



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Country factsheet

North Macedonia

An initiative of the European Union





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Introduction



This document presents an overview of the cluster policy in North Macedonia. Given its importance to contextualise the cluster policies (and related) analysed in the factsheets, a comprehensive outlook of the country can be consulted [North Macedonia 2020 Country Report](#). [Report](#) highlights the country's recent developments, economic outlook and the state of play of its relations with the EU.



01

National cluster policy, programmes and initiatives



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1. National cluster policy, programmes and initiatives

Policy type:	Broad policy	Broad policy	National cluster policy
Policy name:	Industrial Strategy and Action Plan 2018-2027. Industrial policy	National Small and Medium Enterprise Strategy (2018-2023) SME policy	Cluster Development Strategy In Republic Of Macedonia 2018-2025
<p>POLICY OBJECTIVES</p> 	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Increasing competitiveness and boosting scale up of SMEs</p> <p>Supporting internationalisation activities</p> <p>Fostering R&D activities, technology development and implementation</p> <p>Fostering innovation and strengthening innovation ecosystems</p> <p>Promoting entrepreneurship, start-ups and spin-offs</p> <p>Promoting social and sustainable economy and other solidarity-based initiatives</p> <p>Promoting employment and upgrading skills and competences</p> <p>Connect to global supply chains</p>	<p>To create a conducive business environment in which entrepreneurship and investment is encouraged.</p> <p>Enhance and Improve SME Growth Opportunities: To help SMEs in Macedonia to become highly productive and competitive participants in European and other international markets.</p> <p>Dynamic Entrepreneurship and Innovation Ecosystem: To drive Macedonia's economic competitiveness through a more enhancing the entrepreneurial and innovative capacities of the SMEs.</p>	<p>Strengthening the competitiveness of enterprises,</p> <p>Strengthening of the planning regions in the Republic of Macedonia,</p> <p>Improving the structure of economic activities (new technologies, restructuring of enterprises, introduction of innovations in all segments from the operation of companies),</p> <p>Networking (connection) of public, business and scientific research sector (ie development of the so-called triple helix), and</p> <p>Understanding one's own economy.</p>
	<p>The Industrial Policy of North Macedonia 2009-2020 (IPRM) outlines the national strategy for increasing competitiveness. Among the programme's five main pillars, two are dedicated to "SME and entrepreneurship development" and "the collaboration in clusters and networks". Thus, the IPRM constitutes an overarching framework for cluster promotion and development in the country.</p>		<p>Cluster Development Strategy In Republic Of Macedonia 2018-2025 has been prepared in 2017 as part of the project "Cluster Development Strategy in Republic of Macedonia with the communication strategy of the cluster". In the strategy, the clusters are seen as a mechanism for increased innovation and profitability of small and medium enterprises (members of clusters), ie the strategy is generally expected to help the realization of the commitments for</p>



	<p>The programme aims at supporting SMEs and entrepreneurship through better financing, the creation of an encouraging business climate and the promotion of employment through professional trainings. The IPRM emphasizes the need of research facilities and the collaboration between industry and science. Increased investment in research is also foreseen to encourage industry innovation. Collaboration in clusters will be fostered through raising awareness, analysis of cluster support, the development of strategies to encourage partnerships in supply chains and to initiate networking between research institutions, technology centres and industry. To increase domestic industry competitiveness, the IPRM promotes higher value-added products and support for the internationalisation of companies, including support to connect and strengthen global supply chains. In terms of promoting a social and sustainable economy, the IPRM foresees the implementation of a green tax reform and a social responsibility strategy. Its overall goal is the creation of an international competitive industry as a base for sustainable development and higher rates of employment. .</p>		<p>accelerated socio-economic development of the Republic of Macedonia. The goal is also to establish a National Center for Clusters, conduct the comprehensive mapping of all cluster and potential clusters, create a framework for monitoring and evaluating clusters and cluster organizations and their impact on the economy at regional and national level.</p>
<p>POLICY FOCUS</p> 	<p>Cross-sectoral</p> <p>The Industrial Policy of North Macedonia 2009-2020 functions as a proactive integrated industrial policy with a primary focus on increased competitiveness across the different industrial sectors.</p>	<p>Cross-sectoral</p>	<p>Cross-sectoral</p> <p>Increased innovation, competitiveness, profitability of SMEs.</p>
<p>RESPONSIBLE AUTHORITIES</p> 	<p>In charge of drafting</p> <p>In charge of implementation</p> <p>Oversees the implementation</p> <p>The implementation is overseen by the ministerial competitiveness committee and by the inter-ministerial expert working group. On the base of the IPRM, individual programs on specific thematic areas are set to</p>	<p>In charge of drafting</p> <p>In charge of implementation</p> <p>Oversees the implementation</p> <p>The Ministry of Economy has the primary responsibility for SME policy development and oversight. However, there is a range of other ministries and institutions involved in policy</p>	<p>In charge of drafting</p> <p>In charge of implementation</p> <p>Oversees the implementation</p> <p>Although the Ministry of Economy is responsible for the development of clusters in North Macedonia, cluster support should include a broader process of activities, involving various ministries and public</p>



	<p>be developed, where the corresponding ministries and agencies (e.g. Agency for Promotion of Entrepreneurship) shall be in charge of the implementation.</p>	<p>making and advocacy within the SME sector. This includes Ministry of Finance, Ministry of Education and Science, Ministry of Culture, Ministry of Environment and Physical Planning, The Cabinet of the Prime Minister, Minister without portfolio responsible for legislation for improving the investment climate for domestic enterprises and the Cabinet of the Deputy Prime Minister responsible for economic affairs. The Agency for Entrepreneurship Support (APPRM) is responsible for implementing the Government’s SME policies. APPRM’s mission is the promotion of entrepreneurship and small businesses, through the implementation of priority projects that reflect demand-driven areas of intervention in SMEs and Government programs for entrepreneurship support and SME competitiveness</p>	<p>bodies that support clusters and cluster activities - for example,</p> <p>Ministry of Local Self-Government, Ministry of Education and Science, Ministry of Agriculture, Water Economy and Forestry, as well as the state agencies: Agency for Entrepreneurship Support, Agency for Foreign Affairs investments and export promotion, Fund for Innovation and Technological Development, centers in the planning regions, as well as centers for local economic development municipal level.</p> <p>To coordinate and guide policy efforts, a “Board for cluster coordination” should be established with representatives from institutions, as well as 3-4 representatives of other triple (or quadrilateral) helix partners. This board should be set up and chaired by the Ministry of Economy and should meet at least twice a year to report on progress with clusters, as well as to share with them information on support programs.</p> <p>The Strategy proposes the establishment of various coordination bodies with clear tasks and responsibilities. The coordination composition includes the National Body for coordination of clusters, as the highest body for management and oversight of the overall cluster policy, as well as a National Platform as an open exchange forum of posts, networking and creating new approaches. Work of these coordination bodies will be chaired by the Ministry of Economy.</p>
<p>BENEFICIARIES</p> 	<p>SMEs</p> <p>Cluster organisations</p> <p>Research organisations</p>	<p>SMEs</p> <p>Cluster organisations</p> <p>Research organisations</p>	<p>SMEs</p> <p>Cluster organisations</p> <p>Research organisations</p>



		<p>Academic institutions</p> <p>Business associations</p> <p>Large firms</p> <p>Technology centres</p> <p>General population</p>	<p>Academic institutions</p> <p>Business associations</p> <p>Technology centres</p> <p>General population</p>	<p>Academic institutions</p> <p>Business associations</p> <p>Large firms</p> <p>Technology centres</p> <p>General population</p>
		<p>SMEs benefit from the policy as it foresees better financing, more favourable legislative environment and support in development and innovation. The policy also targets research and education institutions and technology centres which benefit from increased investment and are encouraged and supported to cooperate intensively with the industrial sector. The promotion of the benefits of clusters directly aims at big companies and SMEs, which benefit from strengthened knowledge for clustering and cluster management through international exchange training experiences (e.g. Study visits). The general population benefits from the creation of more employment opportunities. Business associations and cluster organizations were involved in the developing process of the IPRM.</p>	<p>SME development services enhance the potential for sustainable and inclusive economic growth, while supporting the creation of productive and decent employment in the SME sector.</p>	<p>SMEs will benefit from funding, information, training and counseling as well as assistance in the process of formation and establishment of clusters. Another goal is to achieve a high degree of the quality of the new clusters from the very beginning, in order to avoid problems related to cluster survival and to achieve a greater degree of sustainability of clusters</p>
<p>INSTRUMENTS</p>	Financial	<p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Financing networking events</p> <p>Innovation: voucher, support to hire PhDs, cooperation with R&I actors</p>	<p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Financing networking events</p> <p>Innovation: voucher, support to hire PhDs, cooperation with R&I actors</p>	<p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Financing networking events</p> <p>Innovation: voucher, support to hire PhDs, cooperation with R&I actors</p>
	Technical assistance	<p>Infrastructure: coworking spaces, offices, incubation and accelerator spaces, research centres, technology parks etc.</p>	<p>Infrastructure: coworking spaces, offices, incubation and accelerator spaces, research centres, technology parks etc.</p> <p>Support for hard skill development: knowledge transfer, intellectual property,</p>	<p>Infrastructure: coworking spaces, offices, incubation and accelerator spaces, research centres, technology parks etc.</p>



		<p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p>	<p>entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p>	<p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p>
	Explanation	<p>Governmental co-financing approaches aim at the development, marketing and raising awareness of clustering through regional and international conferences and seminars. The government takes the role of a co-financer because it makes use of EU instruments (e.g. IPA) and donor programmes (e.g. USAID). Financial support is also provided for research and development projects. Vouchers schemes are put in place to stimulate cooperation between research and academia with industry. The IPRM foresees technical support for infrastructures, including offices and centres (e.g. SME Info Centres, technology parks). Financial resources also flow in research and marketing strategies especially for new products and design solutions. To increase international cooperation and encourage FDI, trainings, export support in form of business workshops and networking events are planned to be organised. A support is also put in place for companies regarding training and upgrading skills.</p>	<p>A program will be implemented to promote the use of factoring. In addition, the credit guarantee scheme will be revised, simplifying its procedures, working closer with private banks and generally reforming its design, structure and terms. The Government will also nurture and facilitate increased collaboration between academia and the private sector. Other financial instruments, such as innovation vouchers, as well as providing direct financial support for R&D and innovation. support related to so-called „gazelle“ enterprises, support the technological development of the enterprises, support the innovation of enterprises, support of vocational development of employees as well as the financial support using the joint venture capital provided by the Equity and Mezzanine Fund</p> <p>With European Union support, the Ministry of Economy has set up an online portal listing all the active calls for financial and non-financial support for SMEs. This will help to increase the awareness and uptake of programmes among SMEs</p>	<p>Government support can ensure the establishment of appropriate mechanisms for financing and ensuring minimum bureaucratic regulations and barriers to accessing these funds. International, national or regional support, as well as cost sharing, is mentioned in the strategy.</p> <p>Informing, educating and advising on networking and networking with international partners; supporting clusters in their application processes for CIP /Competitiveness and Innovation, H2020 Science Cooperation Program</p> <p>Clusters can be supported by:</p> <p>(a) funding, based on relevance and commercial criteria and potential for regional economy and</p> <p>(b) transfer of multiple research funds to institutions in less favored regions</p>
	Period	Limited period	Limited period	Limited period



HISTORY 	Ending year (for policies with limited period)	2020	2023	2025
	Starting year	2009	2018	2018
	Explanation	The IPRM was developed as a limited period from 2009-2020 as overarching policy and providing guidelines for further and more detailed programmes and strategies.		
BUDGET 	Overall	The budget is not publicly available.	The budget is not publicly available.	The budget is not publicly available.
	Annual	The IPRM does not detail the overall budget; however, it makes clear that the annual budget for increasing competitiveness as share of GDP has to be at least doubled, from 0.48% in 2009 to 0.85%, which would be MKD 735.098.955 (EUR 11.909.238,79).	The Strategy does not detail the overall budget	The Strategy does not detail the overall budget
	Source of funding	The budget is to be covered by the government, the use of EU instruments (IPA and CIP) and donor programs (USAID, UNDP).	Government funds plus EU and other donor programs	The budget is to be covered by the government, the use of EU instruments (IPA and CIP) and donor programs
POLICY 	Availability	No policy evaluation	No policy evaluation	No policy evaluation
	Results	The IPRM foresees an ex-ante evaluation and monitoring on an annual basis. The Ministry of Economy is responsible for submitting implementation reports to the Government. Additionally, every three year an evaluation and monitoring will be conducted by an independent institution. However, even though evaluations and reports were foreseen there is no	M&E general framework outlined in the Strategy	
EVALUATION 				



		evidence to suggest that this has been done or these are not publicly available.		
POLICY ALIGNMENT WITH THE EU PRIORITIES		Social inclusion	Social inclusion Digitalisation	Social inclusion Digitalisation Smart specialisation

02

State of play of cluster policy



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2. State of play of cluster policy

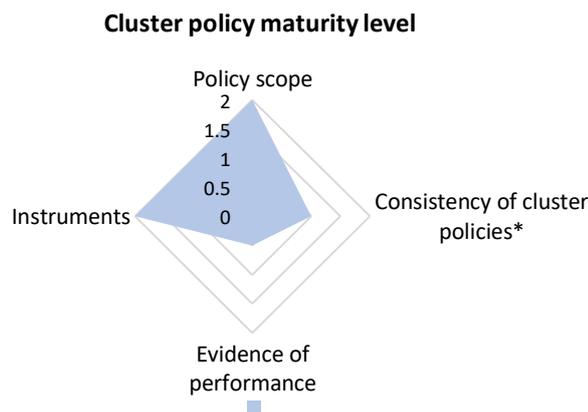
The data below illustrates how the country ranks in terms of maturity of cluster policy. The maturity index is based on a combination of factors presented in Chapter 1 and which are scored based on their existence:

- **Policy scope:** whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies (existence of broader policies = 1 point; existence of targeted cluster policies = 2 points)
- **Consistency of cluster policies:** assessment of the duration and experience of the country in doing cluster policies. This dimension assesses only existing cluster policies and not broader policies (no cluster policies available = 0 points; < 10 years of experience or > 10 years (but interrupted) = 1 point; > 10 years (but with clear continuity = 2 points)
- **Evidence of performance:** the existence of monitoring and evaluation mechanisms determines the degree of policy development in the country (no evaluations = 0 points; existence of evaluations of past policies or in-itinere = 0.5 points; existence of ex-ante and/or ex-post evaluations = 0.5 points)
- **Instruments:** whether the policies provide any instruments to support the policy implementation, being these financial and/or technical assistance (1 point for each type of instrument available)

It is important to note that the maturity does not reflect the performance of a country, but only the degree of development of their cluster policy at the moment when the data was collected (2020). The maturity index illustrates how the country scores for each of these four dimensions (policy scope, consistency of cluster policies, evidence of performance and instruments) compared to the maximum score that they can reach.

	North Macedonia	Maximum score
Policy scope	2	2
Consistency of cluster policies*	1	2
Evidence of performance	0	1
Instruments	2	2

* This dimension is scored solely if the country has a dedicated cluster policy and it assesses only cluster policies



State of play of cluster policy in the country

Policy evaluation (for terminated policies)

No policy evaluation

In the past no national policies or strategies aimed directly at the development of clusters. However certain initiatives emerged from foreign engagement such as with the USAID project “Competitiveness Activity” from 2002-2007. According to a WB report the activity of some supported clusters decreased significantly after the



	completion of the project. The first governmental approaches towards clusters strengthening and development were clearly developed with the IPRM 2009-2020.
Policy approach in the country	<p>Cluster approach used directly by national/regional development agencies</p> <p>Specific policies to support cooperation projects</p> <p>Broad-based framework policies to support cooperation effectiveness</p>
Continuity	<p>Macedonia has several broad policies with approaches towards clusters strengthening and development. Such were clearly developed with the IPRM 2009-2020. Under its umbrella several strategies and programmes have evolved over time, such as the Programme for Competitiveness, Innovation and Entrepreneurship including the Innovation Voucher Counselling Scheme. These are implemented by the Agency for Promotion of Entrepreneurship (APE), which is part of the Ministry of Economy and the main institution supporting companies in performing R&D and innovation activities. The SME Strategy 2018-2023 is the most recent document emphasizing strategic cluster development.</p> <p>Cluster Development Strategy In Republic Of Macedonia 2018-2025 has been prepared in 2017 as part of the project "Cluster Development Strategy in Republic of Macedonia with the communication strategy of the cluster". In the strategy, the clusters are seen as a mechanism for increased innovation and profitability of small and medium enterprises (members of clusters), ie the strategy is generally expected to help the realization of the commitments for accelerated socio-economic development of the Republic of Macedonia. The objectives are:</p> <ul style="list-style-type: none"> • strengthening the competitiveness of enterprises, • strengthening of the planning regions in the Republic of Macedonia, • improving the structure of economic activities (new technologies, restructuring of enterprises, introduction of innovations in all segments from the operation of companies), • networking (connection) of public, business and scientific research sector (ie development of the so-called triple helix), and • Understanding one's own economy.
Consistency	<p>< 10 years</p> <p>There is a Cluster Development Strategy in North Macedonia, however the IPRM encourages cooperation between industry, research and education institutions.</p>

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