
- National Strategy on Drugs of the Republic of Macedonia* (2001)
- National Tobacco Control Strategy (2005-2010)* (2006)
- National Food and Nutrition Action Plan*
- National Strategy on Health, Environment and Safety Management at Enterprises HESME* (2005)
- Strategy for Prevention of Dental Diseases in children up to the age of 14 in RM (2008-2015)*
- Breast Cancer Prevention and Early Detection Action Plan*
- Operational plan of activities to be taken prior to and during a pandemics of flu, with special emphasis on avian flu in the Republic of Macedonia* (2006)

Reports and other analyses which provide the basis for the development of strategic and other documents:

- Report on Violence and Health in Macedonia and Prevention Guidelines* (2006)
- Assessment of public health services in the Republic of Macedonia (2007)**
- Annual Report on the Operation of the Health Insurance Fund (www.fzo.org.mk)
- Report on the Millennium Development Goals, Government of the Republic of Macedonia, 2005 (www.un.org.mk/MDG/MDGNew.htm, last accessed 27 July 2006)
- Reports of the State Healthcare Institute
- European Health for All database (HFA-DB) [online database] Copenhagen, WHO Regional Office for Europe, 2005 and 2006 (<http://www.euro.who.int/hfadb>).
- UNICEF MIKS, 2005

Inter-sectorial documents (implementation of the EU policy "Health in All Policies"):

- National Child Protection Action Plan (2006-2015)* (2006)
- National Strategy for the Roma in Republic of Macedonia* (2005), Roma Decade*
- National Action Plan on Human Trafficking and Illegal Migration in the Republic of Macedonia* (2004)
- Youth Strategy* (2006)
- National Environment and Health Action Plan 1999 (NEHAP)*, last updated 2006
- Local Health Environment Action Plans, 1999 (LEAP)*

** under development

* adopted/published

Projects establishing strategic guidelines for development of the healthcare system:

- Project on Reforms of the Transfusion Medicine Services in the Republic of Macedonia (technical assistance by the Government of the Republic of France);
- Strategy for TB Control in the Republic of Macedonia (2007-2011)** (Project of the Ministry of Health and the Global Fund for Tuberculosis, AIDS and Malaria - GFTAM)
- National HIV/AIDS Strategy (2007-2011)** (Project of the Ministry of Health and GFTAM)
- Decentralization of the Macedonian Healthcare System (Project of the Ministry of Health and the World Bank)
- Strategy for Development of Macedonian Integrated Health Information System (Project of MH and WB)
- Health Map of the Republic of Macedonia* (Project of MH and WB)
- Development of a Public Health Strategy in the Republic of Macedonia (Project of MH and WB)
- Perinatal Healthcare Strategy (1999) (Project of MH and WB)
- Strategy for Organization and Financing of Primary Healthcare (2001) (Project of MH and WB)
- Strategy for Primary Healthcare Specialization and Continuous Medical Education in Republic of Macedonia (Project of MH and WB)
- Strategy for Accreditation of Physicians in the Republic of Macedonia (2002) (Project of MH and WB)
- Strategy for Primary Healthcare Continuous Medical Education in Republic of Macedonia (2000) (Project of MH and WB)
- Health Insurance Reforms (Project of MH and WB)
- Perinatal Healthcare Strategy (1999) (Project of MH and WB)
- Strategy for Prevention and Control of Non-infectious Diseases (Project of MH and WB)
- Early Warning and Response System (EWARNs) (Project of MH and WB)
- National Strategy for Health of Adolescents in the Republic of Macedonia** (Project of MH and UNICEF)

Law on Healthcare and budget-funded healthcare programmes:

- Programme for Protection of the Population against AIDS, which covers preventive activities (laboratory testing) for early detection and treatment of HIV/AIDS patients, as well as health education of the population;
- Programme for healthcare for persons with mental health disorders, which provides funds for treatment of uninsured persons with mental disorders;
- Programme for research of the incidence, prevention and suppression of brucellosis in people in the Republic of Macedonia, containing activities for education of the public on the preventive measures concerning brucellosis, as well as for timely testing and detection of persons suffering brucellosis within the risk groups;
- Programme of measures for prevention of tuberculosis in the population of RM, which covers preventive activities for early detection of tuberculosis in the risk groups and education of the public on the measures of prevention;
- Programme for general medical check-ups of children and students in RM, with activities on periodical, free-of-charge general check-ups of pupils and students aimed at early detection of deformities and other diseases;
- Programme for active healthcare for mothers and children, which contains activities for preventive check-ups of pregnant women, nursing mothers, and infants and development of adequate educational materials. Free-of-charge medical check-ups are provided to pregnant women and infants under this programme;

* adopted/published

** under development

- Programme for organization and promotion of blood donation, with measures aimed at providing sufficient quantities of safe blood for the entire population of RM;
- Healthcare programme for specific groups of people and specific diseases of citizens who do not have health insurance, with measures aimed at providing healthcare for the uninsured persons, free medical check-ups, diagnostic tests and treatment for children at the age 0-18 , and persons above the age of 65, as well as relieving the insured persons belonging to those groups from the obligation to pay participation fee in case of treatment of more than 40 severe and infectious diseases;
- Programme for compulsory immunization of the population of RM, whereby all required vaccines, in accordance with the immunization schedule, are provided free of charge to all children at the age of 0-18;
- Programme for preventive healthcare in RM, which provides for activities of the healthcare institutes aimed at providing safe water supply, safe environment, monitoring of infectious and noninfectious diseases, health statistics and education of the population on preventive measures for preservation of their own health;
- Programme providing funding of costs for the patients receiving dialysis treatment, providing drugs for the transplant patients and for cytostatics, insulin, growth hormone, and treatment of hemophiliacs in RM, providing the funding for the healthcare of the above listed categories of persons who are not insured;
- Programme for early detection and prevention of diseases of the reproductive organs in women, which provides for preventive gynecological check-ups of uninsured women for the purpose of early detection of uterine carcinoma of the cervix, as well as health education campaign for women, in particular women from the rural areas;
- Programme for healthcare for persons suffering addictive diseases, which involves activities and treatment of addicts of narcotic drugs;
- Programme for early detection, diagnostics and treatment of breast cancer, providing preventive mammography and EHO examinations for women, aimed at early detection of breast carcinoma, as well as a campaign for education of women on the need for preventive check-ups.
- Programme "Health for All", which provides for preventive medical check-ups for the entire population of RM (blood pressure check-ups, height, weight, blood sugar and fats), and dissemination of educational and informational brochures on healthy living and healthy nutrition.

In comparison to the previous years, the budget for implementation of activities under these programmes in 2007 and 2008 is doubled and amounts to approximately 600 million denars.

COUNSELING AND EXAMINATIONS

The healthcare for mothers and children that is organized through the healthcare services consists of:

General medical check-ups of infants, which are carried out by the preventive teams employed by the public healthcare institutions, according to dynamics laid down by the Programme for active healthcare for mothers and children. The programme provides for general medical check-ups of infants in the course of the first year of their lives, in the 3rd, 6th and in the 9th month. These check-ups are used to monitor the growth and development of the children, as well as for the purpose of early detection of certain diseases or developmental disorders.

General medical check-ups of children in the 2nd and in the 4th year for the purpose of monitoring their growth and development. They are carried out according to a programme, by the teams that carry out preventive healthcare for children.

General medical check-ups of school children at the age of 7, 9, 11, 13, 15, and 18, for the purpose of early detection of diseases, risky behavior and deformities.

A neonatal screening for hypothyroidism for all live births in the Republic of Macedonia is being carried out since 2000 in the laboratory of the Pediatric Clinic, which receives samples from all maternity hospitals.

Antenatal healthcare – aimed at early detection of perinatal risks in all pregnant women, laid down in the Programme for active healthcare for mothers and children. The Programme provides for 4 antenatal medical check-ups of all pregnant women. The check-up carried out in the 16-20 gestation week shall be an ultrasound examination aimed at detecting morphological anomalies of the fetus.

The prenatal healthcare coverage rate of pregnant women is 94%, and an average of 3.4 visits per pregnant woman has been achieved (the Programme provides for 4 visits per pregnant woman).

Programme „Health for All“, which provides for preventive medical check-ups for the entire population of RM (blood pressure check-ups, height, weight, blood sugar and fats), and dissemination of educational and informational brochures on healthy living and healthy nutrition.

Programme for early detection, diagnostics and treatment of breast cancer, providing preventive mammography and EHO examinations for women, aimed at early detection of breast carcinoma, as well as a campaign for education of women on the need for preventive check-ups.

Programme for early detection and prevention of diseases of the reproductive organs in women, which provides for preventive gynecological check-ups of uninsured women for the purpose of early detection of uterine carcinoma of the cervix, as well as health education campaign for women, in particular women from the rural areas.

DEVELOPMENT OF THE SENSE OF PERSONAL RESPONSIBILITY

The Constitution of the Republic of Macedonia lays down the right to healthcare for all citizens of the Republic of Macedonia. The Constitution, also, sets forth the right and obligation of the citizen to protect his/her health and the health of others.

In the interest of promotion of health of the entire community, or of part of the population belonging to high risk groups, activities aimed at prevention of specific diseases are carried out.

PROTECTION AGAINST SMOKING

The area of **protection of health against harmful effects of smoking** has been governed by the Law on Healthcare, the Law on Protection Against Smoking, Law on Tobacco and Tobacco Products and the relevant bylaws.

The regulations on protection against smoking in the Republic of Macedonia are aimed at environment protection, smoking ban in specified public places, as well as ban on advertising cigarettes, cigarette brands and the tobacco industry.

The Republic of Macedonia ratified the Framework Convention on Tobacco Control in 2006. In 2004 it had adopted a strategy for tobacco control, and in 2006 a draft action plan for implementation thereof was developed.

The Strategy and the action plan put a special emphasis on the promotional activities for prevention of smoking. Smoking in RM is a priority health concern bearing in mind that 42,7% of the population are smokers, and the fact that the number of smokers among women, children and the youth is on the rise is also alarming.

Several studies concerning smoking habits have been carried out in the Republic of Macedonia.

A study carried out in 2000-2001, on the planning of activities for health education aimed at prevention of risk factors for ischemic heart disease of the population at the age of 15-64, revealed a high prevalence of smokers (42.7%). There is a link between smoking and person's age, but no such link has been made to the level of education (source: SHI, Faculty of Medicine, 2004)

Rate of non-smokers/smokers with men and women:

	Men	Women
Non-smokers	377	765
Smokers	306	546
Non-smokers/smokers	1.2 : 1	1.4 : 1

The survey carried out among the physicians in RM, concerning smoking, has revealed that more than one third of the physicians smoke on daily basis, male 39%, female 30%.

More than 35% of the interviewees smoke more than 20 cigarettes per day. The registered average time of smoking is 16.38 years for men, and 14.37 years for women.

In 2002 a survey on the use of tobacco by the youth was carried out in the Republic of Macedonia, within the framework of the project GYTS - Global Youth Tobacco Survey, supported by CDC – Atlanta and the WHO Regional Office for Europe in Copenhagen.

The report shows that smoking is widespread also among youth at the age of 13-15 in the Republic of Macedonia, i.e., 8.2% of the interviewees have declared themselves as smokers. One of ten boys or girls is a smoker, and nearly all of the present pupils-smokers are already addicted. 20% of them started to smoke before the age of 10, while 16% of the non-smokers had shown interest in starting to smoke at the age of 11.

The survey covering 420 respondents at the age 13-16 on the territory of the City of Skopje has shown that 21.2% have used tobacco, and 15.9% are still using tobacco. Only 5.2% of the respondents-smokers opined that they should quit smoking, although 82.9% of the total number of respondents believe that smoking cigarettes is harmful. It is worth noting that the change of the attitude concerning quitting smoking is mostly a result of the effects of discussions within the family.

According to the National Study on Diabetes, carried out in 2005 by the SHI, which covered the total of 2,664 respondents (1,140 male and 1,524 female) at the age 20-74, the prevalence of smokers amounts to 34% (40% for men and 29% for women).

A Strategy for Tobacco Control for the purpose of ensuring and promoting the health of the population of the Republic of Macedonia was adopted in 2004, which is aimed at the implementation of national tobacco control measures so as to reduce the prevalence of smoking and protect the present and future generations against the devastating effects of smoking or from the exposure to smoking.

The expected effect of the strategy is, within the period of time covered by the measures and activities of the strategy, to make a step forward in the efforts to achieve the ultimate long-term goal - establishing a smoking-free country.

The strategy sets forth the following priorities:

1. Signing and ratifying the Framework Convention on Tobacco Control of the World Health Organization;
2. reducing the demand for tobacco products (prices and duties; environment protection; advertising, promotion, sponsorship; information, training and public awareness campaigns; measures for quitting smoking);
3. reducing the supply of tobacco products (illicit trade, availability to the youth, subsidies in the tobacco production);
4. monitoring, assessment and reporting on tobacco use, as well as tobacco control policies;
5. development of intersectorial cooperation;
6. strengthening regional and international cooperation (strengthening the cooperation with the international organizations, exchange of information and technical cooperation);
7. establishing a tobacco control centre at central government level, with a network of local centres, which shall also assume the role of info-centres

Within each of the priorities, the Strategy sets forth measures and competent institutions for implementation thereof. The principles and strategic guidelines laid down by this strategy shall apply to all measures established thereby, while the measures shall be implemented according to the annual operational programmes.

PROTECTION AGAINST ALCOHOL ABUSE

In 2008 the Government of the Republic of Macedonia adopted the Strategy for reduction of harmful effects of alcohol abuse on the health of the population of the Republic of Macedonia 2008-2012, which provided a national strategic framework for application of national measures that are coordinated with the measures set forth in the European Strategy (COM (2006)625 final) on reducing alcohol-related harm to the public health, so as to reduce the prevalence of alcohol abuse and to promote the health of the individual and of the community.

The expected effect of this Strategy, within the period of time it covers, is to make a step forward to the long-term goal of promotion of public health by protection against harmful effects of alcohol abuse on the public health and by promoting lifestyles without alcohol abuse.

The strategy sets forth the following priorities:

1. Protection of youth, children and the fetus;
2. Reducing the injuries and deaths in traffic accidents caused by alcohol abuse;
3. Preventing the alcohol abuse related harm in the adult population and reducing the negative effects on the workplace;
4. Information, education and awareness raising on the harmful effects of the consumption of alcohol and on the harmful consumption;
5. Developing, supporting and maintaining sole records of relevance to the monitoring of the state of play in the area of protection against alcohol abuse.

Within the frames of each of the priorities, the strategy sets forth specific goals, based on the analysis of the current state of play in the Republic of Macedonia. The activities are classified in several groups, in the function of realization of all goals, whereat all competent authorities for implementation of activities are also defined. The principles and strategic guidelines laid down by this Strategy shall apply to any activities and measures provided therein.

The competent authorities shall implement the measures on the basis of annual operational programmes in the function of implementation of this strategy.

The action plan for implementation of the strategy is currently being developed.

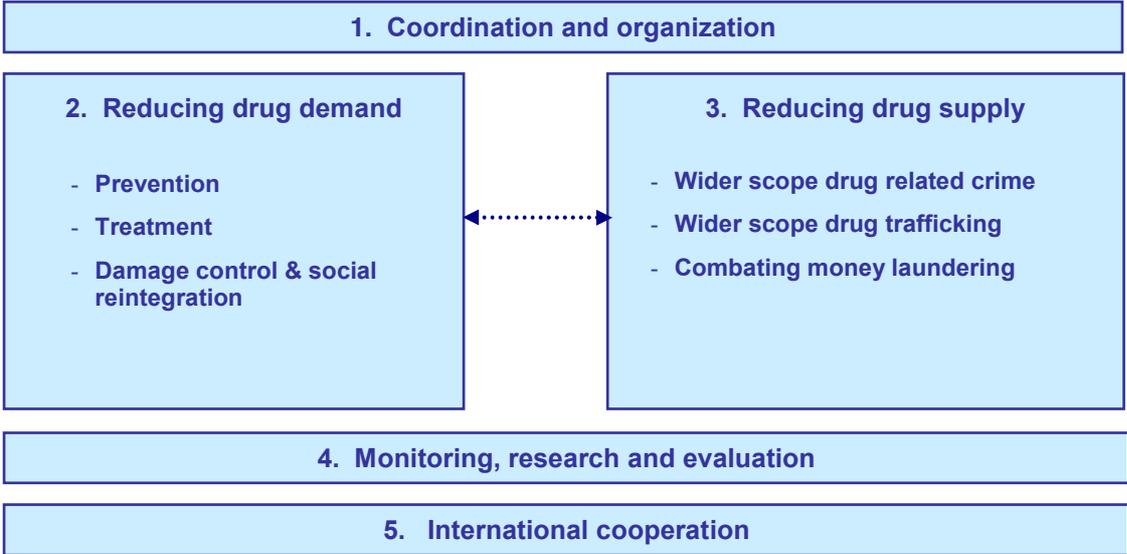
For the purpose of restricting the sale of alcoholic beverages, in the course of 2008 the Law on Trade has been amended so as to restrict the sale of alcoholic beverages only to sale points that hold the relevant license, introduce a system of licensing for sale of alcoholic beverages, and to introduce a relevant system of restrictions and bans on sale of alcoholic beverages during the night.

BATTLE AGAINST USE OF NARCOTICS

In general the capacities of the Republic of Macedonia in this area have been strengthened by the adoption of the major portion of legal acts and by-laws in the area, as well as by developing an executive, operational institutional framework.

A National Strategy for Control of Narcotics was adopted.

Structure of the strategy:



Principles of the National Strategy on Narcotics:

- based on the Constitution;
- protection of human rights:
 - protection against use of narcotics
 - protection of the rights of users of narcotics
- safety;
- equal opportunities;
- balanced approach → consistency and comprehensiveness ;
- policies tailored to the needs of the people;
- joint responsibility and coordination;
- availability of services and cost-effectiveness;

Key objectives of the National Strategy on Narcotics:

- to provide a more efficient approach to the problem of narcotics;
- better understanding of the use of narcotics, addiction and the underlying factors;
- promotion of human rights and destigmatizing narcotic users;
- raising the awareness, level of knowledge and skills of the public and the relevant experts on the use of narcotics;
- developing policies on facts and scientific evidence, rather than assumptions and misconceptions;
- improving the efficiency and effectiveness of prevention, treatment and enforcement of the law.

Legislation

A **Law on Precursors** (Official Gazette of RM, No. 40/2007), together with 6 by-laws² (Official Gazette of RM 12/2008) have been adopted, aligned to the relevant EU measures.

An Action Plan on control of narcotics have been adopted, divided in two sections: pre-implementation (covering a one-year period - 2007) and implementation (for the period 2008-2012). In accordance with the activities set forth in the Action Plan, a Strategy on communications concerning narcotic drugs, precursors and psychotropic substances;

The following legislation concerning control of precursors has been adopted:

- Law on Drugs and Medical Instruments (Official Gazette of RM, No. 106/2007)
- Law on Chemicals (Official Gazette of RM, No. 113/2007)

The adoption of the new Law on Drugs and of part of the relevant by-laws enabled the control of the registration of pharmacies (in terms of premises, equipment, staff) to pursue activities of retail trade in drugs, including drugs containing controlled substances.

A number of registered pharmacies in the Republic of Macedonia have an approval for retail trade of drugs containing controlled substances. The new Law on Drugs enabled the establishment of regional inspection services, so as to decentralize the control over trade in drugs. In view of achieving this goal, the capacities were strengthened by providing equipment (computers, vehicles and service mobile phones for all inspectors) and by employing 5 inspectors, including representatives of ethnic communities.

² Rulebook on the form, contents, and manner of publications of the application form for pre-import notification, Rulebook on the data to be contained by the annual report of operators trading with precursors, Rulebook on the contents of the applications for permits for import, export, transport and transit of precursors and the application forms for the precursor export, import, transport and transit permits, Rulebook on the contents of the request, approval and manner of issuing the approval to pursue an activity – trade of precursors (the exact title contained in the database), List of countries to be notified for the planned export of precursors from RM to their territories (exact title) and a Rulebook on the form and contents of the statement for the specific purpose of the precursor

The new Law on Precursors and the relevant by-laws are available at the web page www.hemikalii.com.mk. The above web page provides access to data on companies registered to trade with precursors, electronic applications forms for requests to pursue such an activity, and soon it shall provide for electronic application for approval of imports. In cooperation with the Customs Administration, and with support of USAID, a Project for Integrated Border Management is being implemented so as to increase the efficiency, transparency, and control of the trade in controlled substances.

A **Law on Narcotic Drugs** has been adopted in 2008 and published in the "Official gazette of the RM" No.103/08 currently in parliamentary procedure. The law has been drafted in cooperation with experts from the Netherlands and Hungary, within the frames of the CARDS Project "Combating Drug-Related Crime". The Law has been fully aligned to the UN Conventions on narcotic drugs, psychotropic substances, and on the illicit trade of narcotic drugs and psychotropic substances (1961/1972/1988) and to the Council Regulation 1673/2000.

The adoption of the Law on Healthcare Records has been planned for the end of 2008, which shall provide for actual statistical data (taking into account quantitative and qualitative factors), since, under the current legislation, all diseases of addiction are classified in the same group.

Under the Action Plan for Control of Narcotics, the adoption of Programmes for Prevention of Narcotics Use is planned for 2008.

Institutional Framework

A *National Interministerial Committee on Combating Narcotics* has been established in accordance with the National Strategy on Combating Narcotics. The Government of RM adopted a decision for the establishment of a *National Centre for Narcotics and Drug Addictions (Official Gazette of RM 62/2007)*, and currently the centre is being equipped and staffed. The Macedonian Customs Administration introduced several new techniques, such as monitoring of transit transport vehicles using the GPS technology and installing CCTV systems at border cross points.

The Ministry of Interior and the Ministry of Health established joint teams working in the field of precursor control. A series of trainings, workshops and seminars were held in the field of reduction of the demand for narcotics (prevention, treatment, social care, damage control), as well as several educational and practical trainings on combating diverting precursors from legal to illegal channels. Several trainings have been organized for the staff of the Sector for Illicit Trade of Drugs - application of special investigative measures in combating illicit trade of drugs, as well as seminars in several towns in RM for the employees of the regular uniform-wearing police force on the subject "Identification of narcotic drugs and interrogation techniques", etc.).

Practical and theoretical training has been provided to the persons in charge of the laboratories of the Ministry of Health, Ministry of Interior and the court forensics within the frames of study visits to the partner countries of Hungary and Netherlands (within the CARDS project), and they received certificates on identification and profiling of narcotic drugs, psychotropic substances and precursors. This also meant networking with partner laboratories for the purposes of further cooperation and exchange of information.

In the field of awareness raising, informational materials about the most present illegal substances in RM have been developed, in Macedonian and Albanian language, with a circulation of 50,000.

A Centre monitoring the narcotic drugs and the drug addictions has been established by decision of the Government of the Republic of Macedonia. The administrative, technical and

coordinative operations of the Centre are managed by the Sector for Controlled Substances within the Ministry of Health.

The establishing of the Centre monitoring the narcotic drugs and the drug addictions provides for the networking of the three institutions providing data on narcotics: Ministry of Health - State Health Institute, Ministry of Interior, and the Ministry of Finance – Customs Administration. In addition to the data on the 5 epidemiologic indicators of narcotics, the Centre shall also process the data on the narcotics seized. In addition to quantitative data, the Centre shall also provide qualitative data in line with internationally acceptable standards.

In accordance with the Council Regulation 302/93 of 8 February 1993, in the beginning of 2008 the Centre monitoring narcotic drugs and the drug addictions networked with EMCDDA - European Monitoring Centre for Drugs and Drug Addiction, for the purpose of exchange of information and experiences in this field. A project carried out by the European Monitoring Centre for Drugs and Drug Addiction and the countries of the Western Balkans was launched in January 2008. Partner countries of the Republic of Macedonia within the project are Cyprus and Lithuania. The overall objective of the project is the assessment of the capacities of the countries from the Western Balkans for establishing a system from drugs, compatible to the EU system. The specific goals of the project are information on the role and activities of EMCDDA, the European Strategy and Action Plan on Drugs; identification of information sources in each country for the establishment of a national and regional system for collection of drug-related data; producing the first national report on drugs, following the standards and guidelines of EMCDDA; formulation of clear recommendations aimed at strengthening of the national information system, including the establishing of a National Centre for Drugs and Drug Addictions; strengthening the cooperation with the EU Commission.

The EMCDDA mission for assessment of capacities in the Republic of Macedonia was carried out in the beginning of March 2008. The draft report, which is soon to be adopted by the Steering Committee of the Project, is positive. It points out to greater absorption capacities of Macedonia in comparison to other countries involved in the project, owing to the already established Monitoring Centre for Drugs and Drug Addiction, as well as to the training of the persons in charge of the Center's partner institutions (Ministry of Health, State Health Institute, Ministry of Interior, Customs Administration) within the previous project "Combating Drug-Related Crime".

Following the adoption of a Law on Narcotic Drugs, a Coordination Treatment and Damage Control Centre shall be established, which shall coordinate the operation of all centres on the territory of RM.

Following the adoption of a Law on Narcotic Drugs, it is planned to establish memoranda of understanding between the Ministry of Health and other line ministries, so as to improve the intersectorial cooperation.

The activities under the Annual programme for the national intersectorial committee combating drugs shall be carried out, covering:

- development of a corporative strategy for drug control on national and regional level (National Intersectorial Committee and the regional units)
- establishing a system for assessment of magnitudes and trends in drug abuse in the country, region, and globally, in most of the programme activities. Such an activity shall provide credible information on the trends of drug abuse, which shall contribute to improving of prevention programmes at all levels.
- The programme aims at establishing a threefold reporting system - at decentralized level (regional units to NIC), national level - (competent institutions to NIC) and international reporting - arising from international conventions, resolutions, etc.
- capacity building for promotion of the system for gathering and processing of data on drugs and drug addiction - operational centre for drugs and drug addiction, which shall be networked with the European Monitoring Centre for Drugs and Drug Addiction in Lisbon.
- awareness raising and information on drugs at regional and national level, through seminars, workshops, campaigns.

Drugs seized:

Year	Heroin	Cocaine	Hashish	Marihuana	Opium	Ecstasy pills
2006	151 kg. 859 g	547 g	16 g	408 kg. 187 g 338 plants	2 kg 966 g	1.327
2007	109 kg. 947 g 150 cases	487 kg	892kg 55gr	218 kg. 886.34 g	1,2 kg	4,548 pills and 0,64 g



Situation regarding narcotics use

The first registered narcotics users in the Republic of Macedonia were recorded by the Ministry of Interior (Moi) in 1969. Between 1990 and 2004, the number of registered narcotics users increased from 314 to 6,583, and in 2005 alone, 549 new narcotics users were registered. Most of the registered cases are citizens in urban areas, mostly from the city of Skopje (51% of the total number of registered users). The group between 19 and 31 years of age represents 82% of the registered users, while 18 year olds represent 3.8% of the registered users. The male to female users' ratio is ten to one.

An ESPAD study was conducted in 1999 in the high-schools all over the country. Five thousand students at the age of 16 were included in the research and 2,491 questionnaires were completed. According to the ESPAD study, in the Republic of Macedonia, as in most of the countries in the world, cannabis (marijuana) is the most frequent and commonly used illegal substance, with a prevalence of 10% with male and 6.43% with female students. 7.5% of the male and 3.63% of the female students stated that they have used marijuana in the last 12 months. The usage ration in the previous month was 3.59% with the male and 1.93% with the female students.

The Moi records of narcotic users indicate that in 55% of the cases the narcotic cannabis was used. The number of registered users of heroin in the Republic of Macedonia is relatively stable according to Moi records. 41.3% of the total number of registered users in 2004 are persons using heroin. According to the study, the prevalence of heroin abuse (smoking, inhaling or intravenous use of the narcotic) among 16 year old students is 1.56% for male and 0.72% for female students. However, epidemiological data indicate a reduction in the age for starting and using of heroin.

According to the results from the quantitative data analysis of Persons Injecting Drugs (PID) conducted by UNICEF in 2002, 93% of the interviewed persons were at ages ranging from 12 to 18 and 7% at ages from 19 to 20 years of age when they first tried narcotics. 51% used heroin as their first narcotic and 4.29% started immediately with intravenous narcotic use. This tendency is reaffirmed by the research conducted by the NGO HOPS - Healthy Options Project Skopje in 2002/2003, when out of the 85 interviewed PID 61 (71.6%) stated that the first narcotic they tried was marijuana, while 47 (55.29%) started experimenting with heroin. That same NGO informed that in 2005, 98% of the interviewed persons were injecting heroin.

Taking into account all data, both official and unofficial, it is estimated that in the Republic of Macedonia 6,000-8,000 persons may be considered risky narcotic users due to heroin abuse and may face serious health and social consequences. At the same time, it is estimated that the number of young people using different types of illicit narcotics for experimental and/or recreational purposes is several times higher. This data does not include the young people smoking tobacco and drinking alcohol or alcohol with sedatives, whose number would be higher than the aforementioned.

The unofficial data sources indicate a rising trend in the usage of ecstasy and amphetamines, although this data is not founded on epidemiological data.

The usage of cocaine is still insignificant, however due to the increased usage all over Europe it is realistic to expect and increase in the use of this narcotic in the Republic of Macedonia. In the last few years, usage of crack cocaine becomes more apparent; however it is still treated as a limited phenomenon. Among the adult population it would seem that there is an increase in the non-medical use of drugs, like sedatives (benzodiazepam) and pain killers. These substances are frequently used together with alcohol.

Mortality and morbidity

What is particularly concerning is the lowering of the average age of use of illicit narcotics and the age of starting of use, and also the usage of heroin and the serious health risks, i.e. the danger of heroin overdose and mortal consequences thereof and the infectious diseases related to narcotics.

In the Republic of Macedonia 95% to 96% of heroin users use it intravenously (Research project on risky behavior, PHARE_DDR, 1999 and research by the NGO HOPS regarding the manner of narcotics abuse among users exchanging syringes - www.hops.org.mk).

The intravenous narcotics use is a serious risk factor in the spreading of infectious diseases such as HIV/AIDS, the virus hepatitis B and C and other blood related diseases.

Of the drug addicts who are being treated, 70-90% are infected with hepatitis C and there is a high probability that intravenous narcotics use could be one of the main factors in the spreading of the HIV/AIDS virus in the Republic of Macedonia in the future. Epidemiological data from other countries in the region support this hypothesis, although the HIV infections in the Republic of Macedonia are relatively low.

In the period from 2001 to 2005 the number of registered HIV and AIDS positive persons in the Republic of Macedonia increased from 59 to 76 persons. Eight of these persons are narcotics users (10.5%).

According to estimates by unofficial sources, 150 to 190 heroin overdoses happen every year in Skopje alone. The number of drug related deaths, especially due to injecting, is increasing. Seven deaths were registered in 1997 that resulted from a heroin overdose as opposed to 32 cases in 2001.

Special groups of addicts / vulnerable groups

Several special groups of narcotics users or vulnerable group may be pointed out in the Republic of Macedonia:

Addicts in prisons

According to Ministry of Justice data, in the period between 2000 and 2004, 260 to 410 addicts (mostly heroin) were annually registered in the prisons. Most of these convicts serve a prison sentence in the prison "Idrizovo".

Stateless persons and human trafficking victims

The Republic of Macedonia is a country admitting stateless persons (apatrides) and asylum seekers coming from conflicts on the territory of former Yugoslavia. Additionally, human trafficking does exist and is frequently connected to narcotics abuse.

Narcotics addiction with the female population

The narcotics addiction of the female population is a serious problem, especially during pregnancy and due to the relation of problematic narcotic use and prostitution. Additionally, there are indications of an increased number of narcotics users among pregnant women, which leads to an increase in withdrawal syndromes with newborns.

Narcotics in the Roma community

According to unofficial estimates, the number of narcotics users in the Roma community is increasing. This social phenomenon is insufficiently treated.

Narcotics and Internet users

Certain young people use the Internet for acquiring information on illicit narcotics, i.e. the manner of their procurement and preparation. If this information is not adequately balance with objective information on the effects and risks of illicit narcotic use, the abuse of drugs may occur.

Narcotics and sports (doping)

Usage of stimulants and anabolic substances is increasing in sports and endangers the health of (young) sports persons.

Urban delinquency

The number of youths, even pre-puberty youths, involved in the activities of criminal groups selling illicit narcotics is increasing and represents a risk factor of narcotics abuse.

PROMOTION OF PHYSICAL ACTIVITY AND PREVENTION OF OBESITY

The Republic of Macedonia, as a member country of the WHO, has accepted the Strategy for nutrition and physical activity and the Charter on the fight against obesity.

The Action plan on foodstuffs and nutrition in the Republic of Macedonia 2004-2008 dated April 2004, is a strategic document in the field, uniting the three policies and strategies: food safety, nutrition and sustainable supply policy.

An analysis of the areas was conducted, with proposal actions and timeframes for the defined participants. There are goals set by areas, which need to be fulfilled by implementing certain Strategies and Charters leading towards improvement of the quality of national nutrition, in accordance with WHO recommendations on healthy diets. There is a necessity to cooperate with the food production industry in this regards, especially in the production of "healthy products" (nutritionally speaking), i.e. low-fat, low-calorie products, with low sugar and salt contents and a high level of micro nutrients, vegetable fibers etc.

The State Healthcare Institute constantly promotes the significance of everyday intake of fruits and vegetables in the schools and kindergartens through the electronic and printed media, in order to promote proper nutrition and prevent obesity. Printed promotional materials, brochures, leaflets and posters promoting physical activity are also prepared and distributed.

In accordance with the new Book of Regulations on Marking of Foodstuffs, published in the Official Gazette of the Republic of Macedonia No.118, dated 30.12.2005, the industry must provide information on the nutritional value of products and display it on the packaging.

HEALTHY NUTRITION

The Action plan on food and nutrition provides priorities for the promotion of healthy nutrition:

- reduction of the total intake of fat, which must be reduced from its current major share to 30% of the total energy intake
- reducing the intake of refined sugars
- reducing the intake of salt to 6g/day
- increasing the intake of vegetable fibers
- increasing the intake of cereals, vegetables, fruits and fish
- usage of low-fat milk and dairy products
- reducing of butter and hard margarines
- monitoring of daily intakes of vulnerable population groups
- monitoring the nutritional status of population groups for uncovering health risks incurred by malnutrition and obesity

For realizing the abovementioned goals mass public events are organized in the state, such as the World Heart Day, the World Food Day, World Diabetes Day and other important dates.

On every such event, the State Healthcare Institute promotes healthy nutrition, especially the consumption of fruits and vegetables, which are readily available products in Macedonia, due to widespread conditions for their cultivation all over the country.

SEXUAL AND REPRODUCTIVE HEALTH

The segment of protection of sexual and reproductive health is covered in the program for HIV/AIDS implemented through a grant of Global Fund, which covers comprehensive activities related to health education and training, in particular of youths and healthcare employees. These activities included the conducting of serological and behavioral research on special interest groups (persons injecting narcotics, sexual workers, men who have sex with men, prisoners, patients with sexually transmitted diseases and the Roma population) and the results were used for planning the activities of the new Strategy on HIV/AIDS 2007-2011.

During the three year implementation of the program, trainings were implemented for educating over 1,000 teachers on HIV/AIDS/STD and methods for educating students; 26 professionals were trained to work with the Roma population on the prevention of HIV/AIDS/STD (13 social and 13 healthcare employees); 2,738 professionals were trained as field advisors and healthcare employees in the DDST centers (*centers for voluntary and confidential advising and HIV testing*); the curriculum for prevention of HIV/AIDS/STD and reproductive health was introduced in 80% (376 out of 472 schools) of all primary and secondary schools; basic training was provided for prevention of HIV/AIDS/STD on 20,411 soldiers; 8.8% (28,969 out of 327,367) of the young people were covered in the education on prevention of HIV/AIDS/STD; 11 centers for reducing the damages from narcotics abuse (exchange of needles and syringes) were established all over the country; a total of 10 Services for prevention and treatment of narcotics abuse were established; 4,418 intravenous drug users (IDU) were included in the damage reduction program (exchange of needles and syringes) all over Macedonia; 1,882 IDU were involved in the programs for reducing damages and prevention of narcotics abuse with a methadone therapy; 240 CSW (*Commercial Sex Workers*) were involved in preventive activities through field work and offering services at the Drop-in center (advising, medical, legal and social services, hygiene assistance); 4,938 KSR clients were included in the HIV/AIDS activities (disseminated educational materials, condoms and lubricants); 3,986 young girls covered in activities for prevention the starting of commercial sexual work; 1,127 MSM (*Men who have*

Sex with Men) covered in the HIV/AIDS interventions (peer education, advising, cultural and social events, hot line); a total of 2,651 Roma were covered in the activities for prevention of HIV/AIDS/STD (peer education, distribution of educational materials, promotion of condoms); 2,129 prisoners covered in the HIV/AIDS prevention activities (peer education, movie projection of film tailor made to the needs of the target population, distribution of condoms and educational materials); 1,011,336 condoms were distributed to vulnerable groups (young people, KSR and their clients, IDU, MSM, Roma, convicts); STD examinations and testing conducted on 1,213 Roma women in the reproductive period; 13 DDST centres were opened in the country; 6,141 persons used the services of the DDST centres and ARV (anti retro viral) therapy was provide for 17 patients.

The annual programs on preventive healthcare of the epidemiology sector also predict the conducting of health-education lectures, seminars and presentations in the media related to all communicable diseases, depending on the current epidemiological condition and time period.

In the frames of promoting sexual health in the Republic of Macedonia a special emphasis is placed on the general youth and special risk adolescents. *The National Strategy on Adolescent Health and Development* is being prepared, and it will provide for many preventive activities (media campaigns, educational materials, motivation of peer education) and a Strategy for Promoting Sexual and Reproductive Health is also being planned.

With the support of international donors (IPPF and UNICEF) centers for promotion of reproductive and sexual health of young people have been opened (SFC), and education is implemented by healthcare, social and educational employees on promoting sexual and reproductive health in the frames of their everyday work.

Advisory centers for STD have been established at the institute for skin and venereal diseases and the institute for gynecology and obstetrics. A brochure on STD was developed and disseminated to the wider public, with the primary goal of informing the young population.

DISSEMINATION OF INFORMATION TO THE PUBLIC

Education of the public through campaigns

For the purposes of awareness raising of the population in the Republic of Macedonia on the dangers of exposure of non-smokers to cigarette smoke, the Ministry of Health with technical assistance by USAID conducted a **media campaign against passive smoking** in 2006.

A **Media campaign for prevention of HIV/AIDS for young people** was conducted as a part of the activities of the HIV/AIDS program, through commercial TV spots, radio clips, Internet announcements, the daily newspapers and billboards.

An **anti-stigma campaign** was conducted in six cities in the Republic of Macedonia (meetings of organizations for reintegration and resocialization, distribution of educational materials, movie projections, environmental cleaning actions, theater shows, graffiti drawings, sports events, exhibitions, video projections, sailing competitions, concerts and parties).

In the frames of the *European Immunization Week*, in October of 2005 and 2007 a series of activities were conducted under the motto **protect-prevent-vaccinate**. A messages were sent via the electronic media on the importance of timely immunization of children as a preventive measure against communicable diseases. Shows on immunization including experts were presented on local radio and TV media. The daily newspapers included articles and information on the protective effect of immunization as one of the most important preventive health interventions.

Some 1,500 posters and 30,000 brochures were printed containing basic messages on immunization and the immunization calendar. Debates and lectures for parents, especially in the rural environments, were held, in order to raise the awareness on the timely and regular vaccination of children. Seminars were held for healthcare employees for refreshing and deepening of knowledge in the field of immunization.

2,000 parents were surveyed before and after the Immunization Week in order to record the difference in approach and awareness on immunization with the parents before and after the campaign.

The immunization services undertook field activities for discovering children who have not been vaccinated or who have not been fully vaccinated, especially in the Roma population and the rural environments, and the children discovered then received proper vaccination.

Besides the activities in the annual preventive and curative programs, in 2007 and 2008 campaigns were conducted **for the timely detection of breast and cervical cancer**, and a **campaign for preventive health examinations of the population "Health for All"** conducted two times a month at 68 points in the country.

In 2007, the **campaign "Be smarter than cancer, be a healthy woman"** covered 10,000 women with free mammography examinations and 18,000 women with free gynecological examinations and PAP tests.

The campaign *"Health for All"* provided free preventive examinations for 40,000 persons. The campaign continued in 2008 and included 8 Roma neighborhoods and 34 points in the rural environments.

The data from the results on implemented program activities and campaigns are related to the total population. During the implemented campaigns changes were detected with 12% of the examined women with the PAP test, and 7.5% of them have high risk malignant changes.

From the women examined with mammography tests, 6.3% exhibited high risk changes suggesting malignant diseases.

The results of the campaign *"Health for All"* showed that there is an increased weight index with 25.5% of the persons examined, 3.6% have increased blood sugar levels, 5% have increased blood cholesterol levels and 23% have high blood pressure. Everybody was also provided with advice on healthy nutrition and living and advice on additional medical examinations.

Education of the public through preventive programs

Regular health education in the schools through lectures, debates etc. is conducted during the year in accordance with the AIDS program, the program for brucellosis, the preventive program and the mother and child program.

The way of financing of family (selected) doctors provides for 30-40% of the financing to be used for preventive activities, so-called "fulfillment of preventive goals". The family doctor is obliged to undertake laboratory and other examinations for the adult population with the purpose of prevention of diabetes, cardio-vascular disease and early detection of malignant illnesses.

The family doctor should provide preventive examinations for early detection of obesity and deformities for the population aged 0-18.

The family gynecologists are obliged to provide free gynecological examinations with PAP tests for 25% of the insured women annually.

The Health Insurance Fund of the Republic of Macedonia, as purchaser of health services, concludes and terminates contracts for provision thereof with healthcare institutions. The contracts provide the type, volume, quality and timeframes for realizing healthcare protection, the manner of calculating and payment of health services, the reasons for contract termination and the activities of family doctors for achieving specific goals.

During 2005, 2006 and 2007 the family doctors, according to the contracts made with the Fund, were obliged to fulfill the following activities for achieving specific goals:

1. Records on performed mandatory immunization and detailed examinations of school children and students (it is performed by referral to immunization and systematic examination and after the activities have been performed it is recorded as being completed)

a) preventive measures against tuberculosis

- immunization against tuberculosis – in the first year, and latest at the end of the first year
- tuberculosis test and revaccination (as necessary) at the age of 7
- tuberculosis test and revaccination (as necessary) at the age of 14
- a random sample of 5% of the healthcare beneficiaries older than 18 are annually referred to sputum control and x-ray imaging

b) program for mandatory immunization (the performed immunization is recorded in the healthcare card and the records of the family doctor)

- immunization against diphtheria, tetanus and whooping cough (in 3 doses) in the first year in the 4, 5 and 6 month
- revaccination against diphtheria, tetanus and whooping cough at the age of 18 months
- revaccination against diphtheria, tetanus and whooping cough at the age of 4 years
- revaccination against diphtheria and tetanus at the age of 7 years
- revaccination against diphtheria and tetanus at the age of 14 years
- immunization against pediatric paralysis (3 doses) in the first year in the 4, 5½ and 7 month of age
- revaccination against pediatric paralysis at the age of 20 months
- revaccination against pediatric paralysis at the age of 7 years
- revaccination against pediatric paralysis at the age of 14 years
- immunization against small pox, mumps and rubella at the age of 13 months
- revaccination against small pox, mumps and rubella at the age of 7 years
- revaccination against rubella for female children at the age of 14 years
- revaccination against tetanus at the age of 18 years

c) program for systematic examination of school children and students (the systematic examinations are recorded in the health care and the records of the family doctor)

- systematic examination of students in I grade (6-7 years old)
- systematic examination of students in III grade (8-9 years old)
- systematic examination of students in V grade (10-11 years old)
- systematic examination of students in VIII grade (12-13 years old)
- systematic examination of students in I grade high-school (14-15 years old)
- systematic examination of students in IV grade high-school (17-18 years old)

d) inviting children aged 2–6 who did not ask for medical protection during one year (for a general medical examination and blood testing)

e) activities for protection against addictions – at least one lecture for school children in the first, second, third and fourth trimester of the calendar year (this goal is realized through lectures in primary and secondary schools, electronic media, publishing of written materials in school magazines and submitting printed educational material to schools).

2. Activities for early detection of chronic non-communicable diseases and adequate management thereof

- examinations for prevention of chronic renal insufficiency on 10% of the healthcare beneficiaries older than 18 annually (examination, urinary status, urea, creatinine)
- examinations for prevention of diabetes on 10% of the healthcare beneficiaries older than 18 annually (laboratory examination – establishing blood sugar levels, ketone and acetone in urine and lipid status examination on total fat, triglycerides and cholesterol, the results of which are recorded in the medical documents and records of the family doctor)
- preventive examination of ischemic heart disease on 10% of the healthcare beneficiaries older than 18 annually (examination, lipid status – total fat, triglycerides and cholesterol, and depending on the indication ECG as well)
- invitations to healthcare beneficiaries older than 18 years of age who have not asked for medical protection in the last 3 years (the invitations are made according to the last recorded examination with the family doctor; the status of the entire body and a hematological and urinary status are established and recorded with the family doctor)

3. Activities for early detection of malignant diseases

- early detection of breast malignant diseases on:
 - 10% of the healthcare beneficiaries older than 18 annually, with the family doctor (breast examination and armpit lymph knots, and depending on the indications echo tests, i.e. mammography)
 - 20% of the female healthcare beneficiaries older than 18 annually, with the family gynecologist
- early detection of malignant cervical diseases of 20% of the healthcare beneficiaries annually, with the family gynecologists (gynecological examination and cervical smears)
- early detection of malignant diseases of lungs of 20% of health beneficiaries from risk groups annually (examination of lungs and, if necessary, x-ray imaging)
- early detection of malignant diseases of the prostate of 20% of health beneficiaries older than 45 years annually (examination on the basis of anamnesis data on problems during urination, and, according to the indication, echo testing)

4. Ante-natal and postpartum control of the health condition and care for the female population (the family doctor - gynecologist keeps records on the child for the period before the birth - pregnancy, data on the birth and the period after the birth)

- prenatal healthcare – 4 prenatal examinations of pregnant women (at the latest in the trimester including the 3, 5, 7 and 9 month of pregnancy)
- one echo examination in the period between the 16 and 20 week of pregnancy
- home visits – 3 home visits per young mother and child (in the trimester including the 2, 4 and 6 week after birth, and for high risk children a greater number of visits is provided)

5. Rational usage and prescription of medications

- provision of prescriptions for drugs contained in the list of prescription drugs in primary healthcare. The provided number of prescriptions is made on the annual level. The calculation of the number of planned prescriptions is performed for each category of healthcare beneficiaries depending on age and gender, and the fulfillment of this goal is measure by the total number of prescriptions realized for all categories of beneficiaries together. In cases of increased consumption of prescription drugs over the established number (and depending on epidemiological indications) the family doctor will provide an explanation thereof to the regional service.

6. Rational referral to a higher level of healthcare (this includes referrals to specialist-consultation and hospital healthcare, as opposed to referrals to biochemical laboratory and microbiological laboratory examinations and x-ray diagnostics)

- the provided number of referrals is made on an annual level. The referrals to biochemical laboratory and microbiological laboratory examinations and x-ray diagnostics are not taken into account since these are diagnostic referrals related to certain goals. The calculation of the number of planned referrals is performed for each category of healthcare beneficiaries depending on age and gender, and the fulfillment of this goal is measure by the total number of issued referrals for all categories of beneficiaries together. The realization of this goal is evaluated on the basis of referrals issued that are recorded in the medical documents and the records of the family doctor.

7. Rational and justifiable prescription of sick leave

- prescription of sick leave up to 15 days duration (in pediatric and school medicine for taking care of a sick child, and in other activities for cases defined in Articles 13 and 14 of the Law on Health Insurance). The prescribed sick leave percentages are related to one trimester. The calculation of the number of planned sick leaves is performed for each category of healthcare beneficiaries depending on age and gender, and the fulfillment of this goal is measure by the total number of prescribed sick leaves for all categories of beneficiaries together. The realization of this goal is evaluated on the basis of issued sick leaves that are recorded in the medical documents and the records of the family doctor.

8. Other prescribed activities

- computer data processing
- office equipment for improving the conditions for providing healthcare services to beneficiaries
- keeping records
- regular submitting of reports according to healthcare regulations

The data recorded is kept as permanent data. During the provision of healthcare services for a beneficiary from the family doctor, other activities may simultaneously implemented for achieving certain goals. The planned goals on the annual level are detailed in quarterly planning values by dividing the annual values by 4 (quarters). The fulfillment of goals is controlled and evaluated by the Fund every three months, on the basis of the medical records and the records of the family doctor. The payment is performed after the assessment on the three previous months in the current year, and only for the goals that have been fully met.

INVESTMENTS

Besides the Strategic documents aimed at improving the health condition of the population, the Ministry of Health, as part of its strategic priorities for improving public healthcare, protection and services, has predicted certain investments aimed at: renewal of medical equipment, capital investments, computer technology and upgrading healthcare related to addictions.

According to a decision by the Government of the Republic of Macedonia, 40 million euros will be invested in procuring new and sophisticated medical equipment. The funds are provided from the Budget of the Government of the Republic of Macedonia (10 million euros) and from

the Budget of the HIF (30 million euros). This will provide for the introduction of the most modern world medical technology for providing the highest healthcare for the population, and the regional dissemination of top diagnostics will improve the availability of healthcare for the population. With this investment, the biggest of this kind in the health sector, the new highly-sophisticated medical equipment/imaging equipment, will be purchased. The tendering procedure is ongoing.

A capital investment of 20 million euros is planned for the reconstruction of public healthcare institutions, in order to improve the availability of healthcare to over 100,000 persons living in remote rural areas. The Ministry of Health is undertaking measures **for developing new financial and other incentive mechanisms** for providing a legal frame conducive to opening medical practices in rural environments, such as these 93 clinics on the lists of rural clinics, for which there is a flat monthly rate of finances provided regardless of the number of patients. Already there is interest enough for leasing of 80% of the offered 93 practices. The application process is still ongoing and it is expected that all practices will be leased.

A further project has been prepared for the construction of 18 clinics in rural environments that have not had a clinic thus far, which will provide continuous healthcare accessible to this population.

Article 11§3

PROTECTION OF DRINKING WATER

The healthcare institutes in the Republic of Macedonia with the *Program for preventive healthcare in the Republic of Macedonia for 2005 and 2006*, Official Gazette of the Republic of Macedonia No. 31/06, perform continuous monitoring and evaluation of the sanitary-hygiene condition of water supply for the population, of the water supply facilities and safety (quality and health safety) of drinking waters, as well as the waters for bathing and recreation that fall under their administrative territories.

The fulfillment of program goals is conducted through:

- performing sanitary-hygiene inspections of the water supply facilities and protected zones on the water intakes over the water springs and their surrounding;
- sampling potable water for laboratory analysis;
- monitoring, implementing and proposing measures for securing the supply of potable water to the population.

Inspections performed and potable water samples taken for urban areas in the Republic of Macedonia in 2005:

The analysis of water supply data for urban areas indicates that the sanitary-hygiene condition of the facilities and the health safety of analyzed water samples are generally satisfactory, i.e. within expected limits in comparison to previous years. This analysis involved 31 urban areas with approximately 1,200,000 inhabitants. A total of 11,946 samples were taken for bacteriological and physical-chemical analysis in the laboratories of the healthcare institutes, as part of the so-called basic analysis. The most frequent cause of irregularities in the findings of the physical-chemical analysis is due to the absence residual chlorine or increased quantities of manganese and iron in one of the water supply facilities, but not in the water supply network. The water in the water supply system of Sveti Nikole

was prohibited for drinking due to increased contents of aluminum and trihalomethane (since 2003). The total number of irregular samples according to the physical and chemical analysis is 624 or 5.6%. There were bacteriological irregularities in 0.8% of the tested samples or, expressed in numbers, with 100 samples. The irregular samples occur due to increased numbers of aerobic mesophilic bacteria in 100ml of water.

Inspections performed and potable water samples taken for urban areas in the Republic of Macedonia in 2006:

The analysis of water supply data for urban areas indicates that the sanitary-hygiene condition of the facilities and the health safety of analyzed water samples are generally satisfactory, i.e. within expected limits in comparison to previous years. This analysis involved 33 urban areas with approximately 1,131,799 inhabitants. A total of 11,360 samples were taken for bacteriological and physical-chemical analysis in the laboratories of the healthcare institutes, as part of the so-called basic analysis.

The most frequent cause of irregularities in the findings of the physical-chemical analysis is due to the absence residual chlorine or increased quantities of iron, however not in the water supply network. The water in the water supply system of Sveti Nikole was prohibited for drinking due to increased contents of aluminum and trihalomethane (since 2003).

The total number of irregular samples according to the physical and chemical analysis is 852 or 3.83%. There were bacteriological irregularities in 1.44% of the tested samples or, expressed in numbers, with 176 samples. The irregular samples occur due to increased numbers of aerobic mesophilic bacteria in 1 ml of water.

The analysis of the health safety results of potable water for the period 2002-2006 indicates that the percentage of irregular samples according to the physical-chemical analysis is from 4-5.6% and the percentage of irregular samples according to the microbiological analysis is 0.8-2%.

MONITORING OF THE QUALITY OF AIR IN URBAN AREAS

On the basis of the Law on Health Protection "Official Gazette of the Republic of Macedonia" No.38/91, 46/93 and 10/2004 and the Law on Ambient Air Quality "Official Gazette of the Republic of Macedonia" No.67/04 (Article 42, paragraph 1 provides: *certain professional matters related to the ambient air quality monitoring may be performed by accredited scientific professional organizations and institutions and other legal entities under conditions and in manner specified by this Law*), the public health institutions have an obligation to organize and perform quality monitoring of air in populated areas (the provisions of the Law on Air Pollution Prevention "Official Gazette of the Socialist Republic of Macedonia" from Article 4, paragraphs 1, 2, 3, 4, 5 and 6 shall remain in effect until the adoption of by-laws according to the new law).

Article 1 of the Law on Ambient Air Quality, Official Gazette of the Republic of Macedonia No. 67/2004 adopted on 04.10.2004, prescribes the Subject of the Regulation: this Law shall regulate the measures for avoidance, prevention or reduction of harmful effects from ambient air pollution on human health, as well as the environment as a whole, through the establishment of limit values for the ambient air quality and alert thresholds, emission limit values, the establishment of unique system of ambient air quality monitoring and control and monitoring of sources of emissions, comprehensive system of ambient air quality and sources of emissions management, information system, as well as other measures aimed at protection against certain activities by legal entities and individuals having direct or indirect impact on the quality of air.

Also, goal 21 of EEHAP (European Environment and Health Action Plan) and NEHAP (National Health and Environment Action Plan) on Air Quality, states that by 2000 the quality of air in all of the countries should be improved to a degree when the known air pollutants do not present a health threat to the population exposed to polluted air, especially in highly urban areas. There is need for action for control of air pollution with non-specific and specific pollutants, due to the negative health effects on the respiratory system of humans, and in particular on the vulnerable population groups (pre-school and school children, people with non-specific chronic lung ailments, pregnant women, wet nurses, old people etc.).

In 2000 the World Health Organization issued the second edition of “*Air Quality Guidelines for Europe*”, which updates and revises the pollutants contained in the first guidelines. The air pollutants especially important for environmental and health in the European region countries were identified and selected on the basis of the following criteria:

- whether the substances or combinations represent a widely spread problem from the viewpoint of sources;
- the predominance and abundance of pollutants in places where exposure potential is high, bearing in mind open and closed area exposure;
- whether important new information was acquired on the health effects since the publishing of the first edition of the guidelines;
- possibility for monitoring;
- whether non-health effects can occur (for example: eco-toxic effects);
- whether there is an apparent positive trend of the ambient levels.

Until 2015, the people in the Region should live in a healthier living environment, regarding the exposure to health hazard contaminants at levels under the internationally prescribed standards (according to WHO for Europe, Health for All in the 21st century, Goal 10, Healthy and safe environment).

According to the adopted Program on preventive healthcare in the Republic of Macedonia "Official Gazette of the Republic of Macedonia" No.16/2005, measures, tasks and activities have been determined for implementation in the 10 regional Healthcare institutes with their regional units and the State healthcare institute, by examining the following types of pollutants:

- In the Healthcare Institute – Skopje measurements are made for smoke, SO₂, aerial sediments, carbon monoxide and lead;
- In the Healthcare Institute - Veles measurements are made for smoke, SO₂, aerial sediments, lead, cadmium and zinc;
- The Healthcare institutes in Bitola, Kochani, Kumanovo, Ohrid, Prilep, Strumica, Tetovo and Shtip only measure aerial sediments;
- In the State Healthcare Institute on 4 measuring locations in Skopje measurements are made on lead, cadmium, iron, manganese, copper, zinc, cobalt, nickel, chrome and strontium content in the aerial sediments.

We have data from all healthcare institutes from 2005 on the volume and quality of activities in these areas.

The Healthcare Institute – Skopje has established a monitoring and measuring network for monitoring concentrations of:

- aerial sediments (30 measuring locations with 345 samples out 360 samples predicted)
- SO₂ and smoke (7 measuring locations with 2,445 samples out of 2,555 samples predicted for SO₂ and 2,465 for smoke out of 2,555 samples planned);
- CO (4 measuring locations with 168 analyzed samples - 100% plan realization);
- lead (1 measuring location with 14 analyzed samples - 100% plan realization);

The Healthcare Institute – Veles monitors:

- aerial sediments (8 measuring locations with 92 samples - 96% of predicted samples)
- SO₂ (3 measuring locations with 1,091 samples out of 1,095 planned);
- smoke (3 measuring locations with 1,094 samples or 99.9% of samples planned);
- lead, cadmium and zinc (8 measuring locations with 92 samples - 96% of predicted samples)

The Healthcare Institute - Tetovo monitors:

- aerial sediments (4 measuring locations with 48 samples - 100%)

The Healthcare Institute - Bitola monitors:

- aerial sediments (4 measuring locations with 42 samples – 87.5%)

The Healthcare Institute – Kumanovo:

- aerial sediments (4 measuring locations with 48 samples - 100% of the planned)

The Healthcare Institute - Kochani:

- aerial sediments (4 measuring locations with 48 samples out of 5 measuring locations and 60 samples predicted)

The Healthcare Institute - Ohrid:

- aerial sediments (3 measuring locations with 28 samples out of 36 samples predicted, in Regional Unit Struga, 2 measuring locations out of 3 measuring locations predicted, with 24 samples).

The Healthcare Institute – Prilep monitors:

- aerial sediments (5 measuring locations with 60 samples and in Regional Unit Krushevo, 2 measuring locations with 24 samples - 100%).

The Healthcare Institute - Shtip monitors:

- aerial sediments (6 measuring locations with 60 samples (125% of plan) out of 4 measuring locations and 48 samples predicted)

The Healthcare Institute - Strumica:

- aerial sediments (4 measuring locations with 48 samples - 100% of the planned)

The abovementioned parameters are monitored continuously, SO₂ and smoke every 24 hours, and the aerial sediment every month. According to the prescribed methodology, the concentrations of carbon monoxide are monitored 2 times a year 7 days consecutively on 4 high frequency crossroads (in spring and fall at 7:00 and 15:00 hours, at peak traffic frequency), while lead as a heavy toxic metal in breathing areas is monitored only at 1 monitoring location, 2 times a year 7 days consecutively, in the breathing zone (immediately next to a high frequency crossroad in close vicinity of the Healthcare Institute - Skopje).

According to the Program, aerial sediments are monitored in all healthcare institutes.

The State Healthcare Institute – Skopje monitors:

- aerial sediments in 4 measuring locations (in a residential area, industrial area, on the periphery and administrative-business area in the city of Skopje) with 48 samples, by analyzing heavy metals - iron, manganese, copper, zinc, lead, cadmium, cobalt, nickel, chrome⁶⁺ and strontium.

The data from all healthcare institutes from **2006** are available, on the volume and quality of activities in these areas.

The Healthcare Institute - Skopje has established a monitoring and measuring network for monitoring concentrations of:

- aerial sediments (30 measuring locations with 359 samples out 360 samples predicted);
- SO₂ and smoke (7 measuring locations with 2,445 samples out of 2,382 samples predicted for SO₂ and 2,385 for smoke out of 2,555 samples planned);
- lead (1 measuring location with 14 analyzed samples - 100% plan realization);

The Healthcare Institute - Veles monitors:

- aerial sediments (8 measuring locations with 81 samples - 84,4% of predicted samples)
- SO₂ (3 measuring locations with 1,094 samples out of 1095 planned);
- smoke (3 measuring locations with 1,094 samples or 99.9% of samples planned);
- lead, cadmium and zinc (2 measuring locations with 385 samples - 99% of predicted samples);

The Healthcare Institute - Tetovo monitors:

- aerial sediments (4 measuring locations with 48 samples - 100%)

The Healthcare Institute - Bitola monitors:

- aerial sediments (4 measuring locations with 39 samples – 81.25%)
- Data from the Ministry of Environment and Physical Planning:
- SO₂ (1 measuring location with 12 samples - 100%)
- CO (1 measuring location with 12 samples - 100%)
- HO₂ (1 measuring location with 12 samples - 100%)
- O₃ (1 measuring location with 12 samples - 100%)
- PM10 (1 measuring location with 12 samples - 100%)

The Healthcare Institute - Kumanovo:

- aerial sediments (4 measuring locations with 48 samples - 100% of the planned)

The Healthcare Institute - Kochani:

- aerial sediments (4 measuring locations with 48 samples out of 4 measuring locations and 48 samples predicted)

The Healthcare Institute - Ohrid:

- aerial sediments (3 measuring locations with 36 samples out of 36 samples predicted, in Regional Unit Struga, 2 measuring locations out of 3 measuring locations predicted, with 8 samples).

The Healthcare Institute - Prilep monitors:

- aerial sediments (5 measuring locations with 60 samples and in Regional Unit aerial sediments (2 measuring locations with 24 samples - 100%)

The Healthcare Institute - Shtip monitors:

- aerial sediments (4 measuring locations with 48 samples (100% of plan) out of 4 measuring locations and 48 samples predicted)

The Healthcare Institute - Strumica:

- aerial sediments (4 measuring locations with 48 samples - 100% of the planned)

The State Healthcare Institute - Skopje monitors:

- aerial sediments in 4 measuring locations (in a residential area, industrial area, on the periphery and administrative-business area in the city of Skopje) with 48 samples, by analyzing heavy metals - iron, manganese, copper, zinc, lead, cadmium, cobalt, nickel, chrome⁶⁺ and strontium.

ENVIRONMENTAL PROTECTION AND PUBLIC HYGIENE

In direction of public hygiene and environmental protection, by changing the habits of the citizens in relation to public hygiene, a new **Law on Public Hygiene** ("Official Gazette of RM", No. 111/08) was adopted.

The new Law on Public Hygiene regulates all aspects of public area maintenance. The objective of the adoption of this law is to raise the public awareness on a higher level. The law prescribes adequate sanctions for all subjects that participate in care for the public hygiene.

This law regulates the conditions and the manner of Public Hygiene, the rights and obligations of participants in Public Hygiene, the areas and facilities subject to Public Hygiene, collection of waste and cleaning snow and ice in winter.

The Law also regulates that the utility inspector, i.e. the uniform police officer, upon conclusion that there has been a violation, files a request for violation procedure in front of the competent court, regarding all violations prescribed by this law, except from violations regulated with fine in the amount of 50 EUR in MKD counter value, whereas the perpetrator shall receive an invitation for payment of the fine within a period of eight days. If the person fails to pay the fine within the prescribed period, the person shall receive a request for initiation of a violation procedure in front of the competent court, and the court shall declare a fine three times the amount determined, i.e. in the amount of 150 EUR in MKD counter value. The Law prescribed that the person may change payment of the fine with performance of community work.

ENVIRONMENTAL PROTECTION AGAINST NOISE

Environmental Protection against Noise is performed in two phases: phase of establishment of noise control by adoption of adequate legal regulation and a phase for development of a Strategy for reduction of noise.

In relation with the first phase, a new *Law on protection against noise in the environment* was adopted in the Republic of Macedonia (Official Gazette of RM, No.79/2007), based on the European legislation related to noise in the environment. In order to accomplish complete harmonization with the European legislation and obtaining the adequate level of protection, it is necessary to adopt bylaws arising from the law, such as Action plans and strategic mapping of noise, marginal values of noise in the environment, and methods for establishment of indicators for exposure to noise and the negative health effects in exposed population. Monitoring of the level of noise is in a phase of development and completion, with tendency to cover more urban environments. Measures for reduction of the noise have been undertaken by competent bodies for traffic, i.e. activities in direction of reducing the emissions of noise by motor vehicles and establishment of sound barriers.

PROTECTION AGAINST RADIOACTIVITY IN THE ENVIRONMENT

In accordance with the *Law on protection against ionizing emissions and radiation security* (Official Gazette of RM, No.48/02), the Rulebook on maximum limitations for radioactive contamination of environment and decontamination (Official Gazette of RM, No.8/87), the Rulebook on the places, methods and terms for examination of the radioactive matter contamination (Official Gazette of RM, No. 40/86), as well as the EUROATOM Directives and the Program on Preventive Health Protection, the State Healthcare Authority conducts systematic monitoring of the contamination with radioactive matter of the following: the air in Skopje and Gevgelija, atmospheric layers of contamination in Skopje, Gevgelija and Ohrid, the

soil from Skopje and Stip, water in the river Vardar in Gevgelija and water from Lake Ohrid in the village of Radozda, the river Lepenec at the entrance in Vardar, food for human consumption from different producers, fodder from different areas, water from the water supply systems in Skopje and Ohrid, milk - product from the dairy farm in Bitola, engineering materials, herbs, as well as imports, exports and domestic trade in various types of products.

The level of contamination with radioactive substances has been checked by monitoring the following parameters:

- total beta and total alpha radioactivity (air, atmospheric residues, drinking water and geographic water)
- presence of gamma emitters in all samples from the program and in the additional samples,
- presence of total Uranium in all samples from the program,
- presence of beta emitters (Sr-90) in all samples from the program

The State Healthcare Authority is authorized institution for monitoring the level of radioactive contamination of the environment (Official Gazette of RM, No. 48/02) in continuity since 1967.

PROTECTION AGAINST NUCLEAR ACCIDENTS

For the purpose of undertaking adequate measures for protection of population and material goods in case of possible nuclear accident, PHO State Healthcare Authority has developed and established monitoring network that covers the territory of the Republic of Macedonia.

In November 2007, within the frames of the Project MAK 7002 with MAAE (the International Agency for Nuclear Energy), whereas the PHO State Healthcare Authority allocated funds in the amount of 25% for its realization, a modern monitoring system was delivered and installed, for online measurement of the intensity of the external gamma emissions, comprised of 12 monitoring stations placed in 12 locations in the country. The parameter for assessment of the level of radioactive contamination of the environment is the continuous measurement of the intensity of the external gamma radiation in 12 measuring locations in the Republic of Macedonia: Skopje, Veles, Negotino, Gevgelija, Strumica, Berovo, Kriva Palanka, Kicevo, Debar, Ohrid, Bitola and Krusevo.

Data from the monitoring stations shall be wireless transmitted to the server by modem and SIM card, on the principle of mobile phone operation. The system was tested, two monthly experiences were already obtained, which tell us that the external gamma radiation in Macedonia is within 0,09-0,25 μ Sv/h, values in accordance with the European and World values which are considered as normal condition.

There are such systems in Greece (10), Bulgaria (12), Albania (2), while in the rest of the countries of former Yugoslavia there have not been equipped yet. This monitoring system shall enable Macedonia to connect into the data base (EURDEP), Joint Research Center, and the other European institutions.

FOOD CONTROL IN THE REPUBLIC OF MACEDONIA

Food safety in the Republic of Macedonia is regulated by:

- The Law on Food Safety and Products and Materials in contact with food (Official Gazette of RM, No.54/2002),
- The amendments to the Law on Food Safety and Products and Materials in contact with food (Official Gazette of RM, No.84/2007), and

- bylaws which closely regulate certain requirements for quality and food safety. These regulations have been partially harmonized with EU legislation, with tendency for their complete harmonization.

The system for food safety in RM is comprised of inspection services and laboratories for food analyses:

- Inspection services: Directorate for food and Veterinary inspection conduct monitoring of the foodstuffs, food production facilities and employees who come in contact with food, take samples and deliver them in laboratories for analysis.
- The food laboratories conduct examination of the product safety and provide professional opinions whether the food is adequate for consumption by humans. Based on the laboratory findings, the inspection services undertake further action, i.e. allow import and trade in the food if it is adequate for human consumption. On contrary, if the food is not adequate, then the inspection shall prohibit production, trade or import of the relevant type of food.

Performance of the activities within the frames of the National monitoring of health safety of foodstuffs in the Republic of Macedonia shall be by authorized professional institutions: The State Healthcare Authority, 10 regional healthcare authorities, Veterinarian Institute and the Food Directorate. The activities shall be on the level of import, production and trade.

During **2005**, a total of 25.364 samples of foodstuffs were examined in the authorized institutions, whereas 16.957 samples of foodstuffs intended for import, and 8.407 samples from domestic production and trade, from which 4.561 from industrial production, 2.405 from craftsmanship, and 1.441 samples from trade in foodstuffs. In the total scope of laboratory analyzed samples, the foodstuffs from import comprise 66.8%.

Chemically examined foodstuffs in 2005

	Total No. of examined samples	Inadequate	
		No:	%
Total RM	25,364	735	2.9
From import	16,957	143	0.8
Domestic production and trade	8,407	592	7.4
- industrial production	4,561	181	3.9
- craftsman production	2,405	207	8.6
- trade	1,441	204	14.1

Source: State Healthcare Authority, Annual Report on realization of the Program for Preventive Health Protection, 2006

Scope of chemically analyzed samples of foodstuffs in 2005

Authorized institution	Total		Domestic production and trade		Import	
	Total	Inadequate	Total	Inadequate	Total	Inadequate
State Healthcare Authority	10,736	244 2.2%	1,089	140 12.8%	9,647	104 1.08%
Veterinary Institute	8,317	63 0.7%	2,350	34 1.4%	5,967	29 0.4%
Regional Bureaus for Health Protection	6,311	428 6.7%	4,968	418 8.4%	1,343	10 0.7%
Total	25,364	735 2.9%	8,407	592 7.4%	16,957	143 0.8%

Source: State Healthcare Authority, Annual Report on realization of the Program for Preventive Health Protection, 2006

The review according to institutions shows that the State Healthcare Authority has analyzed 10,736 various types of samples of foodstuff, the Veterinary Institute 8,317 samples, and the regional bureaus for health protection total of 6.311 samples, most of them by the Authority in Kumanovo, 1,761 samples, then in Skopje - 930, Prilep – 803, and the rest of the bureaus from 90 to 600 samples.

From the total number of chemically tested samples, inadequacy was determined in 2.9% in samples for import 0.8%, and in products of domestic production, and trade, significantly more 7.0%. The highest percent of inadequacy was concluded in products taken from the trade, 14.1%, then craftsmanship 8.6%, and in industrial production in 3.9%.

The evaluation of the health safety of foodstuff was conducted according to the national legislation and the standards of Codex Alimentarius. The following groups of parameters were examined:

- quality (composition, chemical quality, organoleptic characteristics, declaration);
- additives (conservancies, food colors, artificial sufar);
- pesticides (organochlorine, organophosphorous);
- heavy metals (lead, cadmium, arsenic, mercury, mangane);
- micotoxins (aflatoxins, B, G, M-toxin);
- antibiotics;
- microbiological adequacy;
- radionucleids.

Scope of analyzed groups of parameters in 2005

Parameter	Total	Import		Trade and domestic production	
		Total	Inadequate	Total	Inadequate
Quality	20,354	14,493	67 (0.46%)	5,861	381 (6.5%)
Additives	3,865	2,840	32 (1.1%)	1,025	34 (3.3%)
Pesticides	9,581	8,611	0	970	0
Heavy metals	17,342	16,024	3 (0.02%)	1,318	43 (3.2%)
Micotoxins	2,894	2,242	17 (0.7%)	652	2 (0.3%)
microbiological adequacy	25,556	15,095	42 (0.28%)	10,461	500 (4.7%)
Antibiotics	3,973	3,286	0	687	2 (0.2%)

Source: State Healthcare Authority, Annual Report on realization of the Program for Preventive Health Protection, 2006

The review of the scope of examinations according to parameters shows that the samples from import dominate with 92% for heavy metals, 89% for pesticides, 77% for micotoxins, 71% in the analyses for quality, 82% for antibiotics, 73% in additives, and 59% in microbiological analyzed samples.

In **2006**, a total of 9,626 samples of foodstuff have been chemically analyzed, out of which 8,511 samples of foodstuff from import, and 1,115 samples from domestic production and trade. 910 samples from industrial production have been analyzed, 104 from smaller production enterprises, and 101 samples taken from trade.

Scope of chemically analyzed samples of foodstuffs in 2006

Total Analyzed samples		Trade and domestic production		Import	
Total	Inadequate	Total	Inadequate	Total	Inadequate
9,626	109 1.1%	1,115	57 5.1%	8,511	52 0.6%

Source: State Healthcare Authority, Annual Report on realization of the Program for Preventive Health Protection, 2007

From the total examined samples, 109 did not comply with the regulations for health safety, i.e. 1.1%, whereas 0.6% from import, and 5.1% in products from domestic production and trade. Inadequacy in products from EU is 0.5%.

Health safety of examined samples of foodstuffs according to parameters in 2006

Parameter	Total	Import (total)		Domestic production and trade	
		Total	Inadequate	Total	Inadequate
Quality	8,525	7,705	28 (0.3%)	820	34 (4.1%)
Additives	1,691	1,509	13 (0.8%)	182	6 (3.2%)
Pesticides	2,447	2,317	0	130	0
Heavy metals	8,188	7,844	0	344	10 (2,9%)
Micotoxins	796	751	0	45	0
microbiological adequacy	8,485	7,566	39 (0.5%)	919	44 (4.7%)
Antibiotics	136	128	0	8	0
Radionucleids	172	14	1 (7.1%)	158	0

Source: State Healthcare Authority, Annual Report on realization of the Program for Preventive Health Protection, 2007

The analysis of the inadequacy of the products, according to parameters, shows that in the analyses of the quality it is 0.7%, in additives 1.1%, heavy metals 0.1%, while for pesticides, micotoxins, and antibiotics, there are no inadequate samples. Microbiological inadequate samples are 0.9% from the total number of examined samples, and inadequacy from the aspect of radioactivity 0.5%. Inadequacy in products from EU is mainly from aspect of microbiological parameters (meat, meat products, frozen bakery products, etc). In relation with the quality, there was inadequacy of one sample of fruit juice.

Most frequent cause for microbiological inadequacy

	Total	Import	Domestic production
Salmonella	17	13	4
Coagulasis, positive Staphylococcus	10	7	3
Sulphitoreductive clostridium	0	0	0
Proteus	4	4	0
Escherichia Coli	62	14	48
yeast	9	6	3
Moss	1	1	0
BacteriaContaminants	3	3	0

Source: State Healthcare Authority, Annual Report on realization of the Program for Preventive Health Protection, 2006

From the review of the microbiological inadequacy according to different groups of foodstuffs, the following inadequate samples were registered: 9 (17.3%) samples of milk, 11 (16.6%) samples of dairy products, 29 (29.2%) meat, 3 (0.3%) samples of non-alcoholic drinks. The most common reason for microbiological inadequacy of foodstuffs was Escherichia coli in 62, Salmonella in 17, coagulasis positive Staphylococcus in 10 samples. Furthermore, in 4 samples, Proteus was isolated, in 9 samples, yeasts, moss in 1 sample, and bacteria and contaminants in 3 samples.

TOBACCO, ALCOHOL AND DRUGS

Tobacco

The Strategy for control of tobacco for the purpose of provision and promotion of health protection of the population in Macedonia, which prescribes national measures for control of tobacco, in order to reduce the prevalence of smoking and protect current and future generations against harmful effects of smoking or from exposure to smoking, for the purpose of realization of the established priorities (*stated in the preceding response, within the Article 11§2*) prescribes the following measures:

Legislative and legal measures which cover amendments to certain regulations, for the purpose of harmonization of the EU legislation in the relevant field, as well as harmonization with the Framework Convention for control of tobacco of the World Health Organization. These measures cover the following:

- a) harmonization of the legislation on health warnings, ingredients, number of cigarettes per package and minimum years of age for purchase of tobacco, in accordance with the European legislation in the relevant field, as well as
- b) strengthened supervision over the implementation of the applicable legislation, from the aspect of the existing bans for direct advertising of tobacco products; indirect advertising of tobacco products; distribution of tobacco products through vending machines, self-service places, e-mail orders or e-sales, sale per cigarette or non-packaged cigarettes; sale of duty free tobacco products, giving free samples of cigarettes; the ban for smoking in healthcare facilities, educational facilities, governmental premises, restaurants, pubs and bars, indoor working premises and offices, theatres and cinemas, and the ban for smoking in means of public transportation

Economic measures covering the following:

- a) mandatory application of the measures for identification of the legal trade in tobacco and tobacco products and strengthened supervision over labeling with banderols.
- b) introduction of special tobacco taxes dedicated to public health – control of tobacco for protection and promotion of public health.
- c) amendments to the regulations in the field of finances, for the purpose of introduction of these taxes
- d) amendments to the Law on Tobacco and other relevant regulations, for the purpose of introduction of Registry of producers and distributors of tobacco and tobacco products, tobacco and tobacco product trade marks, as well as for the purpose of introduction of a system for good production basis, obligation for giving complete information regarding the composition of the product, keeping records in all phases of production, as well as other relevant provisions.
- e) maintaining/increasing of the prices and taxes
- f) strengthened supervision over import and export

Measures for assistance to smokers to stop smoking

Implementation of promotional and educational programs defined according to age and gender, for promotion of stopping smoking, establishment of diagnosis programs, counseling and treatment of addicts in primary health protection authorities, training of health professionals, especially in primary health protection and medical and dentistry students, providing permanent telephone lines for assistance, establishment of pharmacological therapies for stopping smoking, mass media and information campaign for promotion of stopping smoking, professional information with health related content for healthy lifestyles and against smoking, etc.

Measures in agriculture, comprised of preparation of a program for gradual reduction of tobacco production and preparation of a program for long term support for farmers, in order to achieve breeding other cultures (financial, educational, opening new work posts).

Measures for protection of the environment, which prescribe amendments to the Law on Environmental protection and protection of Nature, and the bylaws, in order to determine the measurement of harmful agents as a result of smoking, tobacco production and use of additives, etc. as a legal obligation, and also determine penal measures for violation of the provisions which establish such obligation.

Measures for protection of health on the work place, which shall prescribe amendments to the Law on Occupational protection, and the bylaws, in order to prohibit smoking on the work place and exposure to smoking, as well as determine penal measures for violation of such provisions.

Measures for education and promotion, which encompass the following:

- development of educational programs for raising the awareness for the risks from smoking and exposure to tobacco smoke in humans (programs adjusted to different target groups);
- development of educational programs for raising the awareness for healthy lifestyles;
- provision of accessibility to information for the public, for relevant aspects of protection against smoking;
- development of special programs for raising the awareness of health professionals, the local community, social workers, representatives from the media, teachers, public administration, especially persons having the function to adopt decisions;
- conducting campaigns against smoking, through the media.

The Strategy also prescribes conduction of researches necessary for correct direction of the measures determined within the strategy, as well as determination of the terms for their conduction and the budget implications of those measures (determining the optimal level of prices and taxes for the tobacco products; the influence of the international trade agreements for production and trade in tobacco and tobacco products; the development of new approaches in prevention of smoking in children, adolescents, and women, especially pregnant women; for the possibilities for alternative tobacco production; regarding the influence of smoking in different population groups, especially the vulnerable groups – mothers and children, persons with special needs, etc.

Alcohol

The Strategy for reduction of the harmful consequences from alcohol abuse for human health in the Republic of Macedonia for the period 2008-2012 is related to the feedback effects caused by harmful consumption of alcohol to the health of population, as well as the social and economic consequences from alcohol consumption. It is focused on prevention and termination of the harmful habits of drinking, especially drinking by minors, as well as certain harmful consequences, such as traffic traumatism caused by drinking and the fetal alcohol syndrome.

There are activities for achievement of the established priorities and specific objectives, as follows:

1. Activities for reduction of the demand and offer of alcoholic drinks, through:

- Legislative and legal measures (prohibition of direct and indirect advertising of alcoholic drinks; ban for distribution of alcoholic drinks to minors; adequate labeling of alcoholic drinks, in a manner which shall provide correct information for the consumer, in relation to the amount of alcohol, and also regarding the harmful characteristics from alcohol abuse)
- Economic measures (mandatory application of the measures for identification of legal trade in alcoholic products and strengthened supervision over labeling with banderols; introduction of special taxes intended for public health – control of the harmful effects from alcohol abuse and promotion of the health of the population; introduction of Registry of producers and distributors of alcoholic products, trademarks of alcoholic products, as well as introduction of a system of good production practice, obligation for providing complete information regarding the composition of the product and maintaining records in all phases of the production of alcoholic drinks; strengthened supervision over import and export; strengthened supervision for detection of illicit production and distribution of alcoholic products; motivation of production and advertising alternative products without alcohol)
- Measures for termination of the alcohol abuse (application of promotional and educational programs, defined according to age and gender, for promotion of termination alcohol abuse; establishment of programs for diagnosis, advice and treatment of addicts in primary health protection; opening day centers for prevention, treatment and rehabilitation, as well as detoxication in the community; rehabilitation and resocialisation; mass media and information campaign for promotion of termination; professional information with health related content for healthy lifestyles and against alcohol abuse, etc).
- Measures against alcohol abuse in the penitentiary institutions
- Measures for protection of health at the work post
- Measures for education and promotion (development of educational programs for raising the awareness regarding the risks from alcohol abuse (different target groups); development of educational programs for raising the awareness for healthy lifestyles, without alcohol abuse; provision of accessibility to information for the public regarding all relevant aspects of consumption, i.e. alcohol abuse, development of special programs for raising the awareness of health professionals, the local community, social workers, teachers, media representatives, public administration and especially persons having the position to adopt decisions; conducting campaigns against alcohol abuse through the media, conducting specific activities for promotion of the quality of life of students, related to organization of the free time, conducting specific activities in schools, through direct work with students for reduction of the risk of experimenting with alcohol, through programs for information and education, regarding addictive substances (alcohol, tobacco, drugs) etc.

2. Activities directed towards reduction of injuries and victims from traffic accidents related alcohol abuse, through determination of allowed limit for presence of alcohol in the blood stream, for young and inexperienced drivers this limit is 0%, which may reduce traffic accidents for 4%-24%; continuous reduction of the allowed limits for presence of alcohol in the blood stream of drivers; continuous supervision over the application of regulations in the field of traffic and determining penalties.

3. Activities for provision of psycho-social assistance and support for persons who abuse alcohol and their families, through provision of psycho-social protection and support for alcohol

addicts, the members of their families, with special focus on their children; psycho-social education and training for obtaining skills for tackling fear and stress, etc.

For the purpose of conducting many of the measures determined with the Strategy, it is prescribed that previous research be made to determine the optimal level of prices and taxes for alcoholic products, the influence of alcohol abuse in different population groups, especially the vulnerable groups (mothers and children, persons with special needs, and others), research of the conditions, parameters and consequences from alcohol abuse at a national level, especially in vulnerable groups, development of new approaches in prevention of alcohol abuse in children, adolescents, and women, especially pregnant women).

In the function of realization of the need and objective to limit sale of alcoholic drinks, amendments were adopted during 2008 to the **Law on Trade** ("Official Gazette of RM", No.88/08).

The amendments to the Law are for the purpose of limitation of sale of alcoholic drinks (only in stores with license for sale of alcoholic drinks, issued by the Ministry of Economy), as well as introduction of a system for prohibition for sale of alcoholic drinks.

The proposed amendments to the Law determine also a system for issuing and revokal of licenses for traders who sell alcoholic drinks in retail stores. In retail stores, the space for sale of alcoholic drinks must be separated and adequately secured, in order to establish an efficient surveillance and control.

At the same time, these amendments provide for prohibition for sale of alcoholic drinks in stores within petrol pumps, stores within green markets and through news-stands in trade, and also purchase of alcoholic drinks is prohibited for persons below 18 years of age, as well as sale and purchase of alcoholic drinks late at night, i.e. from 19.00 until 06.00 the following day. The State Market Inspectorate is competent for supervision over conducting the provisions from the Law which regulate the sale of alcoholic drinks.

Drugs

In relation to the measures and activities directed to prevention of use of drugs, detailed and comprehensive information is stated in the response above, within the Article 11§2.

IMMUNIZATION AND EPIDEMIOLOGICAL MONITORING

There is a network in the Republic of Macedonia for epidemiological supervision and control over contagious diseases, within which, family doctors - primary health care concessionaires, secondary health protection doctors (consultative - specialist services and hospital treatments), as well as doctors from the tertiary health protection (Clinics) report contagious diseases.

Subject to mandatory report are 48 contagious diseases, which are important for the whole country, in accordance with the Law on protection of population against contagious diseases ("Official Gazette of RM", No.66/2004).

For the purpose of their monitoring, prevention and eradication, according to this law and the measures and activities contained in the Program for preventive health protection, Annual Plans and Programs are prepared, which are actively conducted by all preventive health institutions, with coordination and direct surveillance by the Sector for Epidemiology and Microbiology, in the State Authority for Health Protection (SAHP)-Skopje

Reporting contagious diseases starts at the lowest, local level (reports are delivered to the 21st regional unit of the bureaus for health protection) through the 10 regional bureaus for health protection which collect reports from the territory within their competence, to the State Authority for Health Protection (national level). The reports for the contagious diseases in SAHP are computer processed and analyzed, and then weekly, monthly and annual reports are prepared with epidemiological comments, and the same are delivered to the Ministry of Health.

Furthermore, doctors are obliged to also report suspected cases for existence of contagious disease, according to article 18, as well as presence of cause for contagious disease, according to article 19 from the Law on Protection of Population against Contagious Diseases.

Also mandatory reports are prescribed for the following:

1. each epidemic of disease,
2. intrahospital infection,
3. post-vaccination complications,
4. each bite or injury caused by an animal diseased or suspected that it is carrier of rabies.

The Law states that microbiological laboratories are obliged to report any isolation or any of the 38 causes of contagious diseases proved by other laboratory method to the competent health protection institution, as determined within the law.

The Law on protection of population against contagious diseases determines the types of contagious diseases subject to epidemiological research, surveillance and epidemiological survey. If the Health Protection authority or its regional unit receives report for some of the stated diseases, it shall immediately start field research, whereas survey of the patient is conducted, the whole case is examined and counter-epidemiological measures are applied. The patient is subjected to examination within the hospital (if the patient is admitted for hospital treatment) or at home. Depending on the case, the whole family is examined, all contacts (neighbors, colleagues, fellow students, etc.). Depending on the manner of spreading the disease, adequate materials are taken for laboratory analysis (biological materials from the patient, contacts or smears from surfaces, food, water, etc.). The delivered samples are tested in the microbiological laboratories (according to epidemiological indications or referral from a doctor) and etiological diagnosis of the disease is established.

The clinical diagnoses of the patient, along with the prepared epidemiological examination with timely received results from the analyses, enable timely detection and prevention of spreading the disease.

In case of epidemic, the State Sanitary and Health Inspectorate and/or the Food Directorate are also involved. Depending on the type of epidemic, after examination of the same and taking samples for laboratory analysis, inspectors impose oral and written preventive measures (examination of the employees, cleaning the premises, disinfection, desinsection, deratization, ban for visitations, etc.), as well as preventive closing of the facility, if there is danger of spreading the epidemic.

Etiological diagnosis is mandatory for each case of classification of contagious disease.

Each year, the Government of the Republic of Macedonia adopts programs for health protection: preventive program, immunization program, program for prevention of brucellosis, for prevention of HIV/AIDS, prevention and treatment of TB, and the total amount of the funds allocated for this purpose in 2007 and 2008, in comparison with 2006 is doubled and amounts to approximately 600 million denars (9.6 million EUR)

In relation with epidemics of contagious diseases, in 2006, an operational plan was prepared for activities before and during influenza pandemic, which provides the roles, tasks and competencies of different institutions and ministries, operational action is also determined for hospitals, with adaptation of additional premises, equipment and additional engagement of professionals in sate of emergency, providing medicines and disposable materials.

At the same time, a hierarchy is established for decision making and giving orders at the level of the Government, the Ministry of Health, hospitals and ambulances. Also, a Plan was prepared with precisely defined competences of the contractual institutions, as well as draft-budget for financing the plan. This operational plan, may serve, at any moment, as a plan in case of outbreak of epidemic of other contagious diseases.

There are prepared plans for emergency situations and procedures for control of contagious diseases on the borders of the Republic of Macedonia, on the international road traffic, in accordance with the *National Action Plan for integrated border management*. All activities on the border crossings in relation with the international road traffic of goods and passengers are conducted by the State sanitary and health inspectors, which provides for quality prevention and control in case there is a threat of "new" contagious disease spreading to or from the country.

There are separate protocols for epidemiological researches in case of emergencies, solely for pandemic influenza. In 2004/2005, preparations were initiated for start of the ALERT System for early warning and supervision over contagious diseases in the Republic of Macedonia (Early Warning and Response System - EWARNS), which is currently being implemented on the territory of the whole country, with the technical assistance provided by the WHO. The system provides a possibility for rapid alarming and detection of epidemics. At the same time, there is a system in the Republic of Macedonia for legally regulated mandatory warning in case of emergency (telephone, fax, mobile phones), according to which epidemiological teams are established for field work and urgent measures and activities are undertaken, in accordance with the findings and the legal regulation.

VACCINATION

Vaccination in Macedonia is mandatory and free of charge for all children from 0-18 years of age. Furthermore, there is vaccination according to epidemiological and medical indications. Mandatory vaccination is administered against tuberculosis, jaundice type B, paralysis, diphtheria, tetanus, pertusis, varicella, rubeola, parotitis, and from September 2008, vaccination against haemophilus influenza type B shall start.

Data regarding the coverage by different vaccines in case of routine vaccination of children, subject to mandatory immunization in the Republic of Macedonia in 2007, according to the SAHP are aggregated data according to type of vaccine/revaccine, according to health regions for Macedonia.

The following table shows review of the scope with primary vaccination against certain diseases (diphtheria, pertusis, tetanus, morbili, rubeola, parotitis and poliomyelitis), at a national level, for 2007.

Scope of routine vaccination in the Republic of Macedonia in 2007

DTP		MRP		OPV	
Number of vaccinated subjects	%	Number of vaccinated subjects	%	Number of vaccinated subjects	%
22,212	95.4	21,647	95.8	22,278	95.5

Source: State Authority for Health Protection

ACCIDENTS

Prevention of violence, reduction of injuries and consequences from those injuries, which are part of the priorities in the Health Strategy of Macedonia. For that purpose, the State Authority for Health Protection (SAHP) established a department for control and prevention of injuries and violence, as a leading agency in the health sector for prevention and control of injuries and violence in RM, and as an educational base for the Faculty of Medicine in Skopje (the Department for Social Medicine) for research and promotion of safety.

In 2006, the Report on Violence and Health in Macedonia was prepared, and also a Prevention Guideline.

The research for injuries in the community was completed in 2008, which was conducted by SAHP together with the Ministry of Local Self-Government and technical assistance from the World Health Organization, which covered 1200 households in 92 urban and 58 rural areas. The summary of the results from the research is under way, and the data shall be used for creation of programs and development of policies on a local and national level.

PREVENTION AND CONTROL OF OCCUPATIONAL HEALTH THREATS

The national legislation in this field has been harmonized with the EU legislation, by publication of the new *List of occupational diseases* in Macedonia, in the "Official Gazette of RM" No.88/04, which means transposition of the recommendation of the European Union of a List of occupational diseases (Commission Recommendation of 19/09/2003 concerning the European schedule of occupational diseases). Furthermore, amendment shall be conducted of the remaining segments in the methodology for monitoring of occupational diseases: reporting, records and registration of occupational diseases, as well as harmonization with the EU statistics in this field – EODS methodology of the European Union.

The new design of the Registry of Occupational diseases in Macedonia is in process of preparation within the competence of the Institute for Occupational Medicine in Skopje, established as a collaboration center of WHO.

The ***National Strategy for Health, Healthy Environment and Occupational Safety*** was adopted in 2006. The Strategy is based on international documents and recommendations, specific for the field, adopted by the European Union, World Health Organization and the International Labor Organization.

The application of the National Strategy has the following objective: enabling safe and healthy working environment, reduction of the number of diseases and injuries of employees caused or conditioned by work, environment, lifestyle, and social factors, maintaining and improvement of health of employees (physical, psychological, social) improvement and maintenance of the working capacity, maintenance of the environment and health of people living in the near vicinity of the enterprises, provision of optimal balance between the economic and business interest on the one hand, and working capacity and health of workers on the other hand, provision of services and production of products which are not harmful to the health of people or environment, as well as monitoring and assessment of the condition in the field according to determined indicators.

The Action plan for implementation of the Strategy in the field of Health is in process of preparation.

ARTICLE 12 - The right to social security

With a view to ensuring the effective exercise of the right to social security, the Contracting Parties undertake :

- 1. to establish or maintain a system of social security;*
- 2. to maintain the social security system at a satisfactory level at least equal to that required for ratification of International Labour Convention (No. 102. Concerning Minimum Standards of Social Security);*
- 3. to endeavour to raise progressively the system of social security to a higher level;*
- 4. to take steps, by the conclusion of appropriate bilateral and multilateral agreements, or by other means, and subject to the conditions laid down in such agreements, in order to ensure:*
 - a. equal treatment with their own nationals of the nationals of other Contracting Parties in respect of social security rights, including the retention of benefits arising out of social security legislation, whatever movements the persons protected may undertake between the territories of the Contracting Parties;*
 - b. the granting, maintenance and resumption of social security rights by such means as the accumulation of insurance or employment periods completed under the legislation of each of the Contracting Parties.*

Annex to Article 12§4

The words “and subject to the conditions laid down in such agreements” in the introduction to this paragraph are taken to imply inter alia that with regard to benefits which are available independently of any insurance contribution, a Party may require the completion of a prescribed period of residence before granting such benefits to nationals of other Parties.

Article 12§1

In accordance with the Article 1 of the Constitution of the Republic of Macedonia from November 17, 1991, the Republic of Macedonia is sovereign, democratic and social state.

In accordance to the article 34, citizens have the right on social security and social insurance determined by the Law and by the collective agreement. The Republic, according to article 35 of the Constitution is responsible for the social protection and social insurance of the citizens, in accordance to the principle of social equity.

Social security system of the Republic of Macedonia includes the systems of social insurance, social protection and child protection (family benefits).

The established system of social security covers all traditional risks facing any citizen, family or certain group of population/vulnerable group during life course. Social security system in the Republic of Macedonia provides prevention and overcoming of risks related to citizens' health (sickness, injury, and disability), risks related to old age and survival, risks related to maternity and family, risks related to unemployment and professional non-adaptation, social exclusion and material need.

Social insurance in the Republic of Macedonia includes three basic insurance systems, i.e. health insurance, pension and disability insurance and insurance in case of unemployment.

HEALTH INSURANCE

The *Law on health insurance* regulates health insurance in the Republic of Macedonia, which determines the health insurance of citizens, the rights and obligations related to health insurance, as well as the way of health insurance implementation.

As in many countries in the world, the Republic of Macedonia has established health insurance by which the citizens, as healthy persons, set aside certain monthly amount of their incomes in corresponding institution; these financial means bound this Institution that in a case of disease or injury, it will cover all expenses for health care protection and for paying of all allowances in a case of temporary work disability due to sickness or injury or maternity.

The Law on health insurance determines two types of health insurance: *mandatory* and *voluntary*.

In the Republic of Macedonia, there is only one institution providing mandatory health insurance is the *Health Insurance Fund*. The voluntary health insurance is provided by other insurance companies, for the purpose of offering health protection, i.e. health services which are not included and covered by the mandatory health insurance. Practically, this type of insurance does exist, but it is has not been properly developed yet, because not many of health care services are not included in the system of mandatory health insurance.

Health insurance is obligatory for all citizens of the Republic of Macedonia, in order to provide right on health care services in a case of sickness and injury out of working place, injury at work and occupational disease and provide allowances during the period of temporary working disability due to sickness or injury or leave of absence due to pregnancy, childbirth and maternity, on the basis of principles of compulsoriness, comprehensiveness, solidarity, equality and efficiency, as a generally accepted principles in all democratic counties where mandatory health insurance has been applied.

The Law envisages 14 mandatory health insurance bases, i.e. these categories of persons have mandatory insurance:

- 1) employed persons;
- 2) persons chosen or nominated to permanent duties, public and other functions, in a case when they are being paid for the function;
- 3) citizens of the Republic of Macedonia who have entered in labor relationship with foreign employers or working in international missions and organizations, foreign diplomatic and consular missions or in personal service of foreign citizens on the territory of the Republic of Macedonia.
- 4) self-employed persons;
- 5) persons engaged in agriculture, animal breeding, poultry breeding, beekeeping and fishing as their only occupation.
- 6) beneficiaries of pensions and financial allowances according to the regulation of pension and disability insurance, as well as citizens of the Republic of Macedonia receiving pension or disability allowance from foreign insurance holder during the period of stay in the Republic;
- 7) temporary unemployed persons, for the period of receiving unemployment benefit and unemployed persons registered at the Employment Agency if they are not health insured on another base;
- 8) participants in people's liberation war and participants in People's liberation movement in the Aegean part of Macedonia, war invalids and family members of fallen people's liberation war fighters and deceased people's liberation war fighters and civil invalids from the war, persons who were persecuted and arrested for the ideas of Macedonia's independency and its statehood, whose rights are regulated by special regulations, and

- family members and parents of persons- citizens of the Republic of Macedonia who deceased in wars related to SFRJ disintegration.
- 9) beneficiaries of permanent financial assistance, persons staying in social protection institutions and in other families, according to social protection regulations.
 - 10) citizens of the Republic of Macedonia permanently employed in foreign country, in a case when they have not been mandatory insured by foreign insurance holder, according to the legislation in the country of employment, or according to international agreement, and having residence on the territory of the Republic right before establishment of labor relationship abroad- for family members living in the republic of Macedonia.
 - 11) foreign citizens and persons without citizenship, employed in foreign companies performing certain activities on the territory of the Republic; persons staying in the Republic during their education and professional specialization on the territory of the Republic, or working for international organizations, foreign consular or other missions or in personal service of foreign citizens enjoying diplomatic immunity, or otherwise, proscribed by international agreement;
 - 12) family members of insured person, engaged in obligatory military service in the Army of the Republic of Macedonia during the period of material provision, according to special regulations;
 - 13) persons placed in prison, persons placed under detention, in a case when such persons have not been insured on any other base, and juveniles facing educational measure- placing in house of correction, or institutional, and
 - 14) persons employed in religious communities and persons from monastic orders.

According to this Law, the citizens not covered by mandatory health insurance, have the right to access to mandatory health insurance in order to benefit from the right on health care services, listed in the article 9 of the Law.

Insured persons included in mandatory health insurance pay contribution for mandatory health insurance. The base for calculation and payment of health insurance contribution for insured persons on which base the salary is being determined, represents gross salary and salary compensation. Regarding insured persons for whom the salary is not being determined, as a base for calculation of mandatory health insurance contribution is taken to be the base out from which personal income tax is calculated and paid, increased by contributions and salary taxes.

Health services provided to insured persons by the mandatory health insurance system are the services of basic health service package. Basic service package is very extensive and available to insured persons on any level of health care protection - primary, specialist and consultative and hospital health care protection.

Likewise, financial means of the mandatory health insurance cover preventive measures and activities, which are important part of basic health care services package. They include the following: protection from harmful influences to the health of the population, diagnosing, suppression and prevention of communicable diseases, systematic medical examination for children, pupils and students, protection of pregnant women, labor, women in childbed, family planning, protection of newborns and small children, protection from diseases and addiction and other preventive measures and activities.

Insured persons participate with their personal financial means (participation) upon the usage of health care and drugs, but maximum up to 20% of the average amount of total expenditures related to the health service or drugs.

The following categories are exempt from paying participation:

- insured persons, for medical exam by their selected doctor and for urgent medical assistance on demand.
- permanent financial assistance beneficiaries, persons placed in social protection institutions and in another family, according to social protection regulations, except for drugs of the list of drugs proscribed in the primary health protection and treatment abroad;
- mental patients placed in psychiatric hospitals and persons with mental defectiveness without parental care, and
- insured persons, who in a period of one calendar year have paid for participation in specialist and consultative and hospital health protection, except for drugs of the list of proscribed drugs in the primary health protection and for treatment abroad, in an amount higher than 70 % of the average realized monthly net salary in the previous year in the Republic.

The insured persons, having monthly family income lower than the average net salary in the Republic in the previous year, and certain age groups, the Health Insurance Fund by general act, approved by the Minister of health, shall determine lower amount for free of participation charge of 70% of average monthly realized salary in the previous year in the Republic.

The following table presents the number of insured persons, covered by mandatory health insurance:

Insured persons	2005	2006	2007
Active employees	417,462	423,284	445,653
Active farmers	18,623	18,038	17,297
Pensioners	297,324	313,396	329,611
Unemployed persons	268,213	273,999	263,672
Other	25,556	25,285	24,098
Insured persons (insurants):	1,027,178	1,054,002	1,080,331
Family members (dependents)	871,156	884,758	879,053
Total number of insured persons:	1,898,334	1,938,760	1,959,384

Source: Health Insurance Fund of the Republic of Macedonia

PENSION AND DISABILITY INSURANCE

Pension and disability insurance is regulated by the following laws:

- Law on pension and disability insurance (“Official Gazette of the Republic of Macedonia“ No.3/94, 14/95, 71/96, 32/97, 24/2000, 96/2000; 50/2001; 85/2003; 50/2004; 4/2005; 84/2005; 101/2005; 70/2006 and 153/2007);
- Law on mandatory fully funded pension insurance (“Official Gazette of the Republic of Macedonia“ No. 29/2002, 85/2003, 40/2004,113/2005 and 29/2007);

Pension and disability insurance system in the Republic of Macedonia guarantees the right on:

- old-age pension;
- disability pension;
- survivor pension;
- professional rehabilitation;
- compensation for bodily harm
- right on minimal pension.

Mandatory pension and disability insurance includes all employees in the Republic of Macedonia, physical entities performing certain activities, unemployed persons receiving unemployment benefits and farmers.

Likewise, mandatory pension and disability insurance includes as well: citizens of the Republic of Macedonia employed in foreign international organizations; citizens of the Republic of Macedonia employed abroad, if in that period they are not mandatory insured by foreign insurance body; citizens of the Republic of Macedonia employed by foreign employer in a country where they are mandatory insured; but the rights related to this insurance can not be realized or used outside of that country.

Pension and disability system is financed by pension and disability insurance contributions, whereas any additional financing in a case of funds deficit is realized by the Budget of the Republic.

Minimal bases for calculation and payment of contributions and contribution rates:

- minimal base for pension and disability insurance contribution calculation is 65% of the average net salary per employee in the Republic, published in current month, whereas, regarding individual farmers it cannot be lower than 30% of the average salary realized in the Republic in the previous year. Contribution paid for pension and disability insurance is 21.2% of gross salary for insured persons, whereas, regarding individual farmers, contribution rate is 20,64% of insurance base determined by Pension and Disability Insurance Fund of Macedonia (PDIFM), by General act. Regarding physical entities realizing certain activities and do not have tax base, pension and disability insurance bases are determined by the PDIFM by General act.
- by the implementation of the second pillar of mandatory fully funded pension insurance from 2006, the contribution for insured persons included in the second pillar, 13.72% are set aside for the first pillar and 7.48% for the second, of totally 21.2%. During the transition, because of second pillar implementation, the Government is faced with the need of financing of expenditures for the pensioners of first pillar system. During the first half of the transition, the PAYGO system has faced some fiscal pressure caused by contribution average rate fall, but in the second half of the reform, this pressure shall be reduced with the fall of the average replacement rate and the maturing of the reform. Transition costs are temporary and shall be eliminated in the future. They started in the first year of the reform, due to the outflow of contribution resources in the second pillar. The maximum shall be reached in 2029, by the increasing of the participation of working force in second pillar, which shall lead to significant contribution outflow from the first pillar. Transition costs shall be eliminated in 2046, by the maturing of the second pillar, transferring the burden of pension financing to the second pillar, which shall directly lead to first pension pillar costs reduction. Transition deficit depends on the number of insured persons included in the second pillar and the amount of their contribution. Newly employed persons and persons voluntarily participating in the new system are mandatorily included in the second pillar. This table presents the realized transition costs in 2006 and 2007 and planed costs for 2008:

YEAR	2006	2007	2008
Transition costs (in millions denars)	1,325.13	1,877.00	2,310.00

Individual farmers are excluded from the membership in second pillar of the pension system.

Taxpayer for calculating and payment of pension and disability contribution is the employer for the employees, whereas, self-employed do this by themselves. The Pension and Disability Insurance Fund of Macedonia realize contribution calculation for individual farmers.

The taxpayer is obligated to calculate and pay pension and disability insurance contribution of the salary on monthly level, separately for every insured person, combined with paid salary and salary benefits for corresponding month, enabling timely and complete contribution payment.

For each day of overdue pension and disability insurance contribution payment, the Pension and Disability Insurance Fund of Macedonia charges interest rate of 0.03%, which is proscribed by the Law on amending the Law on pension and disability insurance (“Official Gazette of the Republic of Macedonia“ no. 153/2007), which has been reduced from the previous interest rate of 0.05%.

Ratio insured persons-pension beneficiaries, for the period 2004-2007

YEAR	Number of employees	Number of pension beneficiaries	Number of pension beneficiaries per 1,000 employees	Number of employees per 1 pension beneficiary
2004	348,212	260,075	747	1.3
2005	348,500	265,152	761	1.3
2006	377,763	269,681	714	1.4
2007	424,338	272,386	642	1.6

Source: Annual report for the work of Pension and Disability Insurance Fund of Macedonia

Number of pension beneficiaries, for the period 2004-2007

YEAR	Old-age pensions	Disability pensions	Survivor pensions	Total
2004	137,840	51,589	70,646	260,075
2005	142,827	50,180	72,145	265,152
2006	146,852	49,364	73,465	269,681
2007	150,075	48,054	74,257	272,386

Source: Annual report of PDIFM

Pension and Disability Insurance Fund of Macedonia (PDIFM) is independent legal entity and its basic function is the charge of pension and disability insurance contribution and pension disbursement. The Fund has 30 regional branches on the territory of the Republic of Macedonia. The Ministry of Labor and Social Policy perform the monitoring on the functioning and the legitimacy of Fund’s work. Regarding their work, the organs of the Pension and Disability Insurance Fund is accountable to the Government of the Republic of Macedonia. The Fund submits annual report and information to the Government of the Republic of Macedonia.

The Agency for supervision of fully funded pension insurance (MAPAS) is independent body responsible for supervision of the fully funded pension insurance. The Agency issues and revokes working permissions of mandatory and voluntary pension companies. The Agency permanently follows the work of pension companies. The Agency is responsible for the implementation of citizens’ educations regarding the rights and obligations arising from the fully funded pension insurance. The Ministry of Labor and Social Policy performs the monitoring on the functioning and the legitimacy of Agency’s work. The Agency submits report for its work to the Government of the Republic of Macedonia, which is subsequently reviewed and approved.

INSURANCE IN CASE OF UNEMPLOYMENT

The rights of unemployed persons are regulated by the Law on employment and insurance in case of unemployment ("Official Gazette of the Republic of Macedonia" No.37/97, 25/00, 101/00, 50/01, 25/03, 37/04, 04/05, 50/06, 29/07 and 102/08).

The Law regulates the mandatory insurance in case of unemployment for all employees engaged in a working relationship. This insurance is based on the principle of solidarity and interdependency. The rights arising from unemployment insurance are the right on unemployment cash benefit, right on preparation for employment (training, re-qualification and final qualification), right on health protection in accordance to health insurance regulations, right on pension and disability insurance - according to pension and disability insurance regulations, as well as the rights of disabled persons to employment under favorable conditions according to the Law.

The unemployed person being in uninterrupted working relationship at least nine months or twelve months with interruptions in the last eighteen months, is entitled to right on allowance.

Every unemployed person receives the unemployment benefit since the day of the termination of working relationship, if the unemployed person submits application to the Employment Agency in a time limit of 30 days counting from the day of working relationship interruption. In a case when the unemployed person submits the application after the time limit of 30 days, he/she shall receive the benefit from the day of application submission for the remaining time period.

According to the article 67 of the Law on employment and insurance in case of unemployment, the right on unemployment benefit cannot be realized by a person having terminated the working relationship because of the following:

- submission of written statement by the employee regarding his request on ending the working relationship, except in a case when such statement is made due to changing of place of residence of the spouse or matrimony.
- termination of working relationship by an agreement;
- realization of working relationship contrary to the Law;
- termination of working relationship under the law, except in a case of termination of legal entity due to bankruptcy;
- successively unjustified absence on working place for three working days or five working days with interruption during period of one year;
- termination of working relationship by the employer due to disrespect to working discipline or non-fulfilling of legally determined obligations, collective agreement and working agreement;
- rejection of realizing tasks assigned according to the law;
- rejection of transfer by an agreement to other employer in accordance to the law;
- rejection of training, requalification or final qualification for other working position at the same or other employer, provided according to the law;
- losing of working ability according to pension and disability insurance regulations;
- fulfilling of conditions regarding right on pension;

The time period for which the unemployment benefit is paid to the beneficiary depends on the time period in which unemployed person was insured.

The unemployment benefit is paid to the unemployed person for :

- one month, if the unemployed person has uninterrupted working experience of at least nine months or of twelve months with interruptions in the last eighteen months;
- two months, in a case of working experience in time period between eighteen months and two and a half years;
- three months, in a case of working experience in time period between two and a half years and five years;
- three months, in a case of working experience in time period between two and a half years and five years;
- five months, in a case of working experience in time period between seven and a half years and ten years;
- six months, in a case of working experience in time period between ten and twelve and a half years;
- seven months, in a case of working experience in time period between twelve and two years and fifteen years;
- eight months, in a case of working experience in time period between fifteen years and seventeen and a half years;
- nine months, in a case of working experience in time period between seventeen and a half years and twenty years;
- ten months, in a case of working experience in time period between twenty years and twenty-two and a half years;
- eleven months, in a case of working experience in time period between twenty years and a half and twenty-five years;
- twelve months, in a case of working experience in time period longer than twenty-five years;

The unemployed person having more than fifteen years of working experience insurance, and missing maximally five years before the fulfillment of old-age pension right, the unemployment benefit is paid until the date of his employment or until the realization of some of the bases for termination of the right to such benefit.

The amount of monthly unemployment benefit is determined on the basis of calculated and reimbursed salaries by the employer and is equal to 50% of the average monthly net employee salary for the last 24 months, for a person having right on benefit up to twelve months, and 40% for a person entitled to allowance right longer than 12 months. The unemployment benefit cannot be higher than 80% of the average net salary per employee in the Republic, issued for the last month.

The benefit to the unemployed person continues to be paid after the time period determined by the law in a case of female unemployment beneficiary, in a period of pregnancy and labor, or if Employment Agency has provided training, requalification or final qualification, till the end of the period determined for this type of activities.

The Employment Agency of the Republic of Macedonia is responsible for realization of the rights arising from Law on employment and unemployment insurance. The Employment Agency is public institution having characteristics of legal entity, established by the Law on employment and unemployment insurance. Its is responsible for record keeping of information for employees and their needs for workers, receipt of offers for working position vacancy, record keeping of unemployed persons, provision of information on employers and unemployed persons on labor market, provision of training for unemployed persons, requalification and final employment qualifications, provision of special employment services for unemployed disabled persons, research, following and analysis of manifestations and movements on labor market, as well as provision of rights on the basis of unemployment insurance.

Employment Agency has obligation to prepare and submit annual report for its work to the Government of the Republic of Macedonia and to the Ministry of Labor and Social Policy, containing information about the conditions and problems in the area of unemployment and other issues under its responsibility.

The Ministry of Labor and Social Policy is authorized to realization of monitoring regarding the application of the Law on employment and unemployment insurance.

Number of beneficiaries of unemployment insurance benefit:

Month	Number of beneficiaries 2004	Number of beneficiaries 2005	Number of beneficiaries 2006	Number of beneficiaries 2007
January	49,307	46,928	39,850	29,611
February	50,882	46,059	39,171	29,300
March	53,273	44,230	36,982	28,317
April	51,304	44,267	36,228	27,868
May	51,509	43,968	35,024	27,405
June	51,221	43,570	36,184	26,793
July	49,691	42,787	33,843	26,312
August	48,821	43,075	33,761	26,107
September	48,189	41,412	33,196	25,892
October	46,299	41,462	32,349	25,537
November	45,652	40,767	31,400	25,438
December	45,867	40,124	30,572	24,686
Average monthly number of beneficiaries	49,335	43,221	34,880	26,939

Source: Employment Agency of Republic of Macedonia

Number of unemployed persons – healthy insurance beneficiaries, through EARM :

Month	Number of beneficiaries 2004	Number of beneficiaries 2005	Number of beneficiaries 2006	Number of beneficiaries 2007
January	243,633	253,344	243,352	250,409
February	248,360	255,226	243,739	250,985
March	248,463	253,028	242,518	249,915
April	245,694	257,566	242,568	250,075
May	249,173	252,768	240,309	250,184
June	249,776	243,006	241,160	247,936
July	248,614	245,225	239,869	246,458
August	245,931	245,037	240,782	245,384
September	245,438	244,499	242,028	244,240
October	246,686	244,987	243,993	244,873
November	249,040	244,935	246,203	244,679
December	252,612	242,679	248,564	244,717
Average monthly number of beneficiaries	247,785	248,525	242,924	247,488

Source: Employment Agency of Republic of Macedonia

CHILD PROTECTION (FAMILY BENEFITS)

Child protection in the Republic of Macedonia represents organized activity having public interest, implemented within the framework of the Ministry of Labor and Social Policy. The starting bases for the child protection are integrated in constitutional norms, determining provision of special care and protection of family and children (Articles 40, 41, 42 of the Constitution of the Republic of Macedonia).

These constitutional provisions related to provision of child protection are made operational by the existing legal regulations and by the Law on child protection, but also by other laws regulating this area, such as the laws of the area of social protection, education, health insurance, working relationships and other.

Law on child protection is the fundamental systematic law regulating the system, the organization and the way of child protection provision. Child protection is realized by the provision of certain rights and forms of child protection.

According to the law, child protection rights are:

- child allowance
- special allowance
- one-off newborn financial assistance, and
- participation.

According to the Law, child protection forms are:

- care and upbringing of pre-school age children
- vacation and recreation for children, and
- other forms of protection.

All determined rights on child protection are provided by means provided by the Budget of the Republic of Macedonia, but there is possibility for the local self-government, according to its possibilities to provide even greater scope of the rights than the ones provided by the state.

It is important to mention, that the realization of one of the rights on child protection those not exclude the usage of another right.

Child allowance

The Child allowance represents financial allowance intended for covering part of the raising and development expenses of children. One of the parents, citizen of the Republic of Macedonia, whose child participates in regular educational process is entitled to right on child allowance. Child allowance is realized depending on child's age and material condition of the family.

Starting from its implementation, to today, the child benefit, as a right, has been subjected to many modifications regarding its basic characteristics.

According to the current Law on child protection ("Official Gazette of the Republic of Macedonia" No.98/2000, 17/2003, 65/2004 113/2005, 98/08 and 107/2008):

- one of the parents of the child is entitled to the right to child allowance till the age of 18 years, if the child is included in the process of regular education;
- one of the parents is entitled to the right on child benefit, in a case when the parent is employed, pensioner, unemployed person receiving unemployment benefit by the Employment Agency, beneficiary of permanent financial assistance, according to the Law on social protection, war invalid and beneficiary of family invalid pension, farmer-tax payer.

- the child allowance is provided for children without parental care, placed in home-family.
- the limit amount (threshold) of average monthly incomes per family member for realization of child allowance is equal to **16%** of the average salary in the Republic in the first half of the previous year*, and for single parent, this amount is equal to **32%** **.
- the amount of child allowance is equal to:
 - for a child up to 15 years of age, i.e. during the period in which the child is pupil in primary school **4.60%** of the average salary in the Republic in the first half of the previous year (in 2008, this amount is equal to 649.70 denars).
 - for a child between 15 and 18 years of age, i.e. during the period in which the child is pupil in secondary school - **7.30%** of the average salary in the Republic in the first half of the previous year (in 2008, this amount is equal to 1,031.05 denars).
- total monthly amount of child allowance for the children for which the parent has been entitled to the right is equal to maximum **1,800.00 denars**.

Special allowance

Special allowance is allowance for a child with special needs, with impediments in his physical and intellectual development or combined development impediments.

Special allowance is provided until 26 years of age of the child.

Material situation of the family does not represent a condition for entitlement to special allowance. In the past period, there has been continued raising of the amount of special allowance per child. By 1994, this benefit was equal to 2,200 denars, in 1995 the amount was equal to 2,500 denars, and by the amendments of the Law on child protection from 2003, this allowance is determined in amount of **27%** of the average salary per employee in the Republic in the first half of the previous year (i.e. in 2008, the special allowance was equal to 3,813.48 denars, - 27% of 14,124 denars).

Newborn assistance

In the past, this type of benefit, so called "baby-package", was provided for the first born child in a form of equipment (package of products), as a assistance and participation in the provision of necessities for the newborn. Due to the modifications of the Law, the assistance for of necessities for the newborn, i.e. "baby-package" is provided as a financial allowance for first born child, and due to the amendments from 2005, there is implementation of material census regarding the entitlement of this right. In 2008, depending on the average monthly family income, the amount varies between 176.55 and 4,060.65 denars.

Participation

As a special type of child protection right envisaged by the Law on child protection is the right on participation. Depending on the material family situation, the participation from the Budget of the Republic of Macedonia in the expenses related to care and education, and vacation and recreation of children in public child institution (kindergarten and child resort), is provided. The participation represents part of service price per child paid by the parent and it is provided by the Budget of the Republic.

* Average salary in the Republic of Macedonia for the period (I-VI 2007) was equal to 14,124 denars, so the limit amount of average monthly incomes per family member (16%) for 2008 is equal to 2,259.84 denars.

** For single parent, the limit amount for 2008 is equal to 4,519.68 denars (32%)

The following table contains review of the number of beneficiaries of different child protection benefits, in the period between 2004 and 2007.

YEAR	Child allowance		Special allowance		Assistance for newborn ("baby package") (Number of beneficiaries)
	Number of families	Number of children	Number of families	Number of children	
2004	21,954	41,979	4,084	4,224	8,706
2005	20,947	39,272	4,343	4,488	8,221
2006	20,612	38,483	4,658	4,819	6,408
2007	20,335	37,869	4,997	5,175	6,060

Source: Ministry of Labor and Social Policy, Sector for child protection

The available data on the amount of financial means allocated from the Budget of the Republic of Macedonia on child protection rights in the period between 2004 and 2006, are presented in the following table:

YEAR	Child allowance amount (in millions of denars)	Special allowance amount (in millions of denars)	"baby-package" amount (in millions of denars)
2004	268.75	149.44	14.76
2005	264.83	168.96	25.24
2006	255.23	184.23	21.03

Source: Ministry of Labor and Social Policy, Sector for child protection

Implementation of new rights in the Law on child protection, with a purpose of encouraging the demographic development in the Republic of Macedonia

In 2008, the Government of the Republic of Macedonia has adopted the **Strategy for demographic development of the Republic of Macedonia 2008-2015**.

The Strategy determines various different measures in many areas, directed to stimulation of demographic development, long-term trend for stabilization of natural population growth, increasing of birth rate of the Republic of Macedonia, reducing of regional heterogeneity and depopulation characteristics regarding the natural population growth that shall lead to reduction of differences and increasing of social cohesion among human population groups and shall provide equal distribution of human capital in the Republic of Macedonia.

Regarding the adopted Strategy, in order to provide adequate financial assistance upon childbirth and adequate allowance for covering of expenses for raising of children, and in order to provide stimulation of population birth rate and stabilization of the trend of permanent decrease of the natural population growth, there Law on child protection was amended and additional benefits were introduced, which shall be implemented starting from 01.01.2009.

The following amendments to the Law on child protection were introduced:

- the right to assistance for covering the needs of newborn paid only for the first born child, by the application of material census from 01.01.2009 shall be applied as “One-off financial assistance for newborn” and shall be provided to the family for the first, second and third born child, without application of material census. The amount of this benefit is equal to 30% of the average salary in the Republic of Macedonia paid in the previous year.
- New right has been introduced “Parental allowance for child”, which shall be exercised by the mother for hers second, third and forth live-born child, if she has a place of residence in a municipality with low rate of natural population growth (under 2.1%), according to statistical data of State statistical office.

Parental allowance for second child will be paid on a monthly basis, in a period of nine months, in an amount equal to 30% of the average salary per employee paid in the previous year in the Republic of Macedonia. Parental allowance for third child is paid monthly, for a period of ten years, in an amount equal to 50% of the average salary; and the parental allowance for fourth child is paid on monthly basis, for a period of 15 years, in an amount equal to 70% of the average salary. According to the Law, if the mother gives birth to forth child, during the period when she receives the parent benefit for third child, she shall be entitled to single monthly parental allowance in an amount equal to one average salary for the previous year per employee in the Republic of Macedonia.

Article 12§2

The social insurance system of the Republic of Macedonia provides for and guaranties the types of social insurance, envisaged with the ILO Convention No.102, i.e. old-age pension, disability pension, survivor pension, reimbursement in a case of injury at work and professional disease.

Old-Age pension

The old-age pension provides financial security for the insured person in his 64 years of age (men) and 62 years of age (women) and at least 15 years pension experience. (Article 17 of the Law on pension and disability insurance). For the period of 2004 to 2007, the age, as condition for right on old-age pension for women, increased gradually:

YEAR	woman
01.01.2004 to 31.12.2004	60,5
01.01.2005 to 31.12.2005	61,0
01.01.2006 to 31.12.2006	61,5
01.01.2007 to 31.12.2007	62,0

Old-age pension and its amount depend on the period of contribution payment and the amount of paid contribution.

For certain categories of insured person in the Ministry of Defense and permanent composition of the Army of the Republic of Macedonia, the Ministry of the Interior and correction institutions, the insurance experience has longer period of duration. For insured persons for whom the

insurance experience is with longer duration, the age limit for obtaining the right on old-age pension is decreased depending on the degree of working experience increasing for one year. The Law on amending the Law on pension and disability insurance ("Official Gazette of the Republic of Macedonia" no. 24/2000) proscribes temporary provision according to which insured persons having working experience of 35 years (men) and 30 years (women) are entitled to right on old-age pension and this right can be used from September 1, 2000 to September 1, 2005. By the Law on amending the Law on pension and disability insurance ("Official Gazette of the Republic of Macedonia" no. 101/2005) this deadline was prolonged to September 1, 2007.

The Law on amending the Law on pension and disability insurance ("Official Gazette of the Republic of Macedonia" no. 70/2006) creates legal basis for including of pension beneficiaries having working relationship and performing certain activity in the group of insured persons. If pension beneficiary concludes working relationship with full working hours, he/she shall receive 30% of the pension, if he/she is employed part-time shall receive 50% of the pension and for working hours shorter than half of full working hours- 70% of the pension. Upon pension confirmation, these persons shall be determined with additional 1 % for each 3 years of employment.

Pension base for determination of old-age pension is the monthly average of insured person salary during the total period of insurance, and most recently from January 1, 1970. Salaries taken in consideration upon the determination of pension base are valorized by coefficients calculated based on salary fluctuations of all employees in the Republic.

As a year of insurance out from which the salary for pension base determination is taken in consideration is the calendar year when the insured person has received salary or salary compensation for at least six months insurance period. The salary, or salary compensation received in the year in which the insured person has obtained the right on old-age pension is not taken in consideration upon the determination of pension base, which is directly connected with salary valorization of previous years on the level of the year in which this right has been obtained. This legal solution provides equal treatment for all insured persons regarding the determination of pension base regardless of the period of the year in which the right has been obtained and in this way the final solution is obtained immediately. Valorization coefficients are published in the Official Gazette of the Republic of Macedonia, which makes them transparent and available for insured persons.

Salary benefits, such as the following are included in pension base: Benefit for vacation, holidays, and benefits realized according to the Law on health insurance or compensation for temporary working disability, and benefits realized on the basis of remained working ability.

For those insured persons not having salary, or salary compensation after January 1970, pension base is determined according to the fluctuations of average salary of all employees in the Republic and the education of the insured person. The Fund publishes this base at the start of each year. These bases as values are determined on the level of the year preceding the year in which the insured person has been entitled to pension right.

There are five levels of pension base depending on the education:

- for high education;
- for higher education or highly qualified worker;
- for secondary vocation or training of qualified worker
- for vocation of semi-skilled, or lower vocation and
- for insured persons and persons without qualification.

As a pension basis it is taken the average salary that the insured person realized with full time work that, in accordance with the Labor Law, must not be longer than 40 hours per week in five working days in one week. The salary realized with longer or shorter than the full time is calculated with average monthly amount that refers to the salary for full time work. The insured

person that in the calendar year was at same time employed with working time shorter than the full time at several employers, the salary is calculated in a manner that the total realized salary is taken and the hours of working at all employers with full time work (the salaries and the hours at all employers are summarized, all leveled to full time work).

The salary realized with work longer than the full time work is taken for determining the pension basis, only if that kind of work is done in the cases foreseen with the regulations on working relations.

In accordance with the regulations on social protection, an allowance is received for the time for which the insured person has realized salary allowance for short working time because of taking care of heavy handicapped child, for determining the pension basis, where adjustment is done with the Law on Social Protection and the Law on Labor Relations.

For determining the pension basis, the total salary realized with full time work is taken, then work with shorter or longer than the full time work in one year, leveled with the average monthly amount that refers to the salary with full working hours.

The amount that refers to salary for full time work is calculated in a manner that the total salary amount is taken for determining the pension basis, which the insured person received for one year, that amount is divided with the number of hours that the person spent at work with full time, shorter and longer than the full working time, and the resulted amount per hour is multiple with the monthly average of the number of hours for full working time at the employer in the period of realizing the salary. That determined amount is taken for determining the pension basis.

For the period when the insured person realized salary allowance in accordance with the regulations on health insurance, for determining the pension basis is taken the amount of average salary, which is determined based on the salary realized in the calendar year that precedes the year in which occur the temporary work disability, calculated with coefficient of valuation determined for that year. The result of that is that in the year when the employee was on sick leave, for calculating the pension basis for that year, the health insurance allowance is not taken, but the salary realized for the performed work and the working contribution expressed through the realized salary.

In addition, for determining the pension basis are taken the contributions that are given to the unemployed, the disabled workers that wait for referring to professional rehabilitation, where the basis is taken for this determined contribution valued with the coefficient that is used for valorization of the salaries, which are used for determining the basis. For the disability workers that receive contribution for work with short working time or contribution because of smaller salary, besides the realized salary, also the contribution calculated with valuation coefficient is taken from the year of realizing the contribution.

For the insured persons, or persons that perform public function for determining pension basis, the salary, or the contribution for performing that function is taken, which served as basis for paying allowance for pension and disability insurance.

The valorization of the salaries from the previous years, according to which the pension is determined, is done in accordance with the average of the salaries in the last year that precedes the year of realizing the right to pension. The valorization of salaries practically means that the value of the previously realized salaries is leveled to the value of the salaries on a level of the year preceding the year of realizing the right.

The old-age pension for the insured persons that were included in the mandatory pension and disability insurance up to 1 September 2001, and which did not choose to participate in the new system of mandatory fully funded pension insurance and have full length of service of at least 15 years, it is determined from the pension basis depending on the length of the service and it amounts 35% for man, 40% for woman, taking into consideration that for every six months of length of service, the percentage is increasing for 0.9% for man, or 1.3% for woman. he insured persons that work longer than 35 years for woman, or 40 year length of service for

man, after 1 September 2007 with calculating the pension basis, the percentage for every year of length of service amounts 1.8%

For the insured persons included in the mandatory fully funded pension insurance, except the individual farmers, the old-age pension is determined in accordance with the length of the service that for every year amounts 0.75% (man), or 0.86% (woman) from the pension basis, and for the pension length of service shorter than 1 year, and at least six months, it amounts 0.375% (man), or 0.43% (woman) of the pension basis.

For the old-age pension, for the insured persons that were included in the mandatory pension and disability insurance, and which can choose to participate in the mandatory fully funded pension insurance, the pension basis is determined in percentages that for each year of length of service until 1 September 2007 amount 2.33% (man), or 2.60% (woman), and for the pension length of service shorter than 1 year, and at least six months, it amounts 1.165% (man), or 1.30% (woman), but at most of 11.65% (man), or 13.00% (woman) from pension basis. For every further year of length of service after 1 September 2001, the pension is determined in amount of 0.75% (man), or 0.86% (woman), and for pension length of service shorter than one year, and at least six months, it amounts 0.375% (man), or 0.43% (woman) of the pension basis.

This manner of calculating the amount of the old-age pension refers to the insured persons that will join the new system of pension insurance, or in the mandatory fully funded pension insurance.

The system of mandatory pension and disability insurance through the institution - **the minimum pension amount**, provides minimum material and social security for the users of rights of pension and disability insurance.

The lowest amount of old-age pension realized from the mandatory pension and disability insurance, based on the generation solidarity and the pension realized from the mandatory fully funded pension insurance, must not be less than the determined percentage of the average salary of all employees in RM in the year 2002, as follows:

- for the users that realized the pension with length of service over 35 years (man), or over 30 years (woman) in amount of 41%;
- for the users that realized the pension with length of service over 25 years (man), or over 20 years (woman) in amount of 38%, and
- for the users that realized the pension with length of service up to 25 years (man), or up to 20 years (woman) in amount of 35%

The minimum pension is adjusted with the percentage used for the other pensions.

In terms of existence of multilayer pension system, the minimal amount of pension links the first and the second pillar, because if the pension from the mandatory pension and disability insurance based on the generation solidarity and the pension annuity from the fully funded pension insurance are lower than the minimal amount, then the pension user is guaranteed with payment of the minimum pension amount from the state pension fund.

The Law amending the Law on pension and disability insurance ("Official Gazette of the Republic of Macedonia", No.70/2006), defines that when determining the amount of the minimum pension, it is taken into consideration also the length of service acquired in other state, which has signed an agreement on social insurance with the Republic of Macedonia.

Depending on the year when the right is obtained, the system of mandatory pension and disability insurance differs three groups of minimum pension amount, as follows:

obtained right		minimum amount				
		1 July 2005	1 January 2006	1 July 2006	1 January 2007	1 July 2007
to 31.12.1996	I	5,594.50	5,621.50	5,744.00	5,781.00	5,841.00
	II	5,444.50	5,470.50	5,590.00	5,626.00	5,684.50
	III	5,252.00	5,277.00	5,392.00	5,426.50	5,483.00
from 1.1.1997	I	4,609.50	4,631.50	4,732.50	4,763.00	4,812.50
	II	4,265.00	4,285.50	4,379.00	4,407.00	4,453.00
	III	3,918.50	3,937.50	4,023.50	4,049.50	4,091.50
from 1.1.2002	I	4,941.50	4,965.00	5,073.00	5,105.50	5,158.50
	II	4,579.50	4,601.50	4,702.00	4,732.00	4,781.00
	III	4,218.00	4,238.00	4,330.50	4,358.00	4,403.50

With the Law amending the Law on pension and disability insurance (“Official Gazette of the Republic of Macedonia” 24/2000) until the adoption of the Law amending the Law on pension and disability insurance (“Official Gazette of the Republic of Macedonia” 153/2007), the adjustment of the old-age pension is done in accordance with the movement of the index of living expenditures in amount of 80% and the movement of the average paid net salary to all employees in the Republic of Macedonia in amount of 20%. With the provisions of the Law on amending the Law on pension and disability insurance (“Official Gazette of the Republic of Macedonia” 153/2007), the adjustment will be done in accordance with the movement of the index of living expenditures in amount of 50% and the movement of the average paid net salary to all employees in the Republic of Macedonia in amount of 50%.

The adjustment is done twice a year from 1st of January and from 1st of July every year. The percentage of adjustment is obtained with the sum of the movement percentage of the living costs index in the previous half year and the percentage of the average paid net salary to all employees in the Republic of Macedonia in the previous half year in accordance with the half year that precedes:

Pensions adjustment	Salaries increase	Costs increase	TOTAL
1 July 2005	0.04%	0.36%	0.40%
1 January 2006	0.56%	-0.08%	0.48%
1 July 2006	0.86%	1.32%	2.18%
1 January 2007	0.60%	0.04%	0.64%
1 July 2007	0.60%	0.44%	1.04%

The pension, until 2015, cannot be greater than 80% of the average salary realized in the Republic of Macedonia in the previous year, increased for 2.7 times, and after 2015 – not more than the percentages determined in article 65 paragraph 1 from the Law, from the average salary in the Republic of Macedonia in the previous year increased for 2.7 times.

The percentages from article 65 paragraph 1 from the Law are the following:

Year	Percentage
2016	79.68
2017	79.36
2018	79.04
2019	78.72
2020	78.40
2021	78.08
2022	77.76
2023	77.44
2024	77.12
2025	76.80
2026	76.48
2027	76.16
2028	75.84
2029	75.52
2030	75.20
2031	74.88
2032	74.56
2033	74.24
2034	73.92
2035	73.60
2036	73.28
2037	72.96
2038	72.64
2039	72.32
2040	72.00

Disability pension

In the system of mandatory pension and disability insurance, based on the determined disability, the insured persons obtain the right of **disability pension** calculated from the pension basis in the same manner as the old-age pension. The amount of the disability pension depends on the reason for disability, or whether the disability is as a consequence of disease (injury out of work), or as a consequence of injury at work (occupational disease), with a difference that the period when taking salaries for determining the pension basis can be shorter, therefore the disability pension is obtained with short pension length of service.

The right of disability pension is obtained by an insured person that has complete incompetence for work or have left working capability, because by reaching 50 years age (man and woman), the person can not be trained for performing other adequate work with the vocational rehabilitation. By adopting the Law on amending the Law on pension and disability insurance (“Official Gazette of the Republic of Macedonia” No.153/2007), the age of obtaining the right of disability pension was leveled, because of the impossibility to train for performing other adequate work with vocational rehabilitation, for men and women at age of 50 years, opposite the previous provisions, i.e. 45 years (woman) and 50 years (man).

The insured person obtains the right to disability pension:

- regardless the length of service, if the disability is caused by injury at work or occupational disease, and
- has at least one third of the length of service with 20 years old, if the disability occurred out of work or with disease.

The Minister of labor and social policy prescribes the list of the occupational diseases with special rulebook "List of occupational diseases" ("Official Gazette of the Republic of Macedonia" No.88/2004).

The insured person that has disability before 30 years of age, because of injury out of work or disease, obtains the right of disability pension, if on the day of disability occurrence had status of insured person and if:

- the disability occurred before 20 years of age, if the person had at least six months length of service;
- the disability occurred before 25 years of age, if the person had at least nine months length of service;
- the disability occurred before 30 years of age, if the person had at least 12 months length of service.

The disability pension is valued and adjusted in the same way as the old-age pension.

The disability pension in case of disability caused by injury at work or occupational disease, is determined in amount of 80% from the pension basis for pension obtained until the year 2015, and the disability pension obtained after the year 2015 will be determined in percentages.

The disability pension in case of disability caused with disease or injury out of work, is determined from the pension basis in percentage, as for the old-age pension.

The disability pension, in case when the disability occurred before the age for obtaining the right of old-age pension, cannot be less than the percentages determined for the year when the right was obtained.

In the cases of disability pension when the disability occurred before the age for obtaining the right of old-age pension, cannot be less than the percentages determined for the year when the right was obtained.

The new system of mandatory fully funded pension and disability insurance determines that the disability pension will be obtained only with the mandatory pension and disability insurance, and the assets accumulated in the fully funded pension insurance will be transferred into the state insurance for financing the disability pension.

The beneficiary of the disability pension that lost the working ability before the age of obtaining the right of old-age pension, also is entitled to disability allowance, which depends on the proportion between the working age and the length of service, such as 10%, 15% and 20%. The disability pension, along with the disability allowance cannot be more than 80% of the pension basis.

The disability allowance is special protection for the beneficiaries of disability pension, which got the disability before the age for obtaining the right of old-age pension.

The provisions that refer to the lowest amount of old-age pension, refer also to the lowest amount of disability pension.

The insured person obtains the *right of compensation for bodily harm*, in case when the insured person suffered lost, more essential injury or more significant disability of certain organs or parts of the body and because of that, there is a need of bigger efforts for implementing the life needs. This right is obtained under the same conditions as the right of disability pension regarding the length of service. The right of compensation because of bodily harm is obtained

independently of the fact whether the insured person obtained another right from the pension and disability insurance. The types of bodily harms are regulated with the Rulebook on the List for the types of bodily harms ("Official Gazette of the Republic of Macedonia", No. 88/2004).

Survivor pension

The system of mandatory pension and disability insurance determines the possibility for obtaining right to survivor pension based on death of insured person or pension beneficiary.

The amount of the survivor pension is determined from the age or disability pension that the insured person was entitled to at the moment of death, or the pension that the pension beneficiary was entitled to at the moment of death.

The survivor pension in the new pension system will be obtained in the pension and disability insurance based on the generation solidarity (first pillar), for the insured persons that will remain in the existing state pension and disability insurance, as well as for the insured persons that will transfer in the new system, from reason that the pension is obtained in the mandatory fully funded pension and disability insurance. The assets accumulated on the personal account in the fully funded pension insurance are transferred into the state pension fund for disbursement of survivor pension. The beneficiaries of survivor pension also are entitled to lowest amount of survivor pension that is determined in the same way as the lowest amount of age or disability pension.

The survivor pension is adjusted in the same way as the age and the disability pension.

The survivor pension secures the members of the family of the insured person or beneficiary of old-age pension, when they are not capable for individual life.

The following are entitled to survivor pension:

- spouse or divorced spouse can obtain the right of survivor pension if has determined right of alimony with effective court verdict. In order the widow to obtain the right of survivor pension, until the death of the spouse to be at least 45 years old and not to be capable for work, while in order the widower to obtain the right of survivor pension, he should be at least 55 years old before the death the spouse and not be capable for work. In addition, the Law amending of the Law on pension and disability insurance ("Official Gazette of the Republic of Macedonia", No.70/2006), as a condition for obtaining the right to survivor pension by widower/widow is stipulated that the marriage with the deceased insured person, or pension beneficiary to be longer than five years before the death of the insured person or the pension beneficiary.
- children born in marriage or in illegitimate community or adopted children, stepchildren that the insured person raised, grandchildren and other children without parents that the insured person raised. The child is entitled to survivor pension up to 15 years old, and if continues with education up to 26 years. In case if the child during use of survivor pension becomes permanently disabled for work, keeps the right to survivor pension.
- the parents – father and mother or the stepfather and the mother and the adopter that raised the insured person.

The spouse and the children of the insured person or the pension beneficiary are entitled firstly in obtaining the right of survivor pension.

In order for the members of the family of the deceased insured person, to obtain the right to survivor pension, it is necessary that the insured person that has passed away had fulfill several conditions:

- to have at least five years length of service of insurance or at least ten years pension length of service or
- to fulfill conditions for old-age or disability pension, or
- to have been beneficiary of old-age or disability pension.

The survivor pension amounts to 70% of the old-age pension, i.e. the disability pension for one member of the family, while for every following member of the family it is added 10%, but not more than 100% of the basis.

Article 12§3

Reforms in the pension system

The social-economic changes in the Republic of Macedonia, within the last years did not avoid the pension system that faced with bigger problems in its normal functioning. Same as in the other central and east countries, the transit to the market economy caused more companies to work with losses, indication of numerous bankruptcies that affect the increased announcement of redundancy of the work force. This indication in the early 90ties was the main reason for decreasing the circle of active insured persons from one side, and increasing the number of pensioners on the other hand, which resulted with decreasing the ratio between the insured persons and the pensioners. In the year 1990, this ratio was 3.6 insured persons to 1 pensioner, and in 1998 that ratio was narrowed to only 1.6 insured persons to 1 pensioner. In that period, the bad economic condition of the country reflected to the irregular payment of the allowances because of irregular payment of salaries, and that caused decreasing of the incomes, in relation to the increased costs for pensions. At the same time, the decreasing of incomes from the salaries allowances, as main source of financing, was as a result of continued increasing of the unemployment rate that in 1993 was 27.7%, and in the year 1998 reached 36%. This condition resulted with the fact that the Pension and disability insurance fund reached high level of insolvency with big deficits and disturbing the dynamics of regular payment of pensions.

The fact that the pension system in that period was expensive can be seen from the participation of the pension costs in the gross social product that in 1993 in Macedonia reached 15.6% and presented high percentage of public consummation (in 1994 it was 12.6%, and from 1995 to 1998 kept to 10.7%). Because of that a strong need occurred for the state, through interventions and additional subsidies from its budget, in order to help the pension fund (through excises, privatization, loan, etc.), in order to adjust the aroused financial imbalance between the incomes and the expenditures.

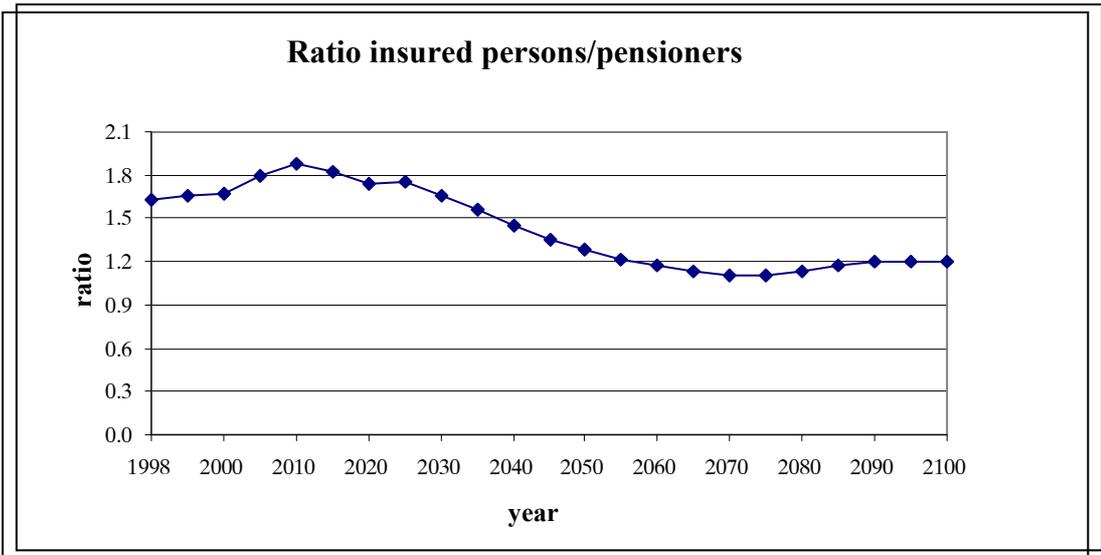
All problems in the pension system culminated in the year 1993 and in the same year was done its rationalization by adopting and applying the new Law on pension and disability insurance. This Law had restrictive solutions of the main parameters, such as the age of retirement (increased from 55 years to 60 years for women and from 58 to 63 years for men), replacement rate (decreased from 85% to 80%), eliminating of premature retirement and buying off length of service, calculating the pension basis from the salaries of the total working length of service, instead of most favorable 10 years and other measures. During the years 1995, 1996 and 1997,

the rationalization of the pension system continued through reducing the scope of rights, such as the decreasing the minimal pensions, low indexation of the pensions, disarrangement of elements from the social protective area in the pension system in other fields, etc.

All undertaken measures in the period from 1993 until today, resulted with positive effects regarding the solvency of the Fund and slowly, but safely, the balance of the incomes and expenditures. The fast flow of new pensioners was slowed down, the level of pensions was decreased, which resulted with decreasing the costs for pensions as part of the public consumption, therefore the participation of the pensions in the GDP fell to 8.0% in 1998. Finally, the disbursement of the pensions started to be regular during the current month for the previous one, in the same manner as the disbursement of the salaries for the employees.

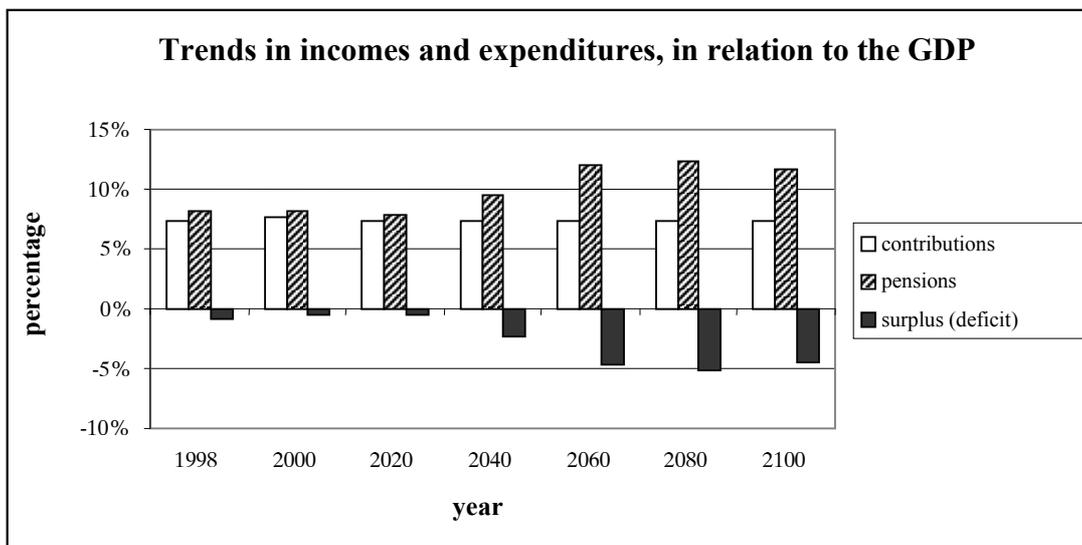
In the Republic of Macedonia, several actuarial projections are done which gave results for the future conditions and which present indicators of the trend and scope of the future incomes and expenditures, during establishment of given economic and demographic assumptions, without changes in the existing legal provisions, i.e. without reforms. In the projected period of the following hundred years, the Republic of Macedonia will face with change in the population structure as a consequence of fertility decreasing, and especially of the increased expected duration of life.

For more objective foreseeing of the conditions in the pension system, the number of insured persons is relevant as part of the hardworking population and the number of pensioners.



The projections show that the number of insured persons in Macedonia will increase in the following 20 years because of the assumptions for decreasing the unemployment, and then that number is expected to decrease until the end of the projected period. On the other hand, the number of pensioners will increase in the following 60 years because of the population aging, which will influence on decreasing the ratio between the insured persons and the pensioners. That ratio in the year 2010 will reach 1.9 insured person to 1 pensioner, and because of the increasing of the old population that ratio is expected to decrease to 1.1 insured person to 1 pensioner in the year 2070.

All these unfavorable indications will have own negative influence on the solvency of the pension system:



Namely, until 2020, the financial condition will be stable because of the favorable expected influences on the economic development, and after the year 2020 is foreseen appearance of deficit that will increase permanently for longer period, because of the population aging. The costs for pensions, in relation to the gross domestic product until 2010 will be to 7%, however, because of the unfavorable demographic structure in the year 2070, they will reach 13% (of GDP), that shows that the pension system will become more expensive and unsustainable and with high participation in the total costs of the public consumption.

The previous analyses show that if the existing pension system was kept without reforms, the same will work insolvent long-term making deficit that will permanently increase with time.

Same as the other countries with Pay-as-you-go system, Macedonia also faces with the demographic changes that have negative influence on the current financial pension system. The decreasing of the birth rate and the longer duration of life change the population structure, increasing the number of the elder persons in relation to the people of the working age.

In order to overcome this expected situation, the evaluation of the creators of the pension policy was that there is a need of deeper reform of the system that will provide security in obtaining the rights (benefits), long-term financial sustainability and strengthening the trust in the pension system.

The reform of the pension system in the Republic of Macedonia is consisted of establishing multi-tier pension system.

The new system is consisted of pension and disability insurance, based on the generation solidarity and mandatory and voluntary fully funded pension insurance, through which the citizens in the Republic of Macedonia will provide material and social safety.

Starting from 1st of January 2006, the mandatory capital financial pension insurance, i.e. the second pillar of the pension system, is applied. The mandatory fully funded pension insurance is regulated with the Law on mandatory fully funded pension insurance ("Official Gazette of the Republic of Macedonia" No.29/2002, 85/2003, 40/2004, 113/2005 and 29/2007).

Before the implementation of the second pillar, or before issuing the Law on mandatory fully funded pension insurance, several important parametric reforms are done to the existing pay-as-you-go pension system that is based on current financing, or the current insured persons provide assets for pension disbursement. These changes refer to the conditions for obtaining the right of old-age pension, as well as the manner of determining the amount of pension with closer conditioning of the rights with the scope of investing assets for this insurance.

More concrete, the age limit is increased, from 60 to 64 years (man) and from 55 to 62 years (woman), calculating the pension basis of the salaries from the whole working period (starting from 1970), in stead of the ten most favorable years, decreasing of the percentage for determining the amount of the pension from 85% to 80%, leaving the institution of buying the length of service, leaving the opportunity for premature retirement and other issues.

The reforms of the system established a new structure of the pension system based on three pillars:

- **first pillar** – pay-as-you-go pension system, based on current financing, or the current insured persons provide assets for disbursement of pension;
- **second pillar** – mandatory fully funded pension insurance, the member of the second pillar has personal account to which are accumulated the assets from the contribution and return of the contribution investment; and
- **third pillar** – voluntary fully funded pension insurance, the member of the second pillar has personal account to which are accumulated the assets from the contribution and return of the contribution investment.

The solvency of the system is provided with diversification of the sources for pension financing, i.e. with risk transfer in the investment portfolio (through the second pillar). The first and the second pillar are connected with the labor market and the capital market. The return rate in the first pillar depends on the rate of salary increasing, while in the second and third pillar, the return rate depends on increasing the return rate from investing.

Second pillar

By implementing the second pillar, the contribution for pension and disability insurance is divided for the first and for the second pillar of the pension system, in figures of 13.78% for the first pillar and 7.42% for the second pillar of the pension system, from 21.2% of the total contribution. This added new function to the Pension and disability insurance fund of Macedonia, where the collecting the contribution of pension and disability insurance for first and second pillar, in one procedure is done by the Pension and disability insurance fund of Macedonia. By collecting the contribution, the Fund makes division of part of the contribution that stays in the first pillar and part of the contribution for the second pillar that is transferred to the private pension funds from the second pillar, within 5 days from the day of neatly delivered data.

The companies for managing the pension funds are obliged to keep the assets of the pension separately from their own assets. Keeping the assets of the pension funds is done at the bank-property custodian of pension funds, which has signed contract with the company. For managing the pension funds, the companies pay fee, also the custodian pays contribution for its work.

In second pillar of the pension system, mandatory participate all those people that have started to work for the first time since 1 January 2003, while all others that are employed before the 1 January 2003 are entitled to choose whether they will become members in the second pillar. The mandatory members are entitled to select a pension fund in which they will be members.

For supervision of the pension companies that manage pension funds, *the Agency for supervision of fully funded pension insurance (MAPAS)* is established. The Agency for supervision of fully funded pension insurance is independent body that performs supervision of fully funded pension insurance. The Agency issues and withdraws working permits of the companies that manage mandatory and voluntary pension funds.

In April 2002, the Law on mandatory fully funded pension insurance was adopted which helped designing the structure of the fully funded pension insurance or the so-called second pillar. Based on article 1 paragraph 3 and article 46 of this Law, was founded the Agency for supervision of fully funded pension insurance, which officially started with work on 31 July 2002 by appointing its director, in accordance with article 137 paragraph 1 from the same Law.

The Agency for supervision of fully funded pension insurance (MAPAS) was established in order to supervise the operations of the pension companies and the pension funds with the purpose to protect the interests of the pension funds members and stimulating the development of the fully funded pension insurance. MAPAS is also a regulatory body in fully funded pension insurance. MAPAS bodies are the Management Board and the Director. The Management board of MAPAS is consisted of five members appointed by the Government of the Republic of Macedonia. On proposal of the Minister of labor and social policy, the Government of the Republic of Macedonia appoints the Director of the Agency for supervision of fully funded pension insurance.

After forming MAPAS, with provided consultants help of several foreign and domestic experts, actively worked on preparing the needed by-laws and internal acts, implementing system of automatic direct supervision with gives the opportunity of proactive intervention and early prevention of problems arising, defining the type, frequency and the manner of delivering data and information from different sources (pension companies, property custodian, Macedonian stock exchange, terminals and other), that needs to receive, in order to achieve its function of supervision of the system operations, etc.

During the year of 2004, started the building of supervision capacity of MAPAS (business processes for direct supervision) and started with designing of business processes for direct supervision and defining of the technical (software) specifications for support of the above mentioned business processes. The Law on mandatory fully funded pension insurance, assigning the role to the Pension and disability insurance fund of Macedonia for single payment of the contributions for pension insurance, includes the Fund in some of the business processes that characterize the system in full. It was worked on developing and defining the ICT capacities of MAPAS needed for successful realization of all needs and demands set within the Law on mandatory fully funded pension insurance.

In addition, in the year 2004 was working intensively on establishing the function of **property custodian of the National Bank of the Republic of Macedonia**, especially of achieving consent regarding the competences and responsibilities of the custodian, where the MAPAS employees, together with the foreign consultants, participated in the work of the initial design of the business processes of custodian.

Facing the international tender for delegating licenses for founding pension companies and approvals for managing pension funds, active promotion of the reform was done. During the period of 2003 and 2004, several countries in the region were visited and meetings with the interested parties from the country and abroad were organized. In order to promote the reform, Bulgaria, Hungary and Croatia have been visited. Participation at the Annual Assembly (conference) of the shareholders of EBRD was done, which took place in London and where the reform of the pension system in the Republic of Macedonia was promoted, where several meetings with the world well-known banks and insurance companies were also done. In the country, several meetings with representatives of the biggest banks and insurance companies were done, as well as with representatives of the embassies in the Republic of Macedonia.

At international public tender, working permits and licenses for managing with pension fund were issued to two companies, as follows:

1. Nova Ljubljanska banka DD Ljubljana, Republic of Slovenia and Tutunska banka, AD Skopje, Republic of Macedonia and
2. Prva pokojninska druzhba, DD Ljubljana, Republic of Slovenia and Komercijalna banka AD Skopje, Republic of Macedonia.

On 4 April 2005, the licenses for founding the pension companies were given and the conditioned approvals for managing pension funds, and the date when the companies could start with registering members in the pension funds, was 20.09.2005. From this date, the companies started with signing contracts for membership.

Membership in the pension funds from the second pillar (situation 31.12.2007)

Pension fund	Voluntary	Mandatory				Total
		With contract	Allocated	Temporary allocated	Total	
NPF/NPF	28,998	28,682	14,756	4,471	47,909	76,907
KB Prv/KB Prv	34,716	30,174	15,596	5,260	51,030	85,746
TOTAL	63,714	58,856	30,352	9,731	98,939	162,653

Source: Annual statistical report for the year 2007 of MAPAS

Conditions in fully funded pension insurance:

In June 2005, the pension companies started with activities for managing pension funds by starting with the marketing activities. In September, the companies started with signing contracts for membership. In accordance with the law, all insured persons employed for the first time after 1 January 2003 are mandatory members of the two-pillar system, while the insured persons employed for the first time before 01.01.2003 are entitled to voluntary selection for entering in the two-pillar system. On 31 December 2005, the registration of the voluntary members ended, while the process of registering the mandatory members continued in accordance with the deadlines for selecting pension funds and membership. The mandatory members that have not signed membership contract during the period of selecting the pension fund, after the expiration of that deadline, they remain members of the pension fund in which they were divided by MAPAS, according the method of random choice.

The year 2006 was marked with the start of paying allowances in the mandatory fully founded pension insurance, or in the private pension funds. For the members of the two-pillar system this presents a start of the period of accumulating assets on their individual accounts paid based on mandatory allowance for pension and disability, which assets remain and are impregnated on these account to the retirement of the insured person. On the other hand, the assets of the pension funds present important potential for the whole system in strengthening the power of the investing and the increased saving of the population long-term.

In the section of the legal obligation for strengthening the public awareness for mandatory fully funded pension insurance, the Agency has participated actively in the public campaign of the Ministry of labor and social policy. The target group of the campaign were the potential members of the pension funds, or the persons that were employed in 2006 for the first time and are mandatory members of the two-pillar pension system, as well those persons that in the period from September 2005 to 2006 were unemployed, and which in 2006 were employed again and can be members in one of the pension funds.

The total number of members and temporary allocated members in the pension funds until 31 December 2006 was 128,031. Voluntary members are 60,473 or 47.2%, while 67,558 or 52.8% are mandatory members. From the mandatory members, 43,497 members signed membership contract, 17,207 have not signed contract and are allocated by the Agency, and 6,854 are temporary allocated by the Agency in order to have investing of their assets right after the employment, however, they still have the deadline for selecting a pension fund and they can sign contract.

The payment of the allowances in the second pillar started with the salary for January 2006 and during the year 2006 were paid 1,325 million denars. The companies started with investing the assets of the pension funds.

In the year 2007, the Agency for supervision of the fully funded pension insurance marked the 5th anniversary of its existence, as well as two years of the whole operativeness of the mandatory fully funded pension insurance system.

With the end of this calendar year, one complex system of mandatory fully funded pension insurance was encircled and a continuation of the reform to implementing the voluntary fully funded pension insurance.

The Agency took care of the rights and interests of 162,653 members of the private pension funds in amount of over 50 million Euros and actively and continuously developed the public awareness for the goals and the principles of the fully funded pension insurance.

In order to develop better business ambient and improving the total economic relations, the Agency performed decreasing of the allowance that was paid by the insured persons from the designed 1.74% to 1.50% for the year 2007 and additionally for 33%, or from 1.50% to 1% for the year 2008.

During 2007, the Agency improved its function through intensifying the field and the direct control of the pension companies and the pension funds.

In the section of the legal regulation in the year 2007, the Agency actively participated in preparing proposals for changes of the Law on mandatory fully funded pension insurance, as well as in designing the legal solution for the voluntary fully funded pension insurance.

Third pillar

The third pillar of the pension system or the voluntary fully funded pension insurance presents pension insurance on voluntary basis.

The voluntary fully funded pension insurance is regulated with the Law on voluntary fully funded pension insurance ("Official Gazette of the Republic of Macedonia" No.7/08).

With this insurance is foreseen to include all those persons that are not insured on any basis in the mandatory pension and disability insurance, the persons that are not employed and all those who want higher amount of the pension, from the one that is provided through the mandatory pension and disability insurance.

Member of the voluntary pension system can be any person older than 18 years. Every person can pay allowances for himself or for any other person. In the third pillar there is no limitation of the amount of the allowance, the insured persons can pay allowance in accordance with their material situation. The Law provides personal tax-free of the paid allowance, or for assets return up to 6 average monthly net salaries in the Republic, announced for the previous year. The members of the third pillar are entitled to old-age pension 10 years before the age foreseen as condition in the mandatory pension insurance, or 52 years (woman) and 54 years (man).

The third pillar foresees founding of professional pension schemes by the employers for their employees.

Article 12§4

Bilateral agreements on social insurance that the Republic of Macedonia has signed and bilateral agreements that the Republic of Macedonia undertook in the area of social insurance and that were signed by the former Yugoslavia:

1. Macedonian-Austrian Convention for social insurance

- signed: 28 February 1997, Skopje
- ratified: 11 June 1997
- published: "Official Gazette of RM", International agreements No.28, 20 June 1997
- entered into force on 1st of April 1998

2. Agreement between the Republic of Macedonia and the Republic of Croatia on social insurance

- signed: 09.05.1997, Skopje
- ratified: 9 July 1997
- published: "Official Gazette of RM", International agreements No.34, 18 July 1997
- entered into force on 1st of November 1997

3. Agreement on social insurance between the Republic of Macedonia and the Republic of Turkey

- signed on 6 July 1998, Skopje
- ratified: 5 February 1999
- published in "Official Gazette of RM" No.7 dated 10.02.1999
- entered into force on 1st of July 2000

4. Agreement on social insurance between the Republic of Macedonia and the Republic of Slovenia

- signed on 13 July 1998, in Ljubljana
- ratified: 25 February 1999
- published in "Official Gazette of RM" No.13 dated 4 March 1999
- entered into force on 1 April 2001

5. Convention between the Republic of Macedonia and the Swiss Confederation on social insurance

- signed on 9 December 1999, in Bern
- ratified on 23 May 2000
- published in "Official Gazette of RM" No.44 dated 2 June 2000
- entered into force on 01.01.2001

6. Agreement on social insurance between the Republic of Macedonia and the Kingdom of Denmark

- signed in Copenhagen, on 20 March 2000
- ratified on 9 May 2000
- published in "Official Gazette of RM" No.37 dated 16 May 2000
- did not enter into force

7. Agreement between the Republic of Macedonia and the Federal Republic of Yugoslavia on social insurance

- signed on 29 December 2000, in Belgrade
- ratified by Yugoslovienian side on 16 May 2001 (note 9044/2000 D-44/2000)
- ratified on 23 January 2002
- published: "Official Gazette of RM" No.13, dated 13 February 2002
- entered into force on 1 April 2002

8. Agreement on social insurance between the Republic of Macedonia and the Republic of Bulgaria

- signed on 06.02.2003 in Sofia
- ratified on 17.04.2003
- published in "Official Gazette of RM" No.31 dated 5.05.2003
- entered into force on 1st August 2003

9. Agreement between Macedonian Government and the Government of the Federal Republic of Germany on social insurance

- signed on 8 July 2003, Skopje
- ratified on 20 October 2003
- published in "Official Gazette of RM" MD MD 70 dated 3.11.2003
- entered into force on 1st January 2005
- registered in accordance with article 102 from the UN Convention

10. Agreement between the Republic of Macedonia and Bosnia and Herzegovina on social insurance

- signed in Sarajevo, 17.02.2005
- ratified on 13 September 2005
- published in "Official Gazette of RM" No.82 dated 28.09.2005 May
- ratified by BiH on 15.02.2006
- entered into force on 1st April 2006

11. Agreement between the Republic of Macedonia and Czech Republic on social insurance

- signed in Skopje on 7 October 2005
- ratified on 10 February 2006
- published in "Official Gazette of RM" No. 20 dated 17.02.2006
- entered into force on 1st January 2007

12. Agreement between Macedonian Government and the Government of the Kingdom of Netherlands on social insurance

- signed in Hague on 17 October 2005
- ratified on 10 February 2006
- published in "Official Gazette of RM" No.20 dated 17.02.2006
- entered into force on 1st April 2007

13. Agreement between the Republic of Macedonia and the Romania on social insurance

- signed in Bucharest on 27 February 2006
- ratified on 28 April 2006
- published in "Official Gazette of RM" No.59 dated 12.05.2006
- entered into force on 1st March 2008

14. Agreement between the Republic of Macedonia and the Republic of Poland on social insurance

- signed in Warsaw on 6 April 2006
- ratified by Poland
- ratified on 26 February 2007
- published in "Official Gazette" No.27/2007
- entered into force on 1st July 2007

14a. Administrative agreement for application of the Agreement between the Republic of Macedonia and the Republic of Poland on social insurance

- signed on 27 June 2007 in Warsaw

15. Agreement between the Republic of Macedonia and Grand Duchy of Luxembourg on social insurance

- signed on 28 November 2006 in Luxembourg
- ratified on 2 April 2007
- published in "Official Gazette" No.47/07

16. Agreement on social insurance between the Macedonian Government and the Belgian Government

- signed on 13 February 2007 in Brussels
- ratified on 1st of June 2007
- published in "Official Gazette" No.74/2007

AGREEMENTS THAT ARE NOT RATIFYING

1. Protocol for collaboration in the area of employment, training and social security between the Macedonian Ministry of labor and social policy and the Albanian Ministry of labor and social policy

- signed on 22nd of January 1999 in Tirana

2. Administrative agreement on implementing of the Agreement between the Republic of Macedonia and Czech Republic on social insurance

- signed on 1st February 2006 in Skopje

AGREEMENTS TAKEN BY SUCCESSION

1. Convention on social insurance between the Government of SFRY and the Government of the United Kingdom of Great Britain and North Ireland (24 May 1958);

- Arrangement for implementing the Convention on social insurance between the Government of SFRY and the Government of the United Kingdom of Great Britain and North Ireland (29 November 1959);

2. Convention on social insurance between the SFRY and the Kingdom of Denmark

- signed on 22 June 1977
- ratified on 09.02.1978, published in the Annex of the Official Gazette of SFRY 5/1980
- Protocol 22 June 1977
- notes exchange (14 July and 22 September 1978)

3. Convention on social insurance between the FNRJ and the Czech Republic, Belgrade 22.05.1957 (Entered into force between RM and Slovakia)

- Agreement on executing the Convention on social insurance between the FNRJ and the Czech Republic, Belgrade 22.05.1957 (Entered into force between RM and Slovakia)
- Agreement between the Federal Secretariat on social insurance of SFRY and the State division on social protection of CSSR on amending the Agreement on executing the Agreement between the FNRJ and CSSR on social insurance, dated 28.05.1957, Belgrade 19.03.1966 (Entered into force between RM and Slovakia).

4. Convention between the Government of FNRJ and the Government of National Republic of Hungary on arranging the issues in the area of social insurance of their citizens, Budapest, 20.04.1973.

- Agreement on implementing the Convention between the Government of FNRJ and the Government of Republic of Hungary on arranging the issues in the area of social insurance of their citizens, Belgrade, 20.04.1973.

5. General convention on social insurance between the Governments of Yugoslavia and France, dated 5 January 1950, with administrative arrangements, amendments and protocols

All Agreements on social insurance guarantee **equal treatment** among own citizens and the citizens of the other contracted parties regarding the rights on social insurance, including the retention of benefits that results from the laws governing the social insurance, regardless of the fact on which territory of the contracted parties, the insured persons reside.

Regarding the single benefits, all agreements foresee summarizing of the length of services in both countries signed, as a condition for establishing of single rights from the pension and disability insurance. In addition, the agreements on social insurance foresee primarily the right of individual giving, if the applicant fulfills the conditions, in accordance with the regulations in the country. If those conditions are not fulfilled, the foreign length of service is summarized and the disbursement of proportional part of pension is defined.

The law on pension and disability insurance foresees provisions, which stipulate that the rights on pension and disability insurance be obtained regardless the citizenship of the applicant. If the foreign citizen has obtained length of service in the Republic of Macedonia, the same can obtain right to Macedonian pension, no matter if the country of his origin, has signed bilateral agreement with the Republic of Macedonia. However, the law foresees special provision only regarding the disbursement of the pension in his country. Namely, the same pension can be received in the Republic of Macedonia, or in his country under the condition if there is a signed agreement with that state or there is a reciprocity.

Regarding the pension and the disability insurance, the right to benefits is not conditioned with any stay and if the legal conditions are satisfied, then those rights are obtained immediately.

ARTICLE 13 - The right to social and medical assistance

With a view to ensuring the effective exercise of the right to social and medical assistance, the Parties undertake :

- 1. to ensure that any person who is without adequate resources and who is unable to secure such resources either by his own efforts or from other sources, in particular by benefits under a social security scheme, be granted adequate assistance, and, in case of sickness, the care necessitated by his condition;*
- 2. to ensure that persons receiving such assistance shall not, for that reason, suffer from a diminution of their political or social rights;*
- 3. to provide that everyone may receive by appropriate public or private services such advice and personal help as may be required to prevent, to remove, or to alleviate personal or family want ;*
- 4. to apply the provisions referred to in paragraphs 1, 2 and 3 of this article on an equal footing with their nationals to nationals of other Parties lawfully within their territories, in accordance with their obligations under the European Convention on Social and Medical Assistance, signed at Paris on 11 December 1953.*

Annex to Article 13§4

Governments not Parties to the European Convention on Social and Medical Assistance may ratify the Charter in respect of this paragraph provided that they grant to nationals of other Parties a treatment which is in conformity with the provisions of the said convention.

Article 13§1

Legal and Institutional Framework

In the Republic of Macedonia the provisions of this paragraph of Article 13 of the European Social Charter are covered by the **Law on Social Protection** (“*Official Gazette of the Republic of Macedonia*” No.50/97, 16/00, 17/03, 65/04, 62/05, 111/05, 40/07,98/08). The implementation details of the Law on Social Protection are contained in the following Rulebooks (by-laws):

1. Rulebook on the manner of determining the carrier of the right to social financial assistance, reporting on income per person, family or household in the submission of applications for realization of the right and the necessary documents for confirming the income situation (*Official Gazette No.103/07*);
2. Rulebook on the amount of the right to one-off financial assistance (*Official Gazette No.2/03, 57/03, 23/05, 105/05, 56/06, 71/06, 78/06, 150/07*);
3. Rulebook on the manner and conditions for realization of the right to financial allowances for assistance and care by another person (*Official Gazette No.102/06*);
4. Rulebook on determining the manner for realization of the right to salary compensation for reduced working hours due to the care of a severely handicapped child (*Official Gazette No.53/98*);
5. Rulebook on the criteria and manner of realization of the right to housing for persons without parents and parental care until 18 years of age, i.e. after the termination of guardianship, and at most up to 26 years of age, which are socially endangered – without housing (*Official Gazette No.58/06*).

Currently there is a process of drafting of a new Law on Social Protection, which will provide for reforms in the system of financial benefits, in order to improve its efficiency and provide better targeting, as well as expanding the system of social services, by introducing new forms of services, decentralization, deinstitutionalization and pluralizing of the services.

The Social Protection Implementation Loan - SPIL Project is conducted in cooperation with the World Bank, with the aim to support the social protection reforms. This project supports the implementation of social protection reforms and the development of technical and organizational capacities of the Ministry of Labor and Social Policy and its strategic sectors/departments in formulating policies and mechanisms for improving the capacity for allocation of funds and provision of services. More accurately, this Project supports the development of strategic goals, institutional competences, financial and business planning, strengthening of the management information system, and strengthening of the technological capacity in the social protection institution. Within the frames of this Project, an integrated information system will be established and communication links will be developed between the Ministry of Labor and Social Policy, the inter-municipal Social Work Centers and other institutions in the social protection system. It will also provide assistance in specifying the goals and services in the primary programs for social protection and performs an analysis of the procedures for realization of different types of benefits in light of their relation with the main social protection rights carriers.

The Conditional Cash Transfer (CCT) Project, also supported by the World Bank, planned for initiation in 2009 will aim at reducing poverty by introducing and implementing certain additional social benefits, the realization of which will depend on the meeting of certain conditions by the beneficiaries. The separate planned conditional cash transfer programs will, foremost, cover the social financial assistance beneficiaries and therein shall be defined the measures and conditions, the beneficiaries and sources of financing thereof.

Two separate programs will be implemented under this Project:

- provision of financial stimuli (incentive) for regular attending high-school education by the children from households using social assistance, and
- provision of financial stimuli for post-natal care of children (examinations in the post-natal period for the child, regular vaccination etc.).

The aforementioned legal framework in the social protection system of the Republic of Macedonia, is prepared by the **Ministry of Labor and Social Policy**, i.e. the *Sector for Social Protection* within the Ministry.

The Sector for Social Protection is competent for planning and decision making on the measures for prevention, forms of protection with and without placement and the right to social assistance. The Sector comprises six departments:

- *Department for social-family and legal protection of children and family;*
- *Department for protection and employment of persons with disabilities, persons with correctional-social problems and the elderly;*
- *Department for social inclusion;*
- *Department for realization of the rights to social protection;*
- *Department for public and private social protection institutions;*
- *Department for asylum, migration and humanitarian aid.*

The Ministry of Labor and Social Policy prepares an annual Program for realization of social protection. The Program provides in detail for the areas of social work, specific needs of the population and the manner of realization of social protection. The Program is harmonized with the Provisions of the Law on Execution of the Budget of the Republic of the Macedonia, which provides for the adoption of a program by the Government of the Republic of Macedonia for funds allocated for social benefits allowances.

For implementation of the legal framework, related to the provisions of this paragraph of the Charter, the competencies are within the **Social Work Centers (SWC)**.

The Social Work Centers (SWC) are the main regional units in providing social protection. They were established in the beginning of the nineteen-sixties and have functioned since then as the main providers of professional social work services to individuals, groups and families, and administrators of payment of different social protection benefits. The Centers function on the principle of team work, with mixed teams of social workers, pedagogues, psychologists, lawyers and defectologists.

On the territory of the Republic of Macedonia there is a well developed and allocated network of 27 Inter-municipal Social Work Centers (ISWC), which cover all of the municipalities in the country:

1. PI³ Inter-municipal Social Work Center Berovo, with competences for the municipalities of: Berovo and Pehchevo;
2. PI Inter-municipal Social Work Center Bitola, with competences for the municipalities of: Bitola, Demir Hisar, Mogila and Novaci;
3. PI Inter-municipal Social Work Center Veles, for the municipalities of: Veles, Gradsko and Chashka;
4. PI Inter-municipal Social Work Center Vinica, for the municipality of Vinica;
5. PI Inter-municipal Social Work Center Gevgelija, with competences for the area of the municipalities of: Gevgelija, Bogdanci, Valandovo and Dojran;
6. PI Inter-municipal Social Work Center Gostivar, for the municipalities of: Gostivar, Vrapchishte, Mavrovo and Rostusha;
7. PI Inter-municipal Social Work Center Debar, with competences for: Debar and Center Zhupa;
8. PI Inter-municipal Social Work Center Delchevo, with competences for: Delchevo and Makedonska Kamenica;
9. PI Inter-municipal Social Work Center Kavadarci, with competences for the municipalities of: Kavadarci and Rosoman;
10. PI Inter-municipal Social Work Center Kichevo, for the municipalities of: Kichevo, Drugovo, Vraneshtica, Zajas and Oslomej;
11. PI Inter-municipal Social Work Center Kochani, with competences for the municipalities of: Kochani, Zrnovci and Cheshinovo-Obleshevo;
12. PI Inter-municipal Social Work Center Kriva Palanka, with competences for the municipalities of: Kriva Palanka and Rankovce;
13. PI Inter-municipal Social Work Krushevo, for the municipalities of: Krusehvo;
14. PI Inter-municipal Social Work Center Kumanovo, for the municipalities of: Kumanovo, Lipkovo and Staro Nagorichane;
15. PI Inter-municipal Social Work Center Makedonski Brod, for the municipalities of: Makedonski Brod and Plasnica;
16. PI Inter-municipal Social Work Center Negotino, with competences for: Negotino and Demir Kapija;
17. PI Inter-municipal Social Work Center Ohrid, with competences for: Ohrid and Debarca;
18. PI Inter-municipal Social Work Center Prilep, with competences for the municipalities of: Prilep, Dolneni and Krivogashtani;
19. PI Inter-municipal Social Work Center Probishtip, for the municipalities of: Probishtip and Kratovo;
20. PI Inter-municipal Social Work Center Radovish, for the municipalities of: Radovish and Konche;
21. PI Social Work Center Resen for the municipality of Resen;
22. PI Inter-municipal Social Work Center Sveti Nikole, with competences for: Sveti Nikole and Lozovo;

³ Public Institution

23. PI Inter-municipal Social Work Center of the City of Skopje, with competences for the area of the City of Skopje, i.e. for the municipalities of the City of Skopje: Aerodrom, Butel, Gazi Baba, Gjorche Petrov, Karposh, Kisela Voda, Saraj, Centar, Chair, Shuto Orizari and competences in the municipalities of: Arachinovo, Zelenikovo, Ilinden, Petroves, Sopsishte, Studenichani and Chucher Sandevo;
24. PI Inter-municipal Social Work Center Strumica, with competences for the municipalities of: Strumica, Bosilevo, Vasilevo and Novo Selo;
25. PI Inter-municipal Social Work Center Struga, with competences for the municipalities of: Struga and Vevchani;
26. PI Inter-municipal Social Work Center Tetovo, for the municipalities of: Tetovo, Bogovinje, Brvenica, Zhelino, Jegunovce and Tearce;
27. PI Inter-municipal Social Work Center Shtip, with competences for the municipalities of: Shtip and Karbinčni.

The Inter-Municipal Center for Social Work of the City of Skopje is the largest center and the only one with six disperse units of the Social Work Department. The Skopje Center comprises the following eight departments:

- *analytical and scientific work;*
- *general services;*
- *care of parentless children and protection of adults;*
- *marriage and family;*
- *protection of children and youths;*
- *persons with mental or physical disabilities;*
- *socially excluded persons and victims of violence;*
- *social work on the territory of the City of Skopje.*

The social work centers are competent for implementing:

- the rights to social protection, provided in the Law on Social Protection and the Law on Family;
- the rights provided with the Law on Protection of Children;
- certain provisions from the Criminal Code;
- carrying out of other activities prescribed in the Law on Social Protection.

Fundamentally, the main social protection rights administered by the social work centers are the ones arising from the *Law on Family* (Official Gazette No.80/92, 9/96, 38/04,33/06, 84/08), *Law on Social Protection* (Official Gazette No. 50/97, 16/00, 17/03, 65/04, 62/05, 111/05, 40/07, 98/08), *Law on Protection of Children* (Official Gazette No. 98/00, 17/03, 65/04, 113/05, 98/08, 107/08), *Law on Labor Relations* (Official Gazette No. 62/05, 106/08) and the *Law on Civil Invalids* (Official Gazette No. 33/76, 25/79, 11/81, 4/85, 12/89, 17/91, 38/91, 81/99).

These rights are the following:

Household rights

- social financial assistance
- children's allowance
- parental allowance (*applicable as of 01.01.2009*)

Rights of disabled persons

- special children's allowance
- salary compensation for care for a child with special needs
- permanent financial assistance
- financial allowance for assistance and care
- allowance for civil invalids

Other rights

- right to placement in foster family
- financial allowance for children without parents and parental care (age 18 to 26)
- one-off financial assistance
- assistance for newborns
- health protection
- other rights

The Statute of the Social Work Center provides for its organization and management, general acts and the procedure for their adoption and other significant issues in the operation of social protection institutions.

The management body of the Social Work Center is the Management Board. The Management Board of the Social Work Center comprises five members, of which one is proposed by the council of the municipality where the Social work center is located, one member is from the experts employed in the social work centers and three representatives from the founder. The Management Board members are elected for a mandate of four years. The Management Board sessions are convened and chaired by the Management Board President who is elected by the Management Board members from their ranks. The Management Board adopts its decision with a majority vote by the total number of members. The Director of the Social Work Center participates in the work of the Management Board, without decision making powers.

A social work center is managed by a director. The director of the social work center is appointed and dismissed by the Minister of Labor and Social Policy. The director is appointed on the basis of a public vacancy announcement. The director has a four year mandate, with possibility of reappointment. The director of the Social work center organizes the work and manages the work of the institution and represents the institution and is accountable for the legality of its work. The director directly manages the expert activities and takes care of their improvement.

Depending on the type of activity, the expert operations in the social work center are performed by the expert employees with the university education: social worker, psychologist, andragogy specialist, pedagogue, lawyer, economist, physician, defectologist, special pedagogue for prevention and resocialization and sociologist; post-secondary education: social, medical worker and other employees depending on the type of activity; high-school education: health worker and other employees depending on the type and volume of services.

On exceptional basis, upon exclusive approval by the director of the social protection institution, certain social protection activities may be performed by volunteers qualified for the specific type of work or who have been trained in those activities. A volunteer may not decide on social protection rights.

A Center may be founded if it comprises, at least, the following educational backgrounds of the personnel: social worker, psychologist, pedagogue or special pedagogue for prevention and resocialization and lawyer. The abovementioned persons must have at least high level (university) education.

As independent legal entities, the SWCenters have wide autonomy in their functioning and especially in decision making. In accordance with the Law on Social Protection, the Ministry of Labor and Social Policy supervises the legality of operations in the Social Work Centers, and the Institute for Social Affairs supervises the expert work.

Supervision of the legality of operations of the SWC is provided by the Ministry of Labor and Social Policy through:

- a right to appeal to the Minister of Labor and Social Policy and the judiciary of the Republic of Macedonia. The applications for social assistance are submitted to the competent Social Work Centers, according to the place of residence of the applicant. The SWC determines the merit and decides whether the assistance is provided in accordance to the laws and bylaws. If the application is denied, the applicant will be informed thereof with a decision. The decision includes guidelines on the legal remedy for realizing the right to appeal. The appeal is submitted to the Minister of Labor and Social Policy with the relevant documents attached. The Minister adopts a decision on the submitted appeal and adopts a decision.
- conducting inspection supervision

The inspection supervision entails:

- supervision over the application and implementation of acts in the field of social protection;
- supervision over issues important to the status of the social protection activity operator;
- supervision over the fulfillment of conditions related to premises, equipment and expert personnel for performing social protection activities;
- supervision over the realization of legally prescribed rights and fulfillment of obligations by beneficiaries;
- supervision over the fulfillment of necessary conditions for performing activities by expert and other employees in the social protection institutions and of legal or individual entities performing certain social protection activities;
- preparing records, documents and reports on the performance of social protection employees;
- supervision over the implementation of measures ordered during previous supervisions.

The inspection supervision is conducted by the Sector for Inspection Supervision in the field of Social Protection within the Ministry of Labor and Social Policy. It is a relatively new sector in the Ministry, established in January 2007. Since it is relatively new, this sector is still working on developing necessary operations, placing a special emphasis on SWC and their functions related to social protection. However, this sector also has competences and human resources intended for inspection of social services and will additionally develop this activity in the future.

The supervision of the expert work in the Social Work Centers and its employees is performed by the **Institute for Social Affairs**. The Institute for Social Affairs is a public institution established by the Government of the Republic of Macedonia.

The Institute for Social Affairs has its competencies over studying the social phenomena and problems and improving of social activities; it monitors and studies social phenomena and problems in the field of social protection and social work; it supports and develops the research activities in the field of social policy; it proposes and implements measures for improving social protection and social work; it organizes and implements education for expert employees in the field of social protection; it provides expert assistance to social protection institutions and their employees; it adopts programs for upbringing and education in working and productive activities of persons with moderate and severe intellectual impediments; it provides expert opinions in the drafting of programs for development of social protection; it performs supervision over the expert work of social protection institutions and their employees; it performs statistical processing of data from the records maintained by the social protection institutions; it realizes expert and scientific cooperation with individuals and institutions in the country and abroad; and conducts publishing activities.

Right to Social Assistance

As defined within the Law on Social Protection (Article 20), the right to social assistance includes the following allowances/benefits:

- Permanent financial assistance for persons incapable to work and socially endangered;
- Social financial assistance for persons able to work and socially endangered;
- Financial allowance for assistance and care from another person;
- Right to health protection;
- Salary compensation for part-time job due to care of disabled child;
- One-off financial assistance;
- Right to housing;
- Financial assistance for persons who up the age of 18 had status of children without parents or parental care.

Although not all of these benefits are actually paid in cash to the families, still they imply a financial transfer by the state.

The Law on Social Protection makes a difference between persons capable to work and people incapable to work, as well as between persons who are or are not socially provided for (socially endangered). These differences characterize different target groups of different cash benefits.

Person incapable to work is considered to be a person with moderate or severe mental or physical disability, single mother in her last month of pregnancy, single parent to a child under the age of 3, a child until the age of 15 (or if attending school) and a person over the age of 64. A special expert commission determines who is incapable to work.

Socially endangered person (socially non provided person) is a person with no incomes or whose family's incomes are lower than the amount established for the permanent financial assistance (Article 23), i.e. 20% of the average net monthly salary in the Republic of Macedonia for the previous year – for single beneficiary (single recipient), or 28% for family consisting of 2 members and 40% for family with three or more members.

The Law on Social Protection also defines the *family* as a single person or community of a man and woman, parents to children and other relatives living with them who, according to the Law on Family, are obliged to support each other financially.

In the Republic of Macedonia about 12% of the population receives certain type of cash allowance (benefit) for social assistance. The key factor contributing to the high percentage of beneficiaries receiving cash allowances as social assistance is the high unemployment rate, present in the Republic of Macedonia as a result of many economic factors. On the other hand, the Social Work Centers are facing with the challenge of limited capacities for satisfying this need as a result of insufficient number of professional personnel and lack of necessary equipment and technology. Currently, with the aid of the World Bank, there is an ongoing activities aimed at improvement of the social assistance system, through rationalization of relevant laws and procedures, as well as introduction of better technology.

Social financial assistance

The social financial assistance is a cash allowance that is granted to socially endangered people capable to work and who cannot support themselves (Article 29).

This right cannot be exercised by people possessing certain assets: second house or apartment, villa, business premises, vehicle that can be used in commercial purposes, a combine or a tractor, arable land with surface above 7,000 square meters, cattle, savings over 50,000MKD or registered motor vehicle. People that have quitted their jobs voluntarily and refused certain employment offer, training or education for employment, as well as people serving sentence longer than 30 days or people placed in foster family or social institution, also cannot realize this right.

The amount of the social financial allowance is means-tested, i.e. is determined with material test based on a threshold set between 13.5% and 33.34% of the basis, with the basis being the average net salary of the employees in the Republic of Macedonia for the previous year, depending on the number of family members.

This benefit is granted according to the number of family members and amounts to:

- for family consisting of a single member: 13.59% of the basis for calculation (*in 2007 1,825 MKD monthly*).
- for 2-members family: 17.46% of the basis for calculation (*in 2007 2,360 MKD*).
- for 3-members family: 23% of the basis (*in 2007 3,005 MKD*)
- for 4-member family: 28.58% of the basis (*in 2007 3,863 MKD*).
- for family consisting of five or more members: 33.34% of the basis (*in 2007 4,506 MKD*).

The amount actually paid for social financial assistance is equivalent to the difference between the income of the household and the amount of social assistance determined for a household. In the first two years, the social financial assistance is paid in full amount (100%), from the third till the fifth year – 70%, and 50% from the sixth year onwards.

The applications for social financial assistance are submitted, evaluated and decided by the competent Inter-municipal Social Work Center according to the applicant's place of living.

The procedure includes few steps:

- interview with the applicant about the manner and conditions for realization of the right;
- filling in the application;
- completion of the necessary documentation by the applicant;
- inspection into the applicant's home by social workers in order to determine the actual situation;
- a team of experts decides upon application on the basis of documentation and performed direct (on-site) inspection.

If the application is rejected, then a decision on rejection of the application is drafted which will indicate the right to appeal upon this decision. The Minister of Labor and Social Policy decides upon any possible appeal.

If the application is accepted, a positive decision is prepared and the payment will be activated. In the period of exercising the right, the beneficiary is obliged to confirm regularly the financial and family situation with statement.

The payment of the social financial assistance can be canceled for a period of 24 months if the beneficiary provides false information.

The number of beneficiaries receiving social financial assistance is variable, with a tendency to reduction and with monthly average of approximately 64,000 beneficiaries-principles (households) in the course of 2007. In December 2007, 62,443 households consisting of about 220,000 members received social assistance benefit. According to this, about 10% of the Macedonian population are covered by this right (benefit).

The expenditures in 2007 were 142 million MKD monthly average, which gives an actual average of 2,207 MKD per person. At annual level, the expenditures are about 1.7 billion MKD (around 27.6 million euros).

About 97.2% of the beneficiaries are registered as unemployed persons. This is a net increase in comparison to 1998 when only 77.5% were unemployed. Over a third of the heads of the households-beneficiaries receiving this assistance do not have any qualifications, 23.6% have only primary education, and 16.1% have secondary education. Almost 36% of the beneficiaries have been receiving this assistance for more than six years.

Number of beneficiaries-principles in referent period:

Month	Number of beneficiaries in 2005	Number of beneficiaries in 2006	Number of beneficiaries in 2007
January	66,243	65,577	66,318
February	68,080	66,031	66,963
March	69,676	66,976	67,341
April	63,442	61,725	66,470
May	66,604	63,289	60,104
June	68,011	64,441	62,578
July	66,328	64,134	62,683
August	67,736	64,553	62,911
September	68,517	65,382	63,079
October	66,532	65,382	63,000
November	67,094	65,609	62,697
December	67,094	66,540	62,443
Average monthly number of beneficiaries	67,113	64,970	63,882

Source: The Ministry of Labor and Social Policy

Permanent financial assistance

Permanent financial assistance is a cash allowance for socially endangered person incapable of working. Permanent financial assistance can be granted to the following categories of people:

- people with moderate, severe and the most severe mental disabilities and other types of disabilities, who due to the disability level cannot acquire education, as well as person that after certain development period has obtained physical disability due to which is incapable of working;
- single mother during her last month of pregnancy and single parent with a child under the age of 3;
- a child at the age between 15 and 26, who has a status of regular student;
- man and woman over the age of 65.

The realization of the right depends on material test, and the eligibility for permanent financial assistance is determined as combination of the material test and an evidence for belonging to one of the abovementioned categories.

The material test is based on the average monthly net salary for the previous year, and the beneficiaries should not have income higher than the amount determined as permanent financial assistance, such as:

- basic financial assistance (single recipient) 20% (*in 2007 - 2,704 MKD*);
- recipient with one co-beneficiary 28% (*in 2007 - 3,784 MKD*) and
- recipient with two or more co-beneficiaries 40% of the basis (*in 2007 - 5,407 MKD*).

The right to permanent financial assistance can be exercised by socially endangered adult person incapable of working who lives with family members that, according to the regulations, are obliged to support him/her, and whose incomes per family member are lower than 25% of the average salary.

The beneficiary belonging to the first group has to be recognized as incapable of working by an expert commission. The beneficiaries belonging to the other groups prove their incapability to work with proper relevant documentation.

The beneficiaries of permanent financial assistance are entitled to health insurance, as well.

The applications for permanent financial assistance are submitted and decided by the competent Inter-municipal Social Work Center according to the applicant's place of living.

The procedure includes several steps, such as:

- interview with the applicant about the manner and conditions for realization of the right;
- filling in the application;
- completion of the necessary documentation by the applicant (including findings and opinion by expert commission for evaluation of the incapability to work for beneficiaries in group 1);
- inspection in applicant's home by social workers, in order to determine the actual situation;
- a team of experts decides upon application on the basis of documentation and performed direct inspection.

If the application is rejected, then a decision on rejection of the application shall be drafted which will indicate the right to appeal upon this decision. The Minister of Labor and Social Policy decides upon any possible complaint.

If the application is accepted, a positive decision is prepared and the payment is activated. In the period of exercising the right, the beneficiary is obliged to confirm regularly the financial and family situation with statement.

The number of beneficiaries receiving permanent financial assistance has been quite stable for the past ten years. In 2007, the average monthly number was 5,030 people and in average around 16 million MKD per month, were allocated for this allowance, which monthly amounts to 3,200 MKD per person. At annual level, the total funds for this benefit amount up to 195 million MKD (3.2 million euros).

Number of beneficiaries for the reference period:

Month	Number of beneficiaries in 2005	Number of beneficiaries in 2006	Number of beneficiaries in 2007
January	4,875	4,918	4,550
February	4,918	4,936	5,079
March	4,730	4,868	5,198
April	4,811	4,968	5,095
May	4,783	4,910	5,063
June	4,792	4,970	5,101
July	4,795	5,040	5,102
August	4,908	5,037	5,095
September	4,943	5,099	5,007
October	4,975	5,135	5,042
November	4,925	5,128	4,976
December	4,998	5,183	5,053
Average monthly number of beneficiaries	4,871	5,016	5,030

Source: The Ministry of Labor and Social Policy

One-off financial assistance

One-off financial assistance can be granted in the form of cash allowance or in goods (e.g. clothes, food etc).

A one-off financial assistance or aid in goods is granted to the person or family who have suddenly found themselves in a position of social risk, due to natural disaster or epidemic, in the case of longer treatment in healthcare institution or other social crises, to the child or young person without parents or parental care after leaving the institution for the purpose of his/her adaptation in social environment and and who does not have housing, as well as as assistance in the need of short-term urgent housing/placement.

There are no material tests or additional requirements needed for the realization of this right.

The amount of the assistance/benefit is decided by competent Social Work Center's staff, on a case by case basis, whereas according to the law, the amount of one-off cash allowance is limited to 2 average net monthly wages. The one-off financial assistance is realized within the Social Work Center and in case of emergencies the Minister of Labor and Social Policy can grant one-off financial allowance. Under the new Law on Social Protection, which is in the phase of preparation, the mentioned power of the minister shall be abolished because of the Government's intention to reduce discretion rights of its officials.

Number of beneficiaries receiving one-off financial assistance, during the reference period:

Month	Number of beneficiaries in 2005	Number of beneficiaries in 2006	Number of beneficiaries in 2007
January	2,394	1,790	1,254
February	3,181	1,337	1,761
March	2,922	467	1,683
April	2,781	1,132	1,632
May	2,744	1,616	1,653
June	2,949	1,165	1,580
July	2,939	433	1,378
August	2,899	841	1,558
September	2,451	1,424	1,682
October	886	1,480	1,738
November	1,357	1,370	1,813
December	1,143	1,724	1,586
Total:	28,646	14,779	19,318
Average monthly number of beneficiaries	2,387	1,232	1,610

Source: The Ministry of Labor and Social Policy

Financial assistance for person who up to the age of 18 had a status of a child without parents or parental care

Beneficiary of this allowance is a person who till the age of 18 had a status of a child without parents or parental care. In order to acquire this right, the beneficiary should not have any type of income. The right can be exercised by a person at the age between 18 and 26. This right is quite new and was implemented in October 2005.

The amount of this cash allowance is 25% of the average net salary in the Republic of Macedonia in the last year. If the person continues its education after high school, this amount is increased to 35% of the average monthly net salary.

The applications for financial assistance are submitted with the competent Inter-municipal Social Work Center according to the applicant's place of living.

The procedure includes several steps:

- interview with the applicant;
- filling in the application;
- completion of the necessary documentation by the applicant;
- inspection of the applicant's home by social workers in order to determine the actual situation;
- a team of experts decides upon application on the basis of documentation and direct inspection.

If the application is rejected, then a decision on rejection of the application is drafted which will indicate the right to appeal upon this decision. The Minister of Labor and Social Policy decides upon any possible appeal. If the application is accepted, a positive decision is prepared and the payment is activated. In the period of exercising the right, the beneficiary is obliged to confirm regularly the financial and family situation with statement.

The average number of beneficiaries at monthly level in 2006 was 90, and in 2007 – 91. The average expenditures for payment of this right are around 320.000 MKD (5.200 EUR) per month.

Number of beneficiaries:

Month	Number of beneficiaries in 2005	Number of beneficiaries in 2006	Number of beneficiaries in 2007
January		153	92
February		79	91
March		63	69
April		89	87
May		81	94
June		85	100
July		84	84
August		82	95
September		85	112
October	7	86	91
November	13	105	88
December	59	86	94
Average monthly number of beneficiaries	26	90	91

Source: The Ministry of Labor and Social Policy

Financial allowance for assistance and care

The allowance for assistance and care by another person is a financial right granted to adults (people over 26 years) who need assistance and care from another person because they cannot satisfy their basic life necessities by themselves.

For example people with damaged health or intellectual disabilities – people with severe and most severe intellectual impediments, people with severe and most severe bodily disability, completely blind people, as well as people with permanent changes in their health condition as a result of which these people need help from another person in order to satisfy their basic life needs.

The need of help and care is determined on the basis of finding, evaluation and opinion of expert commission.

The basis for calculation of the cash allowance for assistance and care is the average monthly net salary of employees in the Republic of Macedonia for the previous year.

The amount of allowance is calculated depending on the level of disabilities of the person who needs assistance and care, as follows:

- 26% of the basis, for people with severe handicap (severe and most severe intellectual disabilities, severe and most severe bodily disability, completely blind people etc.) and
- 23% for people with permanent health problems who need partial help and care from another person.

The allowance paid, depends on the number of family members and the incomes of the family in relation to the average salary as basis. All beneficiaries, qualified on the basis of their need for care, receive certain allowance.

The amounts are the following:

- a) for the person living in a family consisting of one or two members:
 - 100% if the incomes are from 50 to 100% of the basis;
 - 120% if the incomes are up to 50% of the basis;
 - 50% if the incomes are from 100 to 150% of the basis;
 - 5% if the incomes are over 150% of the basis for calculation;
- b) for person living in a family consisting of three members:
 - 100% if the incomes are up to 100% of the basis;
 - 70% if the incomes are from 100 to 150% of the basis;
 - 5% if the incomes are over 100% of the basis for calculation;
- c) for person living in a family consisting of four or more members:
 - 100% if the incomes are up to 150% of the basis;
 - 70% if the incomes are from 100 to 150% of the basis;
 - 5% if the incomes are over 200% of the basis for calculation;

The means testing procedure involves selection based on the documentation as well as estimation of the household income and needs based on household visits.

When determining and calculating the incomes of the household, all incomes of the household are taken into consideration, except for the permanent financial assistance, child allowance and the special allowance for children with special needs.

The beneficiaries receiving cash allowance for assistance and care have the right to health insurance, as well.

The applications on the allowance for assistance and care are submitted, evaluated and decided by the competent Inter-municipal Social Work Center according to applicant's place of living.

The procedure for realization of the right includes few steps, such as:

- interview with the applicant about the manner and conditions for realization of the right;
- filling in the application;
- completion of the necessary documentation by the applicant (including findings and opinion of expert commission for determining the need for help and care from another person);
- inspection of the applicant's home by social workers in order to determine the actual situation;
- a team of experts decides upon application on the basis of documentation and direct inspection.

If the application is rejected, then a decision on rejection of the application shall be drafted which will indicate the right to appeal upon such decision. The Minister of Labor and Social Policy decides upon any possible appeal.

If the application is accepted, a positive decision is prepared and payment is activated. In the period of exercising the right, the beneficiary is obliged to confirm regularly the financial and family situation with statement.

In the past few years, the average number of people receiving this type of allowance is around 20,000 beneficiaries. The average monthly expenditures for this allowance in 2006 were around 73 million MKD and 69 million MKD for 2007. In the recent period, the average monthly expenditures per beneficiary amounted to 3,600 MKD.

At annual level, the entire expenditures from the Budget for this allowance for 2007 amounted to 830 million MKD (13.5 million Euros).

Number of beneficiaries in the reference period:

Month	Number of beneficiaries in 2005	Number of beneficiaries in 2006	Number of beneficiaries in 2007
January	20,473	21,442	21,240
February	19,755	20,745	20,858
March	19,708	21,304	20,330
April	20,758	21,444	19,874
May	22,338	22,307	19,526
June	22,381	22,160	19,282
July	21,924	21,759	18,830
August	21,699	20,908	18,402
September	22,021	20,970	18,313
October	22,271	21,952	18,167
November	22,671	21,309	18,444
December	22,532	21,830	18,277
Average monthly number of beneficiaries	21,544	21,511	19,295

Source: The Ministry of Labor and Social Policy

Salary compensation for part-time work due to care for physically or intellectually handicapped child

The conditions for acquiring this financial benefit are determined and stipulated in the Law on Labor Relations, whereas the amount of the benefit is regulated by the Law on Social Protection, and the benefit is being administered in and received from the Social Work Centers.

This allowance is provided in the form of assistance to families of employed persons, who have children that suffered severe physical or intellectual disabilities during their development. One of the parents of the child with special needs is allowed to work half of the full-time working hours in cases when both parents are employed, or if the parent is self-supporting (single parent) and if the child is not placed in a social or medical institution. The types of disabilities include severe disability such as blindness, partial visual impairment, severe permanent physical impairment and mental disability which preclude the child from being able to move independently. The allowance shall compensate for the loss of income of the parent who has a part-time work, and who waives from the part of his income due to looking after the child.

The basis for calculating the allowance is the average monthly net salary of the employees in the Republic of Macedonia for the previous year.

The terms for exercising this right are the following:

- the parent(s) must be engaged in working relation; as well as
- the disability of the child must have been confirmed by a competent authority by issuing the findings, evaluation and opinion.

There is no material test for exercising this financial benefit.

The amount of the allowance is 30% of the basis, i.e. of the average salary in the Republic of Macedonia. The contribution for pension and disability insurance is also being paid to the beneficiaries of this right.

The number of beneficiaries of this right is rather stable, with around 44 beneficiaries per month, whereas the average monthly paid amount is the highest, compared with the other benefits, with an average of 6,700 denars for 2007. On annual level, the total expenditures for 2006 were as high as 3.26 million denars (53,000 Euros), and for the year 2007, 3.52 million denars (57,000 Euros).

Number of beneficiaries for the reference period:

Month	Number of beneficiaries in 2005	Number of beneficiaries in 2006	Number of beneficiaries in 2007
January	46	43	38
February	49	68	49
March	40	45	47
April	48	45	47
May	48	46	48
June	46	46	41
July	46	32	45
August	39	46	46
September	48	45	39
October	45	47	45
November	46	36	44
December	31	22	34
Average monthly number of beneficiaries	44	43	44

Source: Ministry of Labour and Social Policy

Housing

The housing can be provided in the form of cash allowance or in the form of accommodation for socially endangered persons, with unresolved residential issues.

The housing is provided in the form of cash allowance (for persons from their 18th to 26th year of age, who are socially unprovided for, who have unresolved residential issues, and who up to their 18th year of age had a status of children without parents), or in the form of accommodation for poor persons who are beneficiaries of permanent financial assistance, and who have unresolved residential issues.

A material test shall be applied for the beneficiaries that exercise this right to housing in the form of cash allowance.

The right to cash allowance for housing can be exercised by any person or family whose income is not higher than:

- 80% of the average salary, for one member – single person;
- 90% of the average salary, for family consisted of two members; and
- 100% of the average salary, for family consisted of three or more members.

The Requests for cash allowance for housing are submitted to and reviewed by the competent inter-municipal Social Work Center, according to the claimant's place of residence.

The procedure includes several steps:

- interview with the person who submits the request, in regards the terms and manner of exercising the right;
- filling in the request;
- completion of the entire necessary documentation by the applicant;
- inspection at the house of the applicants by the social workers, for the purpose of establishing the factual situation;
- professional team decides upon the application based on the submitted documentation and the direct on-the-spot inspection.

If the request is rejected, a Decision for rejection of the request is prepared, stipulating the right to an appeal to that Decision. The Minister of Labour and Social Policy shall make a decision in regards the possible appeal.

Should the Request be accepted, a Decision containing the positive answer shall be prepared and the payment arising from the granted right shall thus be activated. During the exercise of the right, the beneficiary is obliged to confirm his/hers material and family situation with statement.

The following table shows the number of beneficiaries of the cash allowance for housing:

Month	Number of beneficiaries in 2005	Number of beneficiaries in 2006	Number of beneficiaries in 2007
January		7	35
February		20	30
March		36	13
April		47	40
May		51	40
June		47	43
July		15	35
August		15	36
September		43	41
October		44	35
November		15	26
December		45	35
Average monthly number of beneficiaries	<i>/</i>	32	34

Source: Ministry of Labour and Social Policy

The public health protection is provided on the basis of the health insurance system.

The participation in the health insurance system is directly connected to the working status, thus also covering the persons that the employee is legally bound to support. The employed persons exercise the health insurance as a result of their personal contributions.

Persons who are unemployed and able to work, registered as unemployed within the Employment Agency, if they are not health insured on some different basis, they have their health insurance covered by the Employment Agency.

Those persons that receive social assistance benefits, stipulated in the Article 32 of the Law on Social Protection (i.e. the beneficiaries of permanent financial assistance, persons accommodated in foster family and social protection institution, beneficiaries of financial

allowance for assistance and care, financial assistance for person that up to 18 years of age had a status of child without parents and parental care), in accordance to the Law, are being health insured through the Social Work Centers, as long as they are beneficiaries of the relevant right. This is not a cash benefit in the classic sense that is being paid to the final users/beneficiaries, but amounts to a cash benefit in practice because the MOLSP has to make contributions to the health insurance fund on behalf of the listed beneficiaries. This is the same case as health insurance for the registered unemployed that exercise this right through the Employment Agency.

Persons that receive pensions in accordance with the Law on Pension and Disability Insurance, are health insured in accordance with that Law.

Amount of funds allocated for social assistance rights

The source of the funds allocated for social assistance in the Republic of Macedonia is of public character. The funds allocated for social assistance are part of the central budget of the Republic of Macedonia. The local self-government is not competent for payment of the social assistance, and does not avails with a budget for this purpose.

The funds/expenditures for the social assistance rights, for the reference period, have been allocated as follows :

Type of social assistance	Funds spent in 2005	Funds spent in 2006	Funds spent in 2007
Social financial assistance	1,731,067,778	1,716,777,543	1,695,081,330
Permanent financial assistance	200,916,084	204,828,198	197,763,713
One-off financial assistance	52,534,110	23,941,374	58,493,317
Financial assistance for persons that up to 18 years of age had a status of children without parents or parental care		1,896,266	3,236,759
Financial allowance for assistance and care from another person	943,458,639	859,507,809	824,377,081
Salary compensation for part-time work due to provided care for physically and intellectually challenged child	3,531,971	3,267,097	3,521,183
Financial allowance for housing		1,358,948	1,780,166
Health protection for beneficiaries of social assistance	44,664,084	47,491,869	48,818,518
Total	2,976,172,666	2,859,069,104	2,833,072,067

Source: Ministry of Labour and Social Policy

In 2005, the funds allocated for social assistance amounted up to 2,976,172,666 Denars, or 48.4 million €. This amount represents 1.04% of the Gross Domestic Product (GDP)⁴ of the Republic of Macedonia for 2005.

⁴ GDP of the Republic of Macedonia (in million of denars) :

yr. 2005 - 286,620

yr. 2006 - 310,932

yr. 2007 - 339,258

In 2006, the funds allocated for payment of rights from the social assistance amounted up to 2,859,069,104 Denars, or 46.5 million Euros. This total amount represents 0.92% of GDP of the Republic of Macedonia for 2006.

The funds allocated for payment of rights from the social assistance for 2007 amounted up to 2,833,072,067 Denars, or 46.1 million €. This amount represents 0.84% of GDP of the Republic of Macedonia for 2007.

The private sector in the Republic of Macedonia does not participate in providing financial funds for social assistance.

Article 13§2

The Constitution of the Republic of Macedonia, the Law on Social Protection, the Law on Protection of Children, as well as the by-laws originating from these laws, provide a guarantee for respecting the political and social rights of the beneficiaries of social and medical assistance.

Article 34 and 35 (social rights), as well as Articles 9-29 (civil and political rights) from the Constitution of the Republic of Macedonia provide guarantee for the citizens that receive social and medical assistance, that their rights shall not be diminished as a result of their condition.

Moreover, the Law on Social Protection and the Law on Protection of Children contain provisions specially stipulated for handling the discrimination against the citizens in contact with the social assistance authorities.

Currently, there is an ongoing process of preparation/drafting of the new general Law on Antidiscrimination, which among other things, will provide adequate mechanisms for preventing any type of discrimination, including discrimination against the beneficiaries of social and health assistance.

In light of the provisions from this paragraph of the Charter, the abovementioned legal framework is being implemented by the Ministry of Labor and Social Policy, more precisely by the Social protection sector, Sector for inspection in the area of social protection and the Sector for equal opportunities within the Ministry, as well as by the Social Work Centers.

Article 13§3

In the Republic of Macedonia, the provisions of this paragraph from Article 13 from the European Social Charter, are covered by the Law on Social Protection, Law on Family, as well as the Law on Juvenile Justice.

For the purpose of providing advice and personal assistance, the *Law on Social Protection* provides social prevention, first social service for beneficiaries of social protection, assistance to individuals, as well as assistance to families.

In order to achieve social prevention, the Social Work Centers undertake measures directed towards individuals, groups and families with an aim to prevent occurrence of the social risks. This involves educational and advisory work, development of self-assistance forms, volunteering work with personal engagement and without remuneration and implementation and application of other methods, which conform to the needs of social welfare beneficiaries.

In this part, in accordance with Article 10 of the Law on Social Protection, the right to non-institutional care is established, covering the right to :

- immediate (urgent) social service;
- assistance to individual;
- assistance to family;
- home care and assistance to an individual and family;
- daily and temporary accommodation for individual and family;
- placement in foster family.

The right to immediate social service refers to the process of spotting the problem that emerges from a state of social risk, presenting the possible solutions to the beneficiary, the services and means for his/her protection, as well as the network of institutions which are at his/her disposal for providing the necessary services.

The right to assistance to individual, includes implementation of different forms of professional, counseling and advisory activities, thus allowing access to the necessary information, development of skills for independent decision making, as well as protection and development of the social potentials.

The right to assistance to family refers to providing professional assistance to the members of the family, for the purpose of overcoming the family crisis in the conjugal relations, and especially in the relations parents-children, as well as providing an empowering this family to perform its functions in the everyday life.

For the purpose of providing advice and personal assistance, the Law on Family stipulates the relations in marriage and in family, certain forms of special protection of the family, disturbed relations in marriage and family, guardianship and support.

For the purpose of providing advice and personal assistance, the Law on Juvenile Justice (*Official Gazette No. 87/07, 103/08*) governs the actions and interactions for children at risk and for juvenile perpetrators of activities stipulated as criminal activities and misdemeanours by the law, the terms for implementation of the measures for assistance, care and protection, educational and alternative measures for juveniles, as well as measures for protection of the juvenile-victim of criminal acts, and measures for prevention of juvenile delinquency.

A measures for assistance and protection of a child at risk, will be implemented by the Social Work Center, should the Center arrive at the conclusion that the state of risk affects the development of the child's personality, as well as its adequate upbringing, and can induce the child to perpetrate criminal acts or misdemeanors in the future. The abovementioned measures can also be implemented and directed towards the members of the family, if they had neglected or abused their rights and obligations in regards the protection of the personality, rights and interests of the child.

The right to home assistance and care is provided to old, feeble and to person with physical disabilities, who is not in the position to take care of himself, and who need care and assistance in satisfying their existential needs. The home assistance and care services for these people are also being provided even when the persons lives in a family.

The right to daily accommodation is provided to several categories of persons, i.e. members of certain vulnerable groups, namely to:

- to old and feeble persons, by providing food, daily stay, cultural and entertaining activities, as well as by maintaining the hygiene;
- to persons with moderate and severe disabilities in the intellectual development, as well as to person with physical impediments that can not take care for itself;
- to children with physical disabilities, for the purpose of their inclusion in the everyday life;
- to street children, i.e. children from the streets, by providing tutorial and educational services, counseling activities for the children and members of their families, cultural and entertaining activities, as well as leisure activities;
- to persons using, i.e. abusing drugs and other psychotropic substances, and to the members of their families, by providing services connected to informing, counseling and educating, their work engagements, as well as cultural, entertaining and leisure activities;
- to persons abusing alcohol or persons treating the alcohol addiction, and to the members of their families, by providing counseling and educational activities, work engagements, as well as cultural and entertaining activities;
- to homeless persons, by providing daily and temporary care and accommodation and by providing counseling services, services of nutrition, daily stay, hygiene maintenance, as well as cultural and entertaining activities;
- to persons - victims of family (domestic) violence, by providing counseling services, services of nutrition, daily stay, accommodation, hygiene maintenance, as well as cultural and entertaining activities.

The right to placement in foster family is exercised by persons who do not have adequate living conditions in their families, or who due to some other reasons, need accommodation in foster family, and in the same time no other type of social protection can be applied. The abovementioned service is provided to:

- child without parents and parental care, up to the development of their skills for independent living and working, and not longer than the completion of their high school education, should there are no other possibilities for the accommodation and the education to be provided on any other manner;
- children with educational and social problems (neglected, abused and socially unsecured children);
- children with disturbed social behavior;
- person with moderate and severe intellectual disabilities directed to occupational training for performing working activities, person with profound mental disabilities, and person with permanent physical disability that need accommodation and care;
- elderly person, adult person with physical disability and person with mental disability, who is not able to look after himself, and due to his housing and family situation, there is no possibility to provide him/her with other form of protection.

The key institutions for meeting the needs of the citizens for the advice and personal assistance, as well as for providing the abovementioned services, are the Social Work Centers.

In implementing social protection and its professional activities, the Social Work Center, among other things, performs the following activities:

- detects, monitors and study social occurrences and problems;
- apply and implement adequate forms of social protection, as well as directly assist the citizen, family or group of people;
- support and undertake preventive activities for prevention of and eradicating the reasons for for generation of the situation of social risk.

Article 13§4

In relation to the application of the provisions stipulated in paragraph 4 of this Article from the European Social Charter and need of providing equal opportunity in regards the provision of social and health assistance to the citizens of the other contractual parties, who are legally residing on the territory of the Republic of Macedonia, the existing legislation (the Law on Asylum and Temporary Protection, Law on Social Protection, Law on Employment and Work of Foreigners, as well as other laws) provides the opportunity for the refugees and foreigners with permanent residence in the Republic of Macedonia, to be able to exercise their rights in the areas of social protection, access to the labor market, education and health protection.

According to the provisions from the Law on Social Protection, a beneficiaries of social protection can be the citizens of the Republic of Macedonia who have permanent residence in the Republic of Macedonia, as well as foreigners who have permit for permanent residence in the country. The citizens of the Republic of Macedonia who do not have permanent residence in the Republic of Macedonia, as well as foreigners who do not have permit for permanent residence in the Republic of Macedonia, can exercise the rights to social protection under the terms stipulated in this and other laws.

For the purpose of facilitating the access to the rights to social protection by the persons - refugees, certain amendments to the Law on Social Protection have been adopted at the beginning of 2007. The aim of these amendments was to precisely determine the beneficiaries of the right to social protection. In accordance with these amendments, the right to social protection can be exercised by persons who are asylum seekers, persons with a status of recognized refugees and persons under humanitarian protection, under the terms and on manner stipulated in the law.

In relation to the persons - foreigners without permit for permanent residence on the territory of the Republic of Macedonia, according to the Law on Social Protection, in cases of urgent need of help and assistance, in case of accidents, acute disease that needs medical treatment in hospital and in similar cases, it is provided that these persons can exercise the right to one-off financial assistance or assistance in kind, thus providing the necessary assistance to the person, as well as an opportunity to overcome the consequences of the condition in which it is in.

Social rights of asylum seekers

The basic rights of the asylum seekers are stipulated in the *Law on Asylum and Temporary Protection* (Official Gazette No. 49/03, 66/07), and they cover :

- right to stay;
- right to placement and accommodation;
- right to basic medical services; as well as
- right to work (for the asylum seeker whose request for recognition of the right to asylum, has not been decided upon for a period of one year).

The right to accommodation of this category of persons has been more precisely stipulated in the last amendments to the Law on Social Protection (2007), and these latest amendments provide for the asylum seekers to also be entitled to placement in adequate institution for social protection.

In June 2008, the new **Reception Center for Asylum Seekers**, located nearby the city of Skopje, was opened and started with its work. It is a public institution for placement and accommodation of asylum seekers and which has a capacity to provide accommodation for 150 persons. According to the Statute of the institution, the role of the Reception Center is to provide accommodation, food, social services and other cultural, entertaining and leisure activities, in accordance with the minimum standards for admitting asylum seekers, which standards are stipulated in the international acts, ratified in accordance with the Constitution of the Republic of Macedonia.

At this moment, there are 20 asylum seekers, placed in this institution.

Social rights of the recognized refugees

According to the current legislation, this category of persons shall have the following rights:

- right to stay;
- right to work;
- right to financial assistance;
- right to accommodation;
- right to health protection.

The personal status of the recognized refugee is determined according to the laws in the Republic of Macedonia. The recognized refugee has a right to stay on the territory of the Republic of Macedonia. The right to work of these persons has been guaranteed by the Law on Employment and Work of Foreigners, i.e. they have unlimited access to the labor market.

The right to financial benefit for this category of persons has been stipulated in two laws. Thus according to the legislation, these persons have a right to *financial assistance* during the first two years, and the persons can exercise this right through the competent Social Work Centers. These persons can exercise this right for a period of two years. Following the expiry of this period, the recognized refugees have equal status to the Macedonian citizens in regards to all rights of social protection. The competencies of the Social Work Center in regards this right have been stipulated in the amendments to the Law on Social Protection. According to the abovementioned, the persons with recognized status of refugees are allowed to entirely exercise their rights in the social protection institutions, in accordance with the current regulations.

The recognized refugee, can be provided with the accommodation, in accordance with the principle of local participation, by providing adequate apartment that can be used, or by providing financial assistance for the purpose of providing place to stay, up to the moment when the person shall earn finances for its personal existence, however not longer than two years as of the day of the issuing the decision for recognition of the refugee status. For the purpose of smooth transition from now to the period of full undertaking this responsibility by the units of local self-government, the Ministry of Labor and Social Policy has prepared *Manual on the manner, terms and amount of exercising the right to monthly rent for the recognized refugees*.

In this context, it is also necessary to mention the issue related to the integration of these persons in the society. The problem of integrating the refugees and foreigners is a complex issue and interactive process within which the local population must actively participate. Taking into consideration the importance of this issue, an Inter-Ministry Group for Integration of Refugees and Foreigners has already been established within the Ministry of Labor and Social Policy, with the participation of representatives from several relevant Ministries. One of the priorities of this group is the preparation of a *Strategy for Integration of Refugees and Foreigners in the Republic of Macedonia*, planned to be adopted by the Government of the Republic of Macedonia by at the end of 2008.