International Labour Organization

DECENT WORK COUNTRY PROGRAMME 2026–2030

NORTH MACEDONIA





ILO Office for Central and Eastern Europe

DECENT WORK COUNTRY PROGRAMME 2026–2030

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LIST OF ABBREVIATIONS AND ACRONYMS

ASLD	Amicable settlement of labour disputes
CAS	Committee on the Application of Standards
DCM	Direct Contacts Mission
DWCP	Decent Work Country Programme
EBMO	Employers and Business Membership Organization
ESA	Employment Service Agency
ESAP	Employment and Social Affairs Platform
ESC	Economic and Social Council
EU	European Union
GDP	Gross Domestic Product
GMA	Guaranteed Minimum Assistance
HDI	Human Development Index
ILO	International Labour Organization
ILS	International labour standards
MSME	Micro, Small and Medium-sized Enterprise
NEET	Not in employment, education or training
NES	National Employment Strategy
OSH	Occupational safety and health
P&B	Programme and budget
SCORE	Sustaining Competitive and Responsible Enterprises
SCP	Strategic Compliance and Planning
SDG	Sustainable Development Goal
SLI	State Labour Inspectorate
SME	Small and Medium-sized Enterprise
TBD	to be determined
TE	to be established
TU	Trade Union
UNSDCF	United Nations Sustainable Development Cooperation Framework
YG	Youth Guarantee
VET	Vocational Education and Training



1 INTRODUCTION

Why is a Decent Work Country Programme needed?

The Decent Work Country Programme (DWCP) for North Macedonia (2026–2030) sets out the framework for cooperation between the International Labour Organization (ILO) and its tripartite constituents—the Government, employers' organizations, and workers' organizations—in promoting the Decent Work Agenda in the country. DWCPs constitute the main planning instrument through which the ILO supports member States in advancing decent work priorities aligned with national development strategies and international commitments.

The previous DWCP for North Macedonia covered the period 2023–2025 and focused on strengthening social dialogue and improving employment prospects, particularly for young women and men. The design of the present DWCP builds on lessons learned from the independent evaluation of that programme, which highlighted the importance of maintaining strong alignment with national development priorities, strengthening ownership among constituents, and improving monitoring and coordination mechanisms.

How was the programme developed?

The new DWCP is fully derived from the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2026–2030, which guides the work of the United Nations system in North Macedonia. The ILO actively participated in the development of the UNSDCF through the UN Country Team and contributed to the Common Country Analysis and strategic consultations that informed the Cooperation Framework.

In this context, the DWCP represents the ILO's programmatic contribution to the UNSDCF, expanding and elaborating the role of the tripartite constituents in achieving shared development priorities. In particular, the DWCP supports Strategic Priority 2: Sustainable Economy and Decent Work, which focuses on fostering a sustainable economy, strengthening labour market institutions, promoting inclusive employment opportunities, and supporting skills development aligned with labour market needs.

The DWCP design process was conducted through a tripartite consultation process, culminating in a national planning workshop held in Skopje on 4 March 2026. The workshop brought together representatives of government institutions, workers' and employers' organizations, and the ILO to jointly identify priorities, outcomes, and expected results for the programme period.

Through this participatory process, the DWCP reflects the priorities of the country's constituents and reinforces the ILO's comparative advantages in promoting international labour standards, strengthening social dialogue, and supporting inclusive labour market policies.

What are the challenges to work on?

Key labour market and decent work challenges in North Macedonia include persistent structural weaknesses in labour market participation, skills development, and productivity. Labour force participation remains relatively low, particularly among women and young people, while the share of youth not in employment, education or training (NEET) remains high compared with EU averages. Demographic trends, including ageing

and continued emigration, contribute to labour shortages and skills mismatches, affecting productivity and economic competitiveness. At the same time, informal employment and low-productivity sectors continue to absorb a significant share of workers, limiting access to social protection and decent working conditions. Despite progress in labour legislation and social dialogue institutions, enforcement capacities and labour inspection remain constrained. Gender disparities in labour market participation, employment rates, and wages persist, while enterprises, particularly small and medium-sized firms, face challenges related to productivity, access to finance, innovation capacity, and adaptation to digital and green transitions.

Objectives of the programme

The DWCP aims to help the country address these challenges. The programme contributes to Strategic Priority 2 of the UNSDCF and its three Outputs. These three work areas are translated into a total of 9 DWCP Results:

UNSDCF Strategic Priority	UNSDCF Output	DWCP Result
2. Sustainable Economy and Decent Work	**2.1** Economic Enabling Environment	**2.1.1.** By 2030, the labour and OSH legislation and policies are better aligned with relevant International Labour Standards and related EU *acquis*
		2.1.2. By 2030, the State Labour Inspectorate has the capacity to effectively ensure compliance with labour and OSH legislation
		2.1.3. By 2030, the Economic and Social Council and the Occupational Safety and Health Council have increased relevance as dialogue platforms in shaping the economic and social reform agenda
		2.1.4. By 2030, collective bargaining coverage is improved, and the outreach of amicable labour dispute resolution mechanisms is enhanced
		2.1.5. By 2030, employers' and workers' organisations deliver on their mandates more effectively
		2.1.6. By 2030, institutions responsible for the employment policy framework in North Macedonia have increased capacities to design and deliver comprehensive employment policies
		2.1.7. By 2030, a productive, competitive, innovative, green, and export-oriented SME sector drives sustainable economic growth, quality employment creation for women, men, and youth, with a potential incorporation into foreign markets
	2.2 Vocational Training and Skills Development	**2.2.1.** By 2030, skills development and lifelong learning programmes and systems have improved labour market responsiveness, in support of quality employment and enterprise productivity
	2.3 Women's Economic Empowerment	**2.3.1.** By 2030, an enabling environment supports women's participation in the labour market

2 COUNTRY PROGRESS TOWARDS DECENT WORK AND SUSTAINABLE DEVELOPMENT[1]

2.1 Country development context

North Macedonia has made steady progress in socio-economic development and is classified as a country with very high human development in UNDP's Human Development Index (HDI). Its long-term vision, as articulated in the National Development Strategy 2024–2044, is to achieve a sustainable, competitive economy that provides equal opportunities and a high standard of living for all.

Economic growth has remained moderate, with GDP growth reaching 3.0 per cent in 2024 and 3.8 per cent in 2025, driven mainly by the construction and information and communication sectors. However, structural constraints persist. The economy is dominated by MSMEs, which account for over 90 per cent of enterprises, but are concentrated in low-productivity sectors. Much of the export sector is integrated into European manufacturing supply chains, especially automotive components, but often in relatively low-complexity, labour-intensive segments. Domestic value added remains modest because production relies heavily on imported intermediate goods. Slow and uneven institutional reform remains a major brake on investment and competitiveness.

While wages have increased (average net salaries rising by nearly 10 per cent year-on-year), this has not been matched by productivity gains. The country is in a "middle-income trap" dynamic: wages rise slowly because productivity growth is weak, but the country also cannot compete indefinitely on cheap labour. Employers report skills mismatches and difficulties in finding adequately trained workforce. Poverty remains a concern, with the at-risk-of-poverty rate exceeding 20 per cent, with significantly higher risks among vulnerable groups such as the unemployed and single-parent households.

The Government of the Republic of North Macedonia is taking measures to increase employability and employment through the Operational Plan for Active Employment Programmes and Measures, while at the same time introducing measures to reduce parafiscal charges for small and medium-sized enterprises, thereby supporting their growth.

Demographic trends pose a major long-term constraint. The fertility rate is 1.4 births per woman, well below replacement level, while the population continues to age.

While emigration helps reduce domestic unemployment, it also leads to brain drain, particularly among highly educated individuals. This contributes to labour shortages and limits the country's capacity for innovation

and growth. Remittances, estimated at around 2.5 per cent of GDP, support household incomes but may also disincentivise labour market participation. At the same time, North Macedonia is increasingly becoming a destination for foreign workers, particularly in sectors facing labour shortages. These developments highlight the complex role of labour migration in shaping labour market dynamics.

Recently, North Macedonia has become a transit country for foreign workers from South Asia who look for attractive employment in the EU, particularly in sectors that experience labour shortages, such as construction and certain manufacturing industries.

2.2 Labour market performance and challenges

Low participation and employment

Labour force participation remains low at around 52.3 per cent (2024). Gender disparities are pronounced: in 2024, the participation rate was 61.8 per cent for men compared to 43.1 per cent for women. Cultural norms, caregiving responsibilities, and limited access to childcare contribute to this gap. The low labour force participation rate of youth can be attributed to several factors, such as low level of human capital, lack of flexible employments arrangements, low attractiveness of existing jobs, and prolonged process of education.

The Ministry of Economy and Labour established a tripartite working group that is currently drafting a new Labour Relations Law, which will address all identified shortcomings in the existing legislation and align it with international labour standards and EU directives.

The rate of youth neither in employment, education or training (NEET), although declining, remains high compared to EU standards. Namely, the share of NEET in North Macedonia has decreased from 30.1 per cent to 22.6 per cent during the period 2017-2024 but remains more than double of the EU27 average.

Employment levels remain relatively low (53.6 per cent for men and 38.3 per cent for women in 2024), with significant disparities across demographic groups. Women, youth, and individuals with lower education levels face lower employment rates. Employment is concentrated in sectors such as manufacturing, trade, and agriculture, many of which are characterized by low productivity.

Unemployment and segmentation

Unemployment has declined in recent years but remains relatively high at 11.3 per cent (in the first quarter of 2026). Youth unemployment remains high at approximately 29 per cent, more than double the national average. Similarly, the unemployment rate of workers with only primary education in 2024 was 2.5 times higher than the unemployment rate of workers with tertiary education. In contrast, the differences in unemployment rates with respect to gender and place of living (urban/rural) are not substantial.

Long-term unemployment is particularly severe, accounting for over 69 per cent of total unemployment, significantly reducing employability and increasing risks of social exclusion.

Informality

Informal employment is widespread (affecting around 12.2 per cent of total employment, but higher rates are likely due to underreporting), particularly in agriculture and construction. Informality is associated with lower wages, limited social protection, and weaker enforcement of labour

rights, reduced opportunities for skills development, restricting access to decent work. Informality also discourages firms from scaling up or investing in innovation because operating informally can be more profitable in the short term than becoming a fully compliant formal enterprise.

Wages

Wages have increased in nominal terms, but real wage growth has been affected by inflation. Since 2022, the minimum wage is constantly above 50 per cent of the average gross wage, which is aligned with the EU Directive on Adequate Minimum Wage. Debates between workers' organizations and employer organizations continue regarding the methodology for setting the minimum wage.

Productivity constraints

Labour productivity is low and growth is uneven across sectors. High-productivity sectors such as finance and ICT contrast with low-productivity sectors such as agriculture and services. This limits competitiveness and wage growth and constrains economic transformation.

Emerging labour market transformations

Digitalization and platform work are transforming the labour market, creating new opportunities but also challenges related to regulation and worker protection.

The gig economy raises concerns about job security, working conditions, and access to social protection, as well as the need of re-conceptualisation the social protection of workers involved.

The green transition represents both an opportunity and a challenge. While strategic frameworks exist, implementation is limited. The workforce lacks the necessary skills, and businesses face barriers in adopting sustainable practices. The social partners have not been consistently involved in relevant decision-making processes.

Skills, education and employability

The education system provides broad access but faces challenges in both quality and relevance. International assessments indicate weak performance in core competencies such as reading, mathematics, and science. These alarming data indicate that only a small portion of students have mastered the general educational outcomes that are pivotal for driving future economic growth.

The share of students in secondary VET schools is continually increasing from 60 per cent in 2020/2021 to around 69 per cent in 2024/2025 (ETF Country Fiche 2024 and 2025). The vocational education and training (VET) system has undergone significant reforms, including the expansion of dual education programmes. VET programmes with structured work-based learning elements were piloted in 2017 and introduced in secondary VET in 2019. Programmes explicitly labelled "dual VET" were introduced in 2021 in four-year VET programmes, with an average share of 27 per cent company-based learning, complemented and coordinated by learning at a VET school. Skills mismatches remain present in North Macedonia, indicating the need for further alignment between education and labour market needs, particularly through the regular collection of information from employers on labour and skills shortages.

Employers express a desire to be more systematically involved in skills needs anticipation, curriculum development, practical training, mentoring and the assessment of workforce quality. While company interest to participate in Dual VET has grown markedly over the past years, turning interest into quality placements remains difficult: Employers must meet

space, equipment and staffing standards (e.g. qualified mentors). Financial incentives for companies hosting dual VET students are needed and have not yet been operationalised. Furthermore, there is a need to support the systematic training of company mentors for Dual VET students. Overall, these programmes have improved cooperation between schools and employers and increased opportunities for practical training. A distinct characteristic is the stark "horizontal" gender segregation in the choices of occupational fields. Young men and women tend to choose "stereotypical" careers, with women concentrating in lower-paid care sectors like health and education. This is noteworthy as girls tend to show higher achievements in schools, including in STEM fields, such as natural sciences and mathematics, and are nearing parity in others like technological sciences. However, this progress has not yet translated into a decreasing gender gap in the labour market, and stereotypes about "gender-appropriate" professions continue to shape the choice career paths.

While occupations and curricula in the field of renewable energy, mainly in the area of solar energy, have been developed, the mainstreaming of transversal skills relating to environmental sustainability into training programmes should be further strengthened, given the growing demand for such competences. Participation in formal continuous professional development is low. This indicates limited offer, access and awareness of formal opportunities for adult reskilling and upskilling. According to Eurostat, the total participation of adults in adult education (employment and non-employment related) totalled 3.7 per cent in 2024 (2.7 per cent in 2022) compared to the EU average of 12.8 per cent. Women make up 4.2 per cent and 3.2 per cent men. Participation rates are highest among the group of adults aged 25–34: 9.6 per cent in 2024 (10.6 per cent women and 8.7 per cent men), which could be due to limited awareness among adults older than 35. While participation rates above the age of 35 range around 2.4 (35–54 years) and 0.9 (age 55–64), the participation of women remains always one percentage point higher than men. Recent reforms in adult education and validation of informal learning represent positive steps, but further efforts are needed to improve gender equality, access for persons with disabilities, funding, and awareness.

Private sector and SMEs in North Macedonia

SMEs form the backbone of the Macedonian economy, accounting for the vast majority of enterprises and a significant share of employment. Entrepreneurship remains male-dominated, with men more than twice as likely to be early-stage entrepreneurs. Only 23–29 per cent of enterprises is run by women, mostly small-scale businesses with few employees. However, their productivity remains low, and their capacity for growth and innovation is limited. Many SMEs operate in traditional sectors and lack the managerial and technical skills needed to compete in more advanced markets. While the regulatory and institutional environment has improved over recent years, including business registration procedures and digitalization of selected services, challenges remain in regulatory predictability, access to finance, skills matching and institutional coordination.

Informality remains a significant issue, affecting both competitiveness and labour conditions. Informality also constrains access to formal credit, innovation support schemes, and export promotion programmes, limiting SMEs' capacity to invest in digitalization, green transition, and quality upgrading. In addition, SMEs also face challenges in adopting green and digital technologies, which are essential for long-term sustainability.

Although several export-oriented manufacturing firms in North Macedonia are integrated into regional and EU value chains, many SMEs remain primarily domestically oriented, limiting their growth and productivity potential. Main constraints include low export readiness, insufficient alignment with EU technical and quality standards, limited uptake of internationally recognized certifications, and weak access to market intelligence and trade facilitation services. Strengthening SME competitiveness requires targeted policy support, including capacity-building, financial incentives, and improved regulatory frameworks.

Occupational safety and health

Occupational safety and health (OSH) is a constitutionally guaranteed right in North Macedonia and a central component of labour policy. The country has adopted strategic frameworks, including the OSH Strategy 2021–2025, aimed at improving workplace safety, preventing occupational injuries, and promoting worker wellbeing. Its main goal is to ensure the preservation and promotion of workers' health, as a prerequisite for successful work and optimal productivity in work. Institutional structures such as the Occupational Safety and Health Council support policy coordination and stakeholder engagement.

Despite these efforts, significant challenges persist. The number of occupational accidents has increased in recent years, particularly in sectors such as manufacturing, construction, and health services. Data collection systems are fragmented and lack consistency, limiting the ability to design evidence-based policies. Moreover, emerging risks related to climate change, such as heat stress and extreme weather, are adding new pressures to workplace safety.

OSH plays a crucial role in North Macedonia's EU integration process, particularly within the framework of Chapter 19—Social Policy and Employment. Strengthening OSH is not only a legal obligation, but also a key indicator of the country's institutional capacity to align with EU *acquis* and ensure decent working conditions. A major constraint is the limited capacity of labour inspection, both in staffing and technical resources. In addition, there is a need to reinforce OSH training of existing and future generations of workers and professionals, inclusive of psychosocial risks and hazards at the workplace and in particular in high-risk sectors.

Social protection

The social protection system provides important support but remains fragmented and limited in effectiveness.

Social protection expenditure is around 12.2 per cent of GDP (2022), significantly below the EU average of 19.3 per cent. Benefits such as guaranteed minimum assistance and disability support help vulnerable groups but their effectiveness in reducing poverty and social exclusion is constrained.

Demographic ageing and emigration increase pressure on social protection systems, particularly pensions, which already face sustainability challenges. In order to increase the sustainability of the Pension and Disability Insurance Fund, the Fiscal Council of North Macedonia in December 2024 proposed an increase of the retirement age to 67 years.

Social dialogue and social partners

Social dialogue in North Macedonia involves meaningful cooperation among the Government, employers' organizations and workers' organizations at the national level, primarily through the Economic and Social Council, as well as through direct negotiations and consultations within the framework of social dialogue and collective bargaining in the public sector. Nevertheless,

there is scope and a need to further strengthen its effectiveness and build trust. Within the existing institutional frameworks for dialogue, including tripartite bodies and collective bargaining mechanisms, greater cooperation is needed to enhance their impact on policymaking and labour market conditions.

Workers' organizations face challenges in representation and bargaining power, partly due to declining membership and fragmentation. Employers' organizations also show varying levels of engagement, which affects the overall balance of dialogue in the private sector. As a result, collective agreements often have limited scope and impact, making the private sector a significantly weaker link in the country's social dialogue.

Trust among social partners is another issue, with limited cooperation and occasional tensions undermining constructive dialogue. In addition, informal employment and non-standard work arrangements further weaken the reach of social dialogue, as many workers remain outside formal representation structures.

As a result of social dialogue, the Government and public sector trade unions concluded collective agreements at the employer level in early 2026, ensuring that the entire public sector is covered by employer-level collective agreements. This, in turn, led to higher wages for all public sector employees and improved working conditions.

Strengthening social dialogue is essential for improving labour market governance, ensuring fair working conditions, and supporting inclusive economic development. This requires enhancing institutional capacity, increasing participation of social partners, and building mutual trust. Effective dialogue is also crucial in the context of EU integration, where it serves as a key mechanism for aligning labour standards and policies with European practices.

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Fundamental principles and rights at work and implementation of international labour standards

North Macedonia has ratified eighty-one ILO conventions, including all ten Fundamental Conventions and all four Governance Conventions. However, implementation gaps remain significant. Workers' rights are not always effectively realized in practice, particularly in informal and non-standard employment. Freedom of association remains a particular concern as highlighted by the concerns expressed by the ILO Supervisory Bodies (see Result 2.1.4).

While workers formally enjoy rights to unionize, collectively bargain, and protection from forced and child labour, the effectiveness of these rights in practice is limited. Enforcement mechanisms are weak, particularly in the informal sector and among non-standard forms of employment, where legal protections are less effective.

Institutional capacity is a major constraint. The State Labour Inspectorate is understaffed and lacks adequate technological tools, which reduces its ability to monitor compliance efficiently. Inspections are conducted

regularly, sporadically, or as follow-ups, but resource limitations hinder their overall impact. Additionally, economic pressures and competition for foreign investment have contributed to regulatory compromises, including controversial amendments to labour laws allowing extended overtime in what government considers to be so-called strategic projects.

Equal opportunities and treatment in employment

North Macedonia has established a comprehensive legal and policy framework promoting equality and non-discrimination in employment. Key laws and national strategies aim to ensure equal treatment regardless of gender or other characteristics, supported by institutional mechanisms such as the Department for Equal Opportunities. However, despite this solid framework, significant disparities persist in practice.

Gender gaps in labour market participation and employment remain substantial. Women are significantly less active than men, with disparities particularly pronounced among rural populations, lower-educated groups, and certain age cohorts. Structural barriers, including caregiving responsibilities, social norms, and limited access to opportunities, continue to constrain women's participation in the labour market. In addition, violence and harassment at work remain significant challenges, disproportionately affecting women and further hindering their participation and retention in employment, highlighting the need for stronger prevention, reporting, and enforcement mechanisms.

The gender pay gap is another persistent issue, reflecting unequal earnings even when women are employed. These disparities are particularly pronounced among rural women, those with lower levels of education, and women in prime working age groups. While higher levels of education tend to reduce gender disparities and, in some cases, reverse them, these improvements are not sufficient to offset broader structural inequalities. Although women have begun to outpace men in some STEM areas, such as natural sciences and mathematics, and are approaching parity in others, this progress has not yet translated into the labour market, where persistent stereotypes about "appropriate" professions continue to drive occupational gender gaps.



3 PRIORITIES AND COUNTRY PROGRAMME RESULTS

The ILO has been fully engaged in the preparation of the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2026–2030, contributing to the analytical work, consultations with national stakeholders, and the formulation of strategic priorities. The DWCP therefore directly operationalizes the ILO's contribution to the UNSDCF, particularly in areas related to labour market governance, employment promotion, enterprise development, and skills policies.

The design of the DWCP also draws on the findings and recommendations of the independent evaluation of the DWCP 2023–2025, which highlighted several important considerations for future programming. The evaluation confirmed that the previous DWCP was strongly aligned with national development priorities and relevant international frameworks. It also noted that the programme benefited from a participatory design process involving the ILO constituents and that the ILO's technical expertise and normative role provided important added value to national policy processes.

At the same time, the evaluation recommended improving the clarity of the results framework and strengthening country-level monitoring and reporting systems to enhance national ownership and accountability. These lessons have informed the design of the new DWCP.

The programme focuses on Strategic Priority 2 of the UNSDCF, reproduced below verbatim.

Strategic Priority 2
Sustainable Economy and Decent Work

By 2030, all people in the Republic of North Macedonia, particularly vulnerable groups, women, and young people, benefit from a sustainable economy and decent work opportunities.

The theory of change for Strategic Priority 2: Sustainable Economy and Decent Work assumes that if national and local institutions, social partners, private sector actors, and civil society strengthen policies, capacities, and partnerships to promote inclusive economic growth, skills development, and women's economic participation, then the country will create a more enabling environment for sustainable enterprise development, productive employment, and decent work. Through coordinated UN support to policy reforms, institutional capacity development, skills systems, and inclusive economic opportunities—particularly for women, youth, and persons in vulnerable situations—North Macedonia will be better positioned to increase productivity, formal employment, and equitable participation in economic life, ultimately enabling all people to benefit from a sustainable economy and decent work opportunities by 2030.

MEASURES OF PERFORMANCE

Number of new or amended labour and OSH laws and policies that reflect ILO recommendations, including those addressing gender related gaps

BASELINE **0** (2025)

TARGET **6** (2030)

Legislative reform processes undertaken through a process of tripartite social dialogue with social partners

BASELINE **0** (2025)

TARGET **6** (2030)

UNSDCF Output 2.1 *Economic Enabling Environment*

National and local-level institutions, social partners, and other stakeholders have increased capacities to foster a more enabling environment that stimulates inclusive and green growth, increased productivity, formalization, and decent work in rural and urban areas.

DWCP Result 2.1.1. By 2030, the labour and OSH legislation and policies are better aligned with relevant International Labour Standards and related EU *acquis*

Rationale for intervention

Conformity of national legal and institutional frameworks with International Labour Standards (ILS) and related EU *acquis* is an international obligation of the state as a member of the ILO and a key element of future EU accession negotiations. The Government continues to work towards improved conformity with International Labour Standards and the EU *acquis*. During the previous DWCP (2023–2025), the ILO provided technical support during the drafting of the new Law on Labour Relations, but the process was not finalised.

For the period 2026–2030 the Government of North Macedonia envisages finalising the new Labour Relations Law, and the new Law on Occupational Health and Safety, amend the Law on Amicable Settlement of Labour Disputes, and draft new legislation on violence and harassment at work, on occupational injuries insurance, and insurance in case of unemployment.

The ILO will continue to provide technical assistance, facilitate tripartite consultations and give technical support for drafting this new labour and OSH legislation and policies in compliance with relevant ILO Conventions and related EU Directives.

Theory of change

If the constituents, through a tripartite social dialogue process, reflect ILO comments in new draft labour and OSH legislation; and if the ILO provides technical backstopping to the tripartite drafting working groups; and if the ILO supports the process of ratification and implementation of ILO Conventions,

...then the new labour and OSH legislation will better conform with ILS and related EU *acquis* and better meet the rights and interests of both workers and employers,

...leading to more harmonious and productive employment and industrial relations conducive to increased productivity and better working conditions.

The main risk to achieve the outcome is shifting political commitment of constituents. The mitigation strategy includes regular and strong advocacy for decent work, and social dialogue in particular, and strengthening existing or seeking new partnerships to promote ILS.

The planned changes will contribute to North Macedonia's achievement of ILO P&B26–27 Strategic Policy Output 1.2 and SDG target 8.8.

MEASURES OF PERFORMANCE

Number of new systems and procedures for effective delivery of inspection services, such as procedures related to data on violence and harassment at work, including gender-based violence, and other psychosocial risks

BASELINE n/a

TARGET at least **3** new systems and/or procedures adopted and implemented by SLI (2030)

Percentage of OSH related infringements detected by the SLI that were corrected

BASELINE **29.5 per cent** (2025)

TARGET **40 per cent** (2030)

Percentage of preventative inspections conducted

BASELINE **20.3 per cent** (2025)

TARGET **35 per cent** (2030)

National system of data collection providing real time data on occupational accidents, injuries and diseases is in place and operational

BASELINE **0** (2025)

TARGET **1** (2030)

DWCP Result 2.1.2. By 2030, the State Labour Inspectorate has the capacity to effectively ensure compliance with labour and OSH legislation

Rationale for intervention

In its 2023 Report on North Macedonia, the European Commission recommends enhancing the capacity of the State Labour Inspectorate (SLI) to better address occupational safety and health (OSH) issues and to develop a system for tracking and monitoring occupational injuries and fatalities at work. In North Macedonia, the lack of reliable data on work accidents presents a critical obstacle to developing evidence-based OSH policies and measures in line with International Labour Standards (ILS) and EU regulations. Furthermore, the high degree of informality poses a major challenge for accurate data collection on work accidents.

The State Labour Inspectorate plays a crucial role in ensuring respect for labour rights and safe and healthy working conditions. A key constraint to the effective fulfilment of its mandate is the absence of a methodology and software for risk assessment in planning of inspection visits. With a total of 198 staff, including 121 inspectors (62 for labour relations, 46 for OSH and 13 integrated), each inspector conducts on average 18 inspection visits per month (2025). In 2025, a total of 26,484 inspection visits were carried out (including 10,748 OSH inspections), and 2,036 severe workplace injuries were reported, with at least 8 fatalities (2025 SLI report).

The introduction of an Electronic Case Management System, interconnected with accident and disease reporting, would significantly improve the targeting, efficiency, and impact of inspections.

Through the Strategic Compliance and Planning (SCP) approach, the ILO will support the revision, development, and digitalization of inspection processes, including standard operating procedures, reporting modalities, analytical functions, and planning. The ILO will also support further development of the SLI learning platform and training curriculum for labour inspectors, based on identified capacity needs, and will provide access to relevant tools and methodologies to support the transformation of the SLI into a modern and efficient labour inspectorate.

Theory of change

If the Government, the State Labour Inspectorate, and the social partners, with ILO support, within the framework of the Strategic Compliance Planning (SCP) approach, strengthen their capacities to plan and conduct risk-based inspections, develop and use an integrated case management and data system and apply a mechanism for the collection and analysis of occupational safety and health data, apply improved procedures, tools, and methodologies in practice,

...then labour inspection services will become more efficient, evidence-based, and effective in ensuring conformity with labour and OSH legislation,

...leading to improved compliance, including a reduction in workplace accidents and injuries, as well as a gradual decrease in informal employment.

The main risks to achieving this result relate to the absorption capacity of national institutions, and external factors that may delay legislative reforms and institutional strengthening. These risks will be mitigated through sustained technical support from the ILO, targeted capacity-building for the State Labour Inspectorate, close collaboration with national institutions and social partners, and continued policy dialogue to support the adoption and implementation of labour and OSH legislation.

The planned changes will contribute to North Macedonia's achievement of ILO P&B26–27 Strategic Policy Output 6.1 and SDG targets 3.9 and 8.8.

MEASURES OF PERFORMANCE

Number of meetings of ESC per year

BASELINE **3** (2025)

TARGET **6 per year** (2030)

Percentage of economic and social legal acts and measures discussed in the ESC before submission to the Government

BASELINE **TBD** (2025)

TARGET **100 per cent** (2030)

Number of meetings of OSH council per year

BASELINE **TBE** (2025)

TARGET **4 per year** (2030)

Percentage of OSH legal acts and measures discussed in the OSH Council before submission to the Government

BASELINE **TBD** (2025)

TARGET **100 per cent** (2030)

DWCP Result 2.1.3. By 2030, the Economic and Social Council and the Occupational Safety and Health Council have increased relevance as dialogue platforms in shaping the economic and social reform agenda

Rationale for intervention

During the period 2010–2025, with ILO support, the required infrastructure was established for national tripartite social dialogue through the Economic and Social Council (ESC), and its capacity was significantly enhanced. Previous ILO support laid the foundation for modernised workers' and employers' organizations, enabling their active participation in both tripartite and bipartite dialogue processes.

ESC plays an important role in shaping selected economic and social policies, including minimum wage setting, anti-crisis measures, and the implementation of the Youth Guarantee. However, the external independent evaluation of the EU-funded and ILO-implemented social dialogue project recommended in 2021 that continued support to the social dialogue is needed, utilizing the ILO advantage to support the social partners.

The ILO will continue to support increased participation of social dialogue institutions in policymaking at national and local levels and will foster the practice of regular consultations through national and local ESCs.

The National Occupational Safety and Health Council currently faces challenges in fulfilling its role as the main forum for discussion on OSH legislation, policies, and practice. Ongoing support will aim to strengthen its functioning, visibility, and coordination, including regular interaction with the ESC.

Theory of change

If the constituents, with ILO support, strengthen the knowledge of ESC and OSH Council members and their secretariats in relevant technical areas, and if the ESC and the OSH Council apply the acquired knowledge and tools to improve operational processes and functioning, and if communication between the ESC, OSH Council and Government is undertaken in good faith,

...then the influence of these social dialogue platforms in shaping national and local economic, labour and social policy will increase,

...leading to more balanced, better informed, and inclusive labour, social, and economic policies aiming at creating decent work for all.

The main risk in achieving the planned outcome is the current level of trust between the three parties. The ILO will mitigate this risk by facilitating regular tripartite dialogue, strengthening the capacities of the ESC and OSH Council, supporting joint planning and follow-up of agreed actions, and providing neutral technical facilitation to help build confidence among the parties.

The planned changes will contribute to the achievement of ILO P&B26-27 Strategic Policy Output 2.3 and SDG Targets 8.8. and 16.3.

MEASURES OF PERFORMANCE

Collective Bargaining coverage rate (with branch collective agreements)

BASELINE **49 per cent** (2025)

TARGET **55 per cent** (2030)

Newly negotiated collective agreements include gender clauses

BASELINE N/A

TARGET **at least one more** collective agreement includes gender clause

Number of labour disputes referred to the system for amicable settlement of labour dispute

BASELINE **0** (2025)

TARGET cummulative **40** (2030)

DWCP Result 2.1.4. By 2030, collective bargaining coverage is improved, and the outreach of amicable labour dispute resolution mechanisms is enhanced

Rationale for intervention

The EU Screening report for chapter 19 stated that bipartite dialogue remains weak, which along with the implementation of labour dispute legislation and alignment with EU Directives require urgent action, including strengthening social partners' capacities.

North Macedonia has ratified all ILO Conventions on freedom of association and collective bargaining (not only Conventions No. 87 and 98, but also 11, 135, 141 151 and 154). Its Constitution clearly embraces collective labour rights that are broadly recognized, including for the police, and there is a system of collective bargaining in place at all levels.This also means that North Macedonia has clear obligations to ensure their application, in law and practice. A Direct Contacts Mission (DCM), following a request of the ILO Committee on the Application of Standards (CAS), visited the Republic of North Macedonia in October 2023 and provided a set of recommendations concerning freedom of association and the right of collective bargaining. These recommendations will be the basis to find fair and effective solutions to fully recognize trade union pluralism, which is an important aspect of democracy, and the existence of strong and representative organisations, which is a guarantee of effective and productive social dialogue and collective bargaining.

Bipartite social dialogue faces serious challenges, and the Government and the social partners have requested support to fully develop collective bargaining. Collective agreements need to better reflect the specific interests and needs of workers and employers in certain sectors. Future agreements also need to include more substantial regulations of working conditions and terms of employment, including new forms of employment, and be more gender responsive.

In addition to promoting social dialogue, the ILO has provided technical assistance to the Government to establish mechanisms for amicable settlement of labour disputes (ASLD). However, the outreach of ASLD is still limited. The ILO will support the legal reform of the ASLD system through the development of bylaws, as well as the development of code of conduct for arbiters/conciliators, upgrade of the ILO training curriculum for arbiters/conciliators, delivery of training of conciliators/arbiters with certification, operationalization of a new case management system for ASLD, and promotion of the advantages of using the mechanism for ASLD among workers and employers.

Theory of change

If the constituents, with ILO support, reform the current system of collective bargaining and amicable dispute resolution, and build their capacities to negotiate, apply and promote these mechanisms,

...then workers and workers' organizations as well as employers and employers' organizations will engage more effectively in collective bargaining using collective agreements to determine working conditions, and make greater use of conciliation or voluntary arbitration to settle disputes,

...leading to stronger industrial relations, reduced labour disputes and litigation, and improved working conditions and productivity.

The main risk in achieving the planned outcome is the potential shift of priorities by the tripartite partners for the necessary amendment of legal instruments that will better facilitate collective bargaining and amicable labour dispute settlements. This will be mitigated through regular and close contact with the stakeholders throughout the process, that will allow adjusting the implementation plan if needed.

The planned changes will contribute to the achievement of ILO P&B26-27 Strategic Policy Output 2.3 and SDG Targets 8.8. and 16.3.



MEASURES OF PERFORMANCE

Number of evidence-based policy papers submitted by the employers' and workers' organizations to the Economic and Social Council

BASELINE EBMOs **2**, TUs **1** (2025)

TARGET EBMOs **4**, TUs **TBC** (2030)

Number of new or upgraded services provided by employers ' and workers' organizations, including those contributing to gender equality and non-discrimination at work

BASELINE EBMOs **1**, TUs N/A (2025)

TARGET EBMOs **4**, TUs **TBC** (2030)

Number of new strategic plans developed and implemented by the employers' and workers' organizations that integrate gender-responsive actions

BASELINE EBMOs **0**, TUs N/A (2025)

TARGET EBMOs **2**, TUs **TBC** (2030)

DWCP Result 2.1.5. By 2030, employers' and workers' organisations deliver on their mandates more effectively

Rationale for intervention

Strong, independent and representative social partners are essential actors in democratic and inclusive governance, and key drivers of sustainable economic and social development. Their efforts have made a major contribution to strengthening North Macedonia's economy by advancing policies that foster sustainable enterprises, strengthen labour market governance and promote a human-centred approach to economic, labour and social reforms. Employers' and workers' organizations, with ILO support, have significantly strengthened their service offers and informed policy debates on the green transition and productivity. As North Macedonia progresses on its EU accession path, meaningful engagement of social partners will continue to be critical to ensuring that reforms are inclusive, balanced and responsive to the needs of both enterprises and workers.

At the same time, both employers' and workers' organizations face significant challenges in effectively fulfilling their mandates. For employers' organizations, membership expansion across sectors is hampered by the perceived lack of value in collective representation, coupled with widespread informality. Limited membership growth constrains the institutional capacity needed to effectively represent members and advocate for an enabling business environment in an increasingly complex political and economic context. Trade unions, meanwhile, continue to face low unionization, particularly in the private sector, a challenge compounded by labour emigration and demographic decline, all of which weaken workers' representation and bargaining power. The limited effectiveness of social dialogue mechanisms further undermines the value of collective action and erodes public trust in the ability of social partners to influence policy and law making.

The ILO will continue supporting employers' and workers' organizations to strengthen their representativeness, institutional effectiveness and capacity to engage meaningfully in social dialogue and collective bargaining, including through strengthened policy advocacy and enhanced member services. Particular emphasis will be placed on supporting social partners in assessing the evolving external landscape and adapting their strategies to remain fit for purpose in a rapidly changing and volatile political and economic environment.

Theory of change

If the social partners, with ILO support, strengthen their capacity to (a) undertake systematic and evidence-based advocacy, with priority particularly within the Economic and Social Council; (b) regularly assess and respond to their members' needs through improved and diversified service offers; and c) develop and implement new gender-responsive strategic plans to revisit their value proposition and strengthen their effectiveness and relevance,

...then these organizations will strengthen their policy influence, improve the quality and relevance of the services they provide, increase their public visibility and credibility, and build a broader and more representative membership base,

...leading to more inclusive and effective social dialogue on economic and social policies and reforms.



The main risk to achieve the expected result is low outreach of social partners to members and potential members. To mitigate this risk, the ILO will support social partners in strategic planning to ensure better targeting of members and potential members.

These changes will contribute to North Macedonia's achievement under ILO's P&B2026-27 Output 2.1. and Output 2.2. Results will also contribute to SDG Targets 8.3, 8.5, 8.8, 16.7 and 16.10.

MEASURES OF PERFORMANCE

Youth Guarantee (YG) coverage of the NEET population

BASELINE

(multiple years, since YG implementation started):
on average below **30 per cent**

TARGET

convergence toward the EU average at
~40 per cent (2030)

Review of the ESA digital functionalities

BASELINE

None (2026)

TARGET

1 (2027)

Number of policy and legislative reviews in the context of the increased focus on activation of women, young people, persons with disabilities, and beneficiaries of social assistance programmes

BASELINE

0 (2026)

TARGET

4 (2029)

DWCP Result 2.1.6. By 2030, institutions responsible for the employment policy framework in North Macedonia have increased capacities to design and deliver comprehensive employment policies

Rationale for intervention

Creating productive employment opportunities for all women and men in the Republic of North Macedonia is a priority for both the Government and the social partners. The current National Employment Strategy (NES), which sets out a range of coordinated policy actions across education and training, enterprise development, and labour market policies, is due to expire in 2027. Pending an assessment of its impact, concerns remain about the adequacy of the existing employment policy framework and the capacity of relevant institutions to adapt and respond to both structural and emerging labour market challenges. These challenges include managing the impacts of the digital, green, and demographic transitions (including the interlinkages between labour shortages and migration); the sustainable activation and labour market transitions over the life-course of people in vulnerable circumstances, including young women and men, older workers, persons with disabilities, beneficiaries of social assistance programmes, and employed people at risk of poverty; and addressing issues related to productivity and quality of employment.

To address these challenges, the ILO will work with the social partners and the institutions responsible for employment, demography, migration, labour market, and activation policies, as well as other organizations supporting people in vulnerable situations, to modernize the employment policy framework and its responses to specific labour market barriers. More specifically, this joint work will focus on analytics, policy recommendations, and institutional capacities with a bearing on the improvement of school-to-work transition and youth employment outcomes, including the formulation of a new Youth Guarantee implementation plan; the revision of the laws governing employment promotion and activation of beneficiaries of guaranteed minimum assistance (GMA); the institutionalization of a labour shortage index; the effectiveness of the Employment Service Agency, including through digitalization and reinforcement of employers' services; and the development of a new gender-responsive and, where feasible, gender-transformative national employment strategy.

Theory of change

If constituents, with ILO support, progressively add new tools and approaches to the existing employment policy framework, based on solid evidence and emerging needs,

...then stronger institutions and a more balanced and inclusive employment policy framework will facilitate better employment outcomes across different segments of the population,

...leading to the realization of decent work for all.

The main risks in achieving the planned outcome include the fragmentation of the employment policy framework across different institutions and lack of consultation with social partners about alternative policy options to be considered. To mitigate these risks, the ILO will ensure that relevant data, disaggregated by age and sex, and policy reviews are consistently presented and discussed in tripartite contexts. The main assumption underpinning the planned outcome is that sufficient resources will be allocated for the implementation of the national employment strategy, the youth guarantee, and to the staff and infrastructure of the Employment Service Agency.

The planned changes will contribute to the achievement of ILO P&B26-27 Strategic Policy Output 3.1, 3.4, and 3.5, and SDG Targets 8.3, 8.5. and 8.6.

MEASURES OF PERFORMANCE

Number of MSMEs receiving structured training with the SCORE programme to enhance productivity and ensure the application of Responsible Business Conduct and Human Rights Due Diligence to access foreign markets

BASELINE

Zero Business development services remain uneven in quality, with a limited number of trainers and without institutionalization mechanisms

TARGET

At least **50 MSMEs** including 10 per cent owned by women receive certified training and advisory services

Number of financial instruments (e.g., credit guarantees, green loans, blended finance schemes) introduced or expanded to support MSMEs

BASELINE

Alternative financing mechanisms such as venture capital, angel networks, and crowdfunding are underdeveloped and remain scarce

TARGET

At least **3 banks** engage in new or improved financial mechanisms supporting MSMEs

Number of MSMEs have access to bankable loan

BASELINE

TBC

TARGET

25 enterprises

Number of education institutions integrating entrepreneurship training programmes into curricula (e.g., VET, secondary or tertiary) with young men and women targeted in all traits provided

BASELINE

Although Entrepreneurship education is embedded in formal education systems it is often delivered in a theoretical manner

TARGET

Entrepreneurship practical-curricula implemented in **6 TVET institutions** and potentially **5 secondary education schools**

DWCP Result 2.1.7. By 2030, a productive competitive, innovative, green, and export-oriented SME sector drives sustainable economic growth, quality employment creation for women, men, and youth, with a potential incorporation into foreign makets

Rationale for intervention

Micro, small, and medium-sized enterprises (MSMEs) play a central role in economic growth and employment creation in North Macedonia. However, their capacity to generate productive employment remains constrained by several structural challenges. Access to finance remains limited, particularly for micro-enterprises, start-ups, and innovative firms, as lending practices remain largely collateral-based and risk-averse. At the same time, enterprises face significant managerial and technical capacity gaps, including weaknesses in strategic planning, innovation management, financial literacy, and adoption of digital and green business practices.

Regulatory complexity and administrative barriers further constrain enterprise development and formalization, creating an unfair competition among registered enterprises, particularly for smaller firms. Simplified procedures, improved compliance tools, and incentive-based measures are needed to support formalization and responsible business conduct. In addition, employers frequently report difficulty finding workers with relevant technical and digital skills, despite relatively high unemployment. Persistent gaps between education outcomes and labour market needs are a key issue.

This outcome will therefore support national partners in strengthening the enabling environment for sustainable enterprises, expanding access to finance for MSMEs, and improving enterprise capabilities through business development services and entrepreneurship education. Attention will be given to supporting enterprises in adopting digital and environmentally sustainable practices and enhancing their competitiveness and integration into value chains. It will also help enterprises implement productivity enhancements and the application of Responsible Business Conduct to ensure the possibility of accessing foreign markets, entering supply chains and ensuring a decent working environment for workers.

Theory of change

If government institutions, social partners, financial institutions, and education providers, with technical assistance and capacity building support from the ILO, strengthen the policy and regulatory environment for enterprise development, expand access to diversified finance, and improve the quality of gender responsive business development services and integrate entrepreneurship education into TVET and tertiary education,

...then MSMEs will enhance their managerial capacities, adopt digital and green practices, improve productivity, and formalize their operations,

...leading to more competitive and sustainable enterprises capable of generating more and better jobs for women and men and youth in North Macedonia.

A key risk to the intervention is the limited coordination and implementation capacity among government institutions, financial institutions, education providers, and social partners, which could delay reforms and reduce the effectiveness and sustainability of MSME support measures. In addition, financial institutions may remain risk-averse toward MSMEs, while enterprises and education institutions may face limited incentives, technical capacities, or resources to adopt digital, green, and

entrepreneurship-related practices. To mitigate these risks, the programme will establish strong multi-stakeholder coordination mechanisms, provide targeted technical assistance and capacity-building support, promote public-private dialogue, and strengthen partnerships between employers, financial institutions, and education providers. The intervention will also support practical and market-oriented training approaches, facilitate access to innovative financing mechanisms and affordable digital and green solutions, and embed activities within existing national systems and strategies to strengthen ownership, institutionalization, and long-term sustainability.

The planned changes will contribute to North Macedonia's achievement of ILO P&B26–27 Strategic Policy Output 4.2 and 4.3 and SDG target 8.3.

UNSDCF Output 2.2 *Vocational Training and Skills Development*

Public institutions, private sector, and civil society have improved capacities to deliver relevant, inclusive, and quality VET training, skills development, and lifelong learning that meet evolving labour market needs.

DWCP Result 2.2.1. By 2030, skills development and lifelong learning programmes and systems have improved labour market responsiveness, in support of quality employment and enterprise productivity.

Rationale for intervention

Skills development and continuous professional training are essential for improving productivity, competitiveness, and access to decent work in North Macedonia. The country has made progress in strengthening vocational education and training (VET), including the expansion of dual education and the development of regional VET centres. At the same time, constituents continue to report challenges in ensuring that education and training systems respond effectively to labour market needs. The share of young people in VET has increased over the last years, but is still marked by highly gendered career choices, caused by stereotypes, socialisation and the lack of gender-sensitive VET promotion. Young persons with disability participate in mainstream VET, but disability-disaggregated VET enrolment is not consistently published. Adults are considerably less likely to participate in reskilling and / or upskilling, in particular women, who are constrained by caregiving responsibilities, economic dependency and restrictive community norms. Employers express the need for incentives (such as tax incentives) for the investment in worker training and upskilling.

During DWCP consultations, constituents highlighted persistent mismatches between skills supply and enterprise demand, limited opportunities for adult learning, and insufficient coordination between education institutions, employers, and labour market institutions. Employers expressed a strong need for regular data collection on skills gaps and workforce shortages and wish to be more involved in skills needs anticipation. While vocational and higher education systems are undergoing reforms, further efforts are required to strengthen labour market intelligence and improve the pertinence of training programmes. According to constituents, training programmes need to reflect labour market in both technical and key competencies. They suggested enhancing teacher training and expanding opportunities for upskilling and retraining of adults.



MEASURES OF PERFORMANCE

Participation rate of adults aged 25–64 in in education and training

BASELINE

total: **3.7 per cent**
(women; 4.2 per cent, men 3.2 per cent) (2024)[2]

TARGET

6 per cent by 2030 (at least 50 per cent women)

Number of enterprises meeting the requirements to participate in dual VET

BASELINE

700 companies
participating in dual VET programmes (2025)

TARGET

1,400 companies
participating in dual VET programmes (2030)

Employer-reported skills shortages (ESARNM Annual Skills Needs Analysis)[3]

BASELINE

32 per cent (2023)

TARGET

20 per cent (2030)

The transition towards a more digital, green, and knowledge-based economy further increases the need for new competencies and continuous reskilling of workers, including in-house training within companies and in cooperation with regional training centres. Strengthening cooperation between education providers, enterprises, and educational institutions will therefore be critical to ensure that training systems equip workers with relevant skills and that enterprises can employ a qualified workforce. Another vital area needing improvement is the equipment of VET teachers and instructors with transversal key competences, as well as with up-to-date technical skills needed to ensure quality VET that responds to the labour market.

Through the DWCP, the ILO will support constituents in strengthening the governance and responsiveness of skills systems, promoting lifelong learning opportunities for workers, and enhancing partnerships between education institutions and employers. Particular emphasis will be placed on improving labour market intelligence, strengthening work-based learning, and supporting skills development linked to productivity growth and the green and digital transitions.

Theory of change

If national institutions, education and training providers, employers' and workers' organizations, with support from the ILO, strengthen the governance and coordination of skills systems, improve labour market intelligence and skills anticipation mechanisms, enhance teacher training and expand access to lifelong learning and work-based learning opportunities,

...then education and training systems will become more responsive to labour market needs and workers will have greater opportunities to acquire relevant skills throughout their working lives,

...leading to improved employability, higher productivity of enterprises, and better employment outcomes for women and men in North Macedonia.

Key risks include lack of funding, limited institutional capacity, weak stakeholder commitment and potential delays or policy changes due to government restructuring after elections. Mitigation strategies include intensive resource mobilisation, creating synergies with other ILO development cooperation projects to strengthen capacities of constituents, advocacy and strategic communication with constituents and other stakeholders to increase awareness and uptake.

The planned changes will contribute to ILO PB Strategic Policy Output 3.2. and SDG targets 4.3, 4.4 and 8.6.

MEASURES OF PERFORMANCE

Number of initiatives led by the constituents to effectively address the gender pay gap and violence and harassment—designed and implemented

BASELINE **0** (2025)

TARGET **6** including individual initiatives by social partners (2030)

Number of initiatives led by the constituents to introduce policies and measures aligned with the ILO 5R Framework for Decent Care Work—designed and implemented

BASELINE **0** (2025)

TARGET **2** including individual initiatives by social partners (2030)

Number of child-care facilities created or expanded.

BASELINE **0** (2025)

TARGET at least **25** (2030)

UNSDCF Output 2.3 *Women's Economic Empowermentt*

Public institutions, private sector, and civil society are enabled to support and promote women's participation in all aspects of economic life in rural and urban areas.

DWCP Result 2.3.1. By 2030, an enabling environment supports women's participation in the labour market

Rationale for intervention

North Macedonia has made meaningful progress in building a gender-responsive legal framework. The Constitution prohibits discrimination, the Labour Law guarantees equal pay for work of equal value, and the Law on Equal Opportunities for Women and Men promotes gender equality in employment. Maternity protection is robust, with nine months of paid leave, employment protection until a child turns three, and a daily paid breastfeeding break for nursing mothers. Despite this foundation, significant structural gaps remain. Unpaid care work falls disproportionately on women, childcare and eldercare services are limited, particularly in rural areas. Paternity leave is absent. The gender pay gap persists, occupational segregation concentrates women in lower-paid sectors, and workplace violence and harassment remain widespread and underreported.

The ILO will support the tripartite constituents through three mutually reinforcing pillars.

The first pillar focuses on care and work-life balance: the ILO will support legal reforms to introduce paternity and parental leave and promote flexible working arrangements in line with International Labour Standards and related EU *acquis*, while expanding affordable childcare services through community-based, workplace, and mobile models. In addition, it will help in developing qualification and occupational standards and formalization strategies to improve working conditions in the care sector.

The second pillar addresses the gender pay gap and occupational segregation. The ILO will support evidence-based reforms aligned with the EU Pay Transparency Directive, promote gender-neutral job evaluation systems and non-discriminatory recruitment policies. It will also build the capacity of employers and workers' organizations to integrate gender equality into collective bargaining.

The third pillar focuses on safe and inclusive workplaces: the ILO will support the existing working group on amendments to the Law on Harassment and Mobbing at the Workplace and once amended, assist with its implementation. It will also mainstream violence and harassment prevention into occupational safety and health frameworks and strengthen reporting mechanisms and awareness campaigns to shift gender stereotypes among employers and workers.

Theory of change

If the constituents, with ILO support, introduce paternity and parental leave, expand affordable childcare and eldercare services aligned with the ILO 5R Framework (recognition, reduction and redistribution of unpaid care and reward and representation of care workers), advance pay transparency reforms and gender equality in collective bargaining, and support the implementation of ILO Convention No. 190 on violence and harassment,



...then women will face fewer barriers to entering and remaining in the labour market and care responsibilities will be more equally shared,

...leading to increased female labour force participation, a reduced gender pay gap, and a more equitable and productive labour market in North Macedonia.

Key risks include limited institutional capacity, weak stakeholder coordination, low outreach by social partners, resistance due to gender norms, and potential delays in reforms. To mitigate these, the ILO will strengthen capacities of constituents, support social dialogue and evidence-based advocacy, and promote strategic communication to increase awareness and uptake. It will also foster partnerships to expand outreach—especially in rural areas—and improve monitoring systems, including sex-disaggregated data, to track progress and inform adjustments.

The planned changes will contribute to ILO PB Strategic Policy Outcome 5, and 6 and SDG targets 5.1, 5.4, 8.5, and 8.8.

4 MANAGEMENT, IMPLEMENTATION, MONITORING AND EVALUATION ARRANGEMENTS

The implementation of the DWCP will be carried out jointly by the ILO and its tripartite constituents—the Government of North Macedonia, employers' organizations, and workers' organizations—in close coordination with the United Nations Country Team and in alignment with the governance structures of the UNSDCF.

Overall oversight of the programme will be provided by a tripartite national steering committee, which will guide the implementation of the DWCP, review progress against agreed outcomes, and support coordination among stakeholders. The committee will meet periodically to review implementation progress and recommend adjustments where necessary.

At the operational level, the DWCP will be implemented through collaboration between the ILO Decent Work Technical Support Team in Budapest, ILO National Coordinator and ILO project office in Skopje and national partners. The ILO will provide technical assistance, policy advice, analytical support, and capacity-building activities to support the implementation of programme priorities.

Monitoring of DWCP implementation will be aligned with the monitoring mechanisms established under the UN Sustainable Development Cooperation Framework. Progress towards results will be tracked through the indicators included in the UNSDCF results framework and reported through the UN Country Results Report.

The Programme will be accompanied by an action plan developed by the steering committee to monitor its implementation.

The ILO will prepare periodic progress reports on DWCP implementation and share them with the tripartite steering committee and other stakeholders. These reports will contribute to national reporting processes and to the monitoring and evaluation of the UNSDCF.

At the end of the programme cycle, the DWCP may be subject to an independent evaluation in line with ILO evaluation policies, which will assess its relevance, effectiveness, efficiency, impact, and sustainability and provide lessons for future programming.

5 RISK

The achievement of the DWCP outcomes in North Macedonia is subject to a range of interrelated risks that reflect the broader political, economic, and institutional context in the country. Political commitment to reforms, particularly in the areas of labour legislation, social dialogue, and governance, remains a critical assumption. While the country has demonstrated continued alignment with EU accession priorities, risks related to shifting government priorities, political cycles, and inconsistent application of social dialogue mechanisms may affect the pace and quality of reforms. Persistent challenges related to the rule of law, corruption, and institutional accountability may further constrain effective implementation of policies and undermine trust among social partners and stakeholders.

Macroeconomic conditions and external factors also present important risks. Exposure to external shocks, such as energy price volatility, geopolitical instability, and global economic uncertainty, may affect both labour market outcomes and the availability of domestic and external financing, posing challenges for the implementation and sustainability of reforms supported under the DWCP.

The availability and predictability of financial resources represent a further area of risk. The DWCP relies on a combination of ILO core resources, the Government's and social partners' own contributions and development cooperation funding, including partnerships with external donors. Experience from previous programming cycles indicates that shifts in global funding priorities and limited resource mobilization can lead to delays or scaling down of planned interventions. At the same time, constraints in public finance management and limited domestic resource allocation for labour market and social policies may affect implementation, as well as the sustainability of results beyond the programme period.

Finally, institutional and implementation capacities represent a cross-cutting risk. While important progress has been made in strengthening institutions, gaps remain in administrative capacity, coordination mechanisms, and data systems necessary for evidence-based policymaking and effective monitoring. In addition, the level of ownership and engagement of national partners in areas such as resource mobilization, monitoring, and reporting will be critical for ensuring sustainability. Addressing these risks will require continued emphasis on capacity development, strengthened partnerships, and adaptive management approaches throughout the implementation of the DWCP.

6 FUNDING PLAN

The DWCP 2026–2030 will be implemented through a combination of financial resources mobilized by the ILO, national tripartite constituents, and development partners. In line with the UNSDCF, the DWCP will be supported through a multi-year funding framework that identifies required, available, and projected resources across outcomes and outputs, complemented by annual workplans and periodic updates.

The financing mix combines:

- ILO core resources,
- Domestic resources and in-kind contributions from constituents,
- Development cooperation projects (including projects on-going at the time of formulation of this DWCP: EU-funded project *Towards a safe and healthy environment in North Macedonia* and EU-funded regional initiatives such as *Employment and Social Affairs Platform (ESAP 3) and the EU-ILO Technical Assistance Facility for the Implementation of the Youth Guarantee in the Western Balkans* (Phase III)),
- Joint UN programmes and pooled funding mechanisms.

The overall resource requirements for full implementation of the DWCP are estimated at approximately USD 8 million over the five-year period. Based on current projections, around USD 4 million can be considered as secured or reasonably expected at the outset of the programme (including ongoing projects and core resources), leaving a funding gap of roughly 50 per cent to be mobilized progressively.

The financial outlook is uneven across the programme period. The first three years benefit from ongoing development cooperation projects, as well as committed ILO core resources. This provides a solid foundation for launching key programme interventions, delivering and demonstrating early results under most DWCP results and for preparing a pipeline of follow-up projects and funding proposals. Priority areas for resource mobilization include social dialogue, enterprise development and productivity, skills and lifelong learning, and women's economic empowerment.

ILO and its constituents in North Macedonia will coordinate resource mobilization efforts with development partners and other implementing agencies to achieve synergies and complementarities.

Consistent with the UNSDCF, the DWCP will contribute to joint resource mobilization efforts led by the UN Country Team, including:

- Development of pipelines of programmes linked to the "Six Transitions"[4] (e.g. jobs and social protection, education, green transition),
- Engagement with international financial institutions and donors,
- Use of innovative and blended financing approaches.

The ILO will coordinate closely with the UN Resident Coordinator Office and UN agencies to maximize synergies and ensure coherent support to national priorities.

Building on lessons from the previous DWCP, efforts will be made to gradually strengthen shared ownership of financing. DWCP implementation will therefore be supported through:

- Active participation of constituents in resource mobilization efforts and project development,
- Allocation of domestic resources where feasible, particularly for policy implementation and institutional strengthening,
- In-kind contributions (staff time, facilities, data, and expertise).

The role of the DWCP Steering Committee in resource mobilization will be central, and progress on the resource mobilization plan will be discussed during its meetings.

7 ADVOCACY AND COMMUNICATION PLAN

The advocacy and communication plan of the DWCP is designed to support the achievement of programme outcomes by strengthening awareness, ownership, and engagement among national stakeholders and the broader public. Building on lessons from the previous DWCP cycle, where communication efforts were found to be fragmented and insufficiently strategic, this plan introduces a more structured and coordinated approach to advocacy and outreach.

The plan is fully aligned with the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2026–2030 and positions the Decent Work Agenda as a key enabler of inclusive growth, social cohesion, and EU accession. It emphasizes the importance of communicating not only results but also the value of social dialogue, evidence-based policymaking, and international labour standards in improving people's lives and economic performance.

Advocacy efforts will focus on influencing policy processes and strengthening institutional engagement, particularly in areas such as labour legislation reform, employment and enterprise policy, occupational safety and health (OSH), and social dialogue with a strong focus on support to vulnerable groups. These efforts will be led jointly by the ILO and the tripartite constituents.

High-level policy dialogues, consultations through the Economic and Social Council and other tripartite platforms, and dissemination of analytical work and policy briefs will be used to ensure that decision-makers are informed and engaged. These actions directly support DWCP priorities related to strengthening labour market governance and institutional capacity.

At the same time, communication activities will aim to raise awareness among enterprises, workers, and the general public about key decent work issues. Particular attention will be given to promoting formalization, improving workplace safety, advancing gender equality, and enhancing skills development and employability. Public awareness campaigns will be implemented through a combination of national media, digital platforms, and community-based outreach. These campaigns will be led by employers' and workers' organizations, supported by the ILO and relevant government institutions, ensuring that messages are tailored to specific audiences such as SMEs, young people, women, and vulnerable groups.

In line with the UNSDCF emphasis on behavioural change and community engagement, outreach activities will also include local consultations, engagement with civil society organizations, and collaboration with education and training institutions. These initiatives will help translate national policies into practical understanding at the community level and ensure that reforms are inclusive and responsive to the needs of those most at risk of being left behind.

Capacity-building is a central pillar of the communication strategy. The ILO will support the strengthening of advocacy and communication capacities of employers' and workers' organizations, enabling them to more effectively articulate their positions, engage with policymakers, and communicate with their members. Training, tools, and guidance will be provided to enhance the quality and consistency of messaging, as well as the use of modern communication channels.

Digital communication will play an increasingly important role. The DWCP will leverage websites, social media, newsletters, and multimedia content produced by the ILO, Government, and social partners to ensure wide dissemination of information. Communication materials will be adapted to different audiences, using clear and accessible language, and will be made available in local language. Traditional media engagement, including press releases, interviews, and opinion pieces, will complement digital outreach and help position decent work issues in public discourse.

Roles and responsibilities for advocacy and communication are shared across the tripartite constituents. The ILO will provide overall strategic guidance, technical support, and coordination, while the Government will ensure that DWCP priorities are reflected in national policy communication and reform processes. Employers' organizations will focus on outreach to enterprises, promoting productivity, responsible business conduct, and compliance with international labour standards, whereas workers' organizations will emphasize workers' rights, equality, and safe working conditions, ensuring that DWCP messages reach grassroots structures.

Monitoring of advocacy and communication efforts will be integrated into the overall DWCP monitoring framework. The DWCP Steering Committee will periodically review progress, assess the effectiveness of communication channels and messages, and adapt the approach based on feedback and emerging needs. This adaptive approach will ensure that communication remains relevant and contributes effectively to achieving DWCP outcomes.

ENDNOTES

1 The country context provides an overview of the main employment and social policy challenges along the four pillars of the ILO Decent Work Agenda. It summarizes the main elements of the Country Diagnostic developed by ILO consultant Mr Dimitar Nikoloski that was validated by tripartite constituents during the DWCP planning workshop. This does not imply that the new DWCP—presented in the next chapter—will tackle all these challenges. The DWCP is based on the priorities selected by ILO constituents in North Macedonia.

2 Eurostat.

3 ESARNM Annual Skills Needs Analysis 2023.

4 Anchored in the SDGs, the "Six Transitions" have been identified by the UN system globally as transformative entry points that can have catalytic and multiplier effects across the Goals and an outsized determinant impact for their achievement. These are: 1) Food systems; 2) Energy access and affordability; 3) Digital Connectivity; 4) Education; 5) Jobs and social protection; and 6) Climate change, biodiversity loss and pollution.

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