



CLR Review

Independent Evaluation Group

For Official Use Only

1. CAS Data

Country: Republic of North Macedonia	
CPS Year: FY15	CPS Period: FY15 – December 2018
CLR Period: FY15 – December 2018	Date of this review: April 8, 2019

2. Ratings

	CLR Rating	IEG Rating
Development Outcome:	Moderately Satisfactory	Moderately Satisfactory
WBG Performance:	Good	Good

3. Executive Summary

i. This independent review of the World Bank Group’s (WBG) Completion and Learning Review (CLR) covers the period of the Country Partnership Strategy (CPS), FY15-FY18, as extended by the Performance and Learning Review (PLR), dated November 7, 2017, which updated aspects of the original CPS.

ii. The Republic of North Macedonia (North Macedonia) is an upper middle-income country with a Gross National Income (GNI) per capita of \$4,880 in 2017. It is a small, land-locked country; and a population of 2.1 million, with investment and exports as the main drivers of growth since 2009. GDP growth averaged 2.3 percent during the CPS period (2015-18) - above the average growth during the previous four years (2.1 percent) - despite a decline in growth during the 2015–17 political crisis.¹ The crisis undermined confidence in the economy and led to the slowdown of both growth and job creation. The poverty rate was 22 percent in 2016 (30 percent rural and 17 percent urban), having declined since 2010 (from 27 percent). The country’s Human Development Index increased from 0.754 percent in 2015 to 0.757 in 2018, ranking 80th among 189 countries in 2018. Inequality (the GINI Index) was 35.6 in 2014, higher than in similar European countries.

iii. The World Bank Group’s (WBG) CPS had two pillars (or focus areas): (i) growth and competitiveness, and (ii) skills and inclusion. The CPS was broadly aligned with the Government’s 2014-2018 program, which sought increased growth and employment, international integration, reduced corruption and more efficient law enforcement, better inter-ethnic relations, and investments in education, innovation and technology. Specifically, the CPS supported the growth and employment, infrastructure, social protection, and education pillars of the Government’s program and the government’s efforts to stabilize public debt. The European Union (EU) accession agenda was a cross-cutting theme in the CPS. At the PLR stage, the CPS maintained its overall focus, albeit with some changes in emphasis, and was aligned with the new Government program (2017-20) that focused on growth, jobs, and social protection, among other areas.

¹ The political crisis followed the April 2014 presidential and parliamentary election, which the main opposition party disputed and escalated in early 2015. The crisis concluded with the formation of a new coalition Government in June 2017.

CLR Reviewed by:	Peer Reviewed by:	CLR Review Manager/Coordinator
Mauricio Carrizosa IEGEC Consultant	Jorge Garcia Garcia IEGEC Consultant	Jeff Chelsky Manager, IEGEC
Albert Martinez IEGEC Consultant		Lourdes Pagan CLRR Coordinator, IEGEC



iv. At the beginning of the CPS period, total IBRD commitments were \$349.4 million, with nine Investment Project Financing (IPF) operations and one Development Policy Financing (DPF) operation. During the CPS period, total new IBRD commitments were \$223.4 million, lower than the planned CPS volume of \$400.0 million. The new lending portfolio consisted of four new IPF operations and reflected a shift in focus from the inherited portfolio. Compared to the pre-existing portfolio, the new lending portfolio allocated more for transport (72 percent from 30 percent) and municipal services (from 12 to 21 percent); and less for social protection (from 15 to 7 percent); and none to other sectors in the pre-existing portfolio, including energy, skills development, competitiveness, and cadaster services. Trust Funds (TFs) amounting to \$42 million provided complementary financing to IBRD lending.

v. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the seven CPS objectives, five were Achieved or Mostly Achieved and two were Partially Achieved or Not Achieved. On Focus Area I (growth and competitiveness), there was good progress in improving public finance and road infrastructure, and increasing the availability of clean energy. However, progress on improving the investment climate was limited. On Focus Area II (skills and inclusion), there was substantial progress on improving the efficiency of the social protection system. There was also good progress in improving access to water and sanitation connections. However, there was no progress on focusing the education system on skills for the labor market.

vi. IEG rates WBG performance as **Good**. The CPS addressed well-identified development challenges. The CPS was selective, its objectives addressed critical constraints and were consistent with the twin corporate goals. The planned interventions (lending and ASA) and use of instruments were generally appropriate to achieve CPS objectives. There was a division of labor between the Bank and IFC, but joint work was limited. The World Bank Group forged partnerships with other development partners, mainly the EU. The results framework reflected reasonably well the link between the government's strategy, CPS objectives and Bank Group interventions. The CPS identified relevant risks with appropriate mitigation measures; however, it did not anticipate the depth and length of the 2015-17 political crisis. New lending and IFC investments slowed down during the crisis. The World Bank delivered higher than planned ASA outputs that enhanced its preparedness for future operations and provided advice to the new government. Due to the World Bank's proactive portfolio management, active and closed portfolio performed well, with no major fiduciary or safeguards issues, despite implementation challenges from the crisis. INT received two complaints but did not launch any investigations.

vii. The CLR provided seven lessons and three key lessons are summarized as follows. First, work in a complex political environment requires flexibility, proactive portfolio monitoring, and close engagement and dialogue with the Government. Second, to be a politically independent actor, the WBG needs to gain broad acceptance by engaging with the Government as well as representatives of opposition parties and civil society. Third, linking the CPS to the EU accession agenda helps accelerate accession.

viii. IEG adds the following lessons:

- During a political crisis, increased use of ASA to compensate for decline in lending and sound portfolio management can help sustain the World Bank Group's engagement and impact. As a result of the 2015-17 crisis in North Macedonia, the Bank Group postponed new lending operations but scaled up its ASA work. The ASA work provided the analytical underpinnings for new operations and provided policy advice to the new government. The focus on portfolio management contributed to sustained improvements in the World Bank's active portfolio and yielded better results at exit.
- World Bank Group's support for the accession agenda can advance reforms and yield better development outcomes. Thus far, accession support (e.g., on energy) helped achieve the CPS development outcomes. The recent resolution of North Macedonia's dispute with Greece will allow negotiations to move forward and thus open a new window of opportunity for the Bank Group to further anchor its support to the EU accession development agenda.



Going forward, the Bank Group engagement may entail even closer coordination with development partners, notably the EU, to provide needed financing and analytical support.

4. Strategic Focus

Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** The CPS objectives were congruent with the Government's 2014-2018 Program and fiscal adjustment plans. Objectives were specifically aligned with the program's pillars covering growth and employment, infrastructure, social protection, and education. In addition, the CPS objective to improve fiscal and public financial management addressed North Macedonia's expansion of public debt in the aftermath of the 2009 global crisis. The CPS objectives also addressed other significant development constraints, including the country's remaining challenges on its investment climate (e.g., access to finance), lagging road infrastructure, energy intensity, the disconnect between education outcomes and private sector needs, the scope for improvement in the targeting and efficiency of the social safety net, and gaps in access to basic services.

2. **Relevance of Design.** The proposed program interventions could be expected to contribute towards the achievement of most CPS objectives. The CPS envisaged a combination of IPF, DPF, and ASA to achieve its objectives. Two DPF operations were to support fiscal reforms and competitiveness. IPF operations and IFC investments covered other areas (investment climate, infrastructure, social protection, education, and basic services), with IFC focusing on the investment climate and energy infrastructure. The planned World Bank ASA and IFC AS covered all areas of engagement, and included integrative tasks (poverty, gender). Many ASA outputs had a regional scope, covering six countries² in the Western Balkans (WBLKs). Given North Macedonia's focus on accession to the European Union (EU), the CPS planned to forge partnerships with key European institutions, primarily the EU and also with the European Commission (EC), and the European Bank for Reconstruction and Development (EBRD). Two key assumptions underpinned the CPS. First, political stability would improve during the CPS period, following the refusal of the main opposition party to participate in Parliament after the 2014 election. Second, continued progress would be made toward EU accession. The 2015-17 political crisis, delayed government programs, private investment, and CPS implementation. It was resolved in with the inauguration of a new coalition government in 2017. Accession prospects have been a key anchor of the reform agenda and of North Macedonia's investment climate, as well as a source of concessional funds.³

Selectivity

3. The CPS was selective in terms of focus areas, objectives (albeit some objectives are compounded) and indicators and number of projects. In terms of focus areas, the CPS supported four of the eight pillars of the government's strategic priorities. The selected areas also build on the WBG's prior engagements (competitiveness, roads, basis infrastructure, and social protection) and planned ASA. CPS objectives were limited in number (7) and fairly specific (e.g., education focused on labor market skills). Selected indicators were aligned with WBG operations and/or ASA work. During the CPS period, average project size increased to \$50 million from \$32 million in the preexisting portfolio. The actual number of projects was reduced to four, from the planned eight at the PLR stage, as a result of the political crisis.

Alignment

4. The CPS objectives were broadly aligned with the twin goals of poverty reduction and shared prosperity. The first focus area (growth and competitiveness) sought to increase growth through improved fiscal policies, private investment, and infrastructure. The second focus area (skills and inclusion) covered education, social protection, and access to basic services. The first focus area is

² Albania, Bosnia and Herzegovina, Kosovo, Republic of North Macedonia, Montenegro, and Serbia.

³ Candidates to the EU benefit from concessional funds through the EC Instrument for Pre-accession Assistance (IPA).



relevant to the growth agenda while the second focus area contributes to the inclusiveness agenda. Both reflect the CPS' assumption that poverty reduction and shared prosperity need private sector led growth and investment, leading to more jobs, as well as investment in skills, and assurance of adequate social protection and equal access to economic opportunities.

5. Development Outcome

Overview of Achievement by Objective:

5. This assessment follows the IEG-WBG Shared Approach on Country Engagement and considers the degree to which CPS objectives (designated as outcomes in the PLR results matrix) were achieved relative to the CPS results framework as revised at the PLR stage.

Focus Area I: Growth and Competitiveness.

6. Focus Area I had four objectives: (i) Improved fiscal and public financial management; (ii) Better conditions for private investment and links to FDI; (iii) Road infrastructure improved; and (iv) More clean energy available.

7. **Objective 1: Improved fiscal and public financial management (PFM).** The World Bank supported this objective through two projects and several ASA outputs. Projects were the FY08 Regional and Local Roads Program Support Project and the FY15 National and Regional Roads Rehabilitation Project.⁴ Key ASA outputs included the FY16 Macedonia Public Expenditure Review; the FY18 Public Finance Review TA; assistance through the WBG's Debt and Risk Management Program beginning in 2017; FY17 policy notes on PFM, efficiency of public spending, and debt sustainability; the FY18 Organic Budget Law TA; the FY18 Public Sector Reform Support; and TF support on Accounting and Reporting (PULSAR⁵ and EU REPARIS⁶). This objective had four indicators:

- Fiscal deficit of the general government declines in line with medium-term budget framework: Baseline: 4.2 percent of GDP (2014); Target: below 3 percent of GDP (2018). The fiscal deficit is estimated at 1.8% in 2018. *Achieved.*
- Quarterly reports on consolidated public and publicly guaranteed debt published on the MoF website: Baseline: No (Q2 2014); Target: Yes (Q3 2014). Consolidated quarterly reports are regularly published on the Ministry of Finance (MoF) website since the 3rd quarter of 2014. *Achieved.*
- Organic budget law approved: Baseline: No (2017); Target: Yes (2018). Law has not yet been approved. *Not Achieved.*
- Road Enterprise makes investments using Road Asset Management System (RAMS): Baseline: No (2014); Target: Yes (2018). RAMS has been completed but not used in road preservation works, *Not Achieved.*

8. The four indicators cover relevant and significant dimensions of the dual objective, with the first one indicating a significant fiscal outcome and the second reflecting realized improvements in debt reporting, a critical PFM dimension. With two targets rated *Achieved*, including the important fiscal deficit outcome, and two *Not Achieved*, IEG rates Objective 1 as ***Mostly Achieved***.

⁴ The FY08 project included a financial management plan that satisfied “simultaneously the objective of a unified system for financial management of FYR Macedonia’s road sector investments, and also the need to comply with the typical fiduciary requirements of the World Bank and other IFIs” (PAD, par, 50). Similarly, the FY15 project highlighted the value added the project brought on financial management, among other areas (PAD para. 15).

⁵ Public Sector Accounting and Reporting Program.

⁶ Road to Europe Program of Accounting Reform and Institutional Strengthening



9. **Objective 2: Better conditions for private investment and links to FDI.** This objective was supported through the FY14 Competitiveness DPL2. Key ASA outputs included the FY17 Policy Notes on Competitiveness of Private Sector and Transition to Innovation Driven Economy, the FY19 Investment Readiness Impact Evaluation, the Competitive Industries and Innovation Support Program (TF), the Investment Readiness Impact Evaluation (EU REPARIS), the Local and Regional Competitiveness in Tourism (TFs), and IFC AS covering automotive backward linkages (with the Bank), road concessions, and hydro power. This objective had six indicators. However, two of the indicators were compound indicators, resulting in 10 indicators in total:
- Private investment facilitated in the real sector through IFC interventions: Baseline: EUR80 million (2014); Target: EUR180 million (2017). About USD 244 million of private investment was facilitated in the real sector through the IFC Renewable Energy Advisory Program in Small Hydro Power. *Achieved.*
 - Number of people and MSMEs with improved access to financial services: Baseline: 1,751 (2015); Target: 7,100 (2019). The DOTS database shows a decline in the number of MSME loans outstanding (in IFC client institutions) from 4,647 in 2015 to 2,491 in 2016. *Not Achieved.*
 - Volume of outstanding MSME loan portfolio of IFC clients: Baseline: \$54.2 million (2015); Target: \$588.6 million (2019). IEG could not verify the baseline or data provided in the CLR. The DOTS database shows a decline in the volume to MSME loans outstanding (in IFC client institutions) from \$207 million in 2015 to \$181 million in 2016. *Not Achieved.*
 - Number of days to obtain construction permit: Baseline: Average 181.1; Manufacturing 43; Services 243.1 (BEEPS) (2013); Target: Average 83; Manufacturing 25; Services 100 (2018). BEEPS 2017-2018 is not available for North Macedonia to assess progress. Additional information from Doing Business data shows that 96 days and 11 procedures were required in 2017 to obtain construction permits compared to 90 days and 12 procedures in 2014. Data for Manufacturing and Services were not available. Therefore, two indicators are *Not Verified* and one is *Partially Achieved*.
 - Improved local business and export sophistication: The Business Sophistication score declined from 3.65 (2013 baseline) to 3.4, against a target of 4.0 (*Not Achieved*) the "Innovation" indicator improved from 3.2 to 3.4, against a target of 4.0 (*Partially Achieved*); and the share of high and medium tech products in the country's exports increased from 57 percent in 2016 to 57.4 percent in 2017, against a target of 60 percent (*Partially Achieved*).
 - Jobs created by greenfield FDI with state incentives (in and outside Technological Industrial Development Zones). Baseline: 12,000 (2016) Target: 13,000 (2018). No data was available that could measure progress from 2016 to 2018. *Not Verified.*
10. The indicators above do not sufficiently measure the dual objective of better conditions for private investment and links to FDI. The indicators do not cover FDI or provide an indication of overall conditions for private investment. Although the ease of doing business improved, the limited scope and progress in five of the 10 indicators above suggests that the WBG's contribution was correspondingly limited. IEG rates Objective 2 as **Partially Achieved**.
11. **Objective 3: Road infrastructure improved.** The World Bank supported this objective through the FY08 Regional and Local Roads Program Support Project, the FY15 National and Regional Road Rehabilitation project, and an FY17 Policy Note on Transport. IFC provided support through its Regional PPP Advisory Program. This objective had one indicator.
- Percentage of national and regional roads network in good and fair condition increased: Baseline: 79% (2014); Target: 81% (2018). The share of roads in good or fair condition out of the total of classified roads was 87% as of May 2018. *Achieved.*
12. The indicator reflects the road infrastructure objective. IEG rates Objective 3 as **Achieved**.



13. **Objective 4: More clean energy available.** This objective was supported through the FY06 Energy Community of South East Europe Program (APL3), the FY17 Policy Note on Energy, the FY16 Municipal Efficiency Energy Promotion TA, the FY19 WBLKs Biomass Heating Sector Study, and TF support on Infrastructure Sharing (WBLKs). IFC provided support through the FY12 IFC Renewable Energy Macedonia Small Hydro Advisory Project. This objective had one indicator:

- Additional annual renewable clean energy generation: Baseline: 0 GWh (2014); Target: 105 GWh (Bank) + 100 GWh (IFC) (2018). 150 renewable energy plants with a capacity of 150 MW were constructed, translating into 336.2 GWh of new renewable energy to be produced per year. *Achieved.*

14. The indicator reflects the clean energy objective. IEG rates Objective 4 as **Achieved**.

15. IEG rates Focus Area I as **Moderately Satisfactory**. There was good progress in improving public finance and road infrastructure, and increasing the availability of clean energy. However, there was limited progress on improving investment climate.

16. **Focus Area II: Skills and Inclusion**

17. Focus Area II had three objectives: (i) tertiary and vocational education system more focused on skills for labor market, (ii) social protection system more efficient and compatible with employment, and (iii) access to basic and municipal services enhanced.

18. **Objective 5: Tertiary and vocational education system more focused on skills for labor market.** This objective was supported through the FY14 Skills Development and Innovation Support project, an FY17 Policy Note on Education, and a Western Balkans FY18 Education Engagement TA. This objective had two indicators:

- Share of public universities accredited with new quality assurance measures consistent with EU norms: Baseline: 0 (2014); Target: 60 percent (2018). There was no progress in this indicator. *Not Achieved.*
- Percentage increase in the number of secondary Technical and Vocational Education and Training (TVET) students benefiting from practical training in SMEs and large firms: Baseline: 11,543 students (2016); Target: 20 percent increase (2018). There was no progress in this indicator. *Not Achieved.*

19. The first indicator does not reflect the TVET objective and the second indicator was not achieved. IEG rates Objective 5 as **Not Achieved**.

20. **Objective 6: Social protection system more efficient and compatible with employment.**

This objective was supported through two projects and several ASA. The projects were the FY09 Conditional Cash Transfers Project and the FY19 Social Service Improvement Project. Key ASA support included the FY15 WBLKs Poverty Assessment TA; the FY15 Integrating Distributional Analysis; and the FY17 Policy Notes on Jobs and Labor Market, Poverty, Inequality and Shared Prosperity, Social Assistance, and Gender Policy. This objective had three indicators:

- Share of the poorest quintile receiving social assistance: Baseline: 65.6% (2011); Target: over 70% (2018). Although the share within the poorest quintile receiving social assistance could not be verified, the share of social assistance going to the poorest quintile improved, from 65.8 percent in May 2014 to 77.7 percent in June 2018. Total social assistance amounts increased by 25 percent between 2014 and 2018, well above inflation (2.3). Since the share increased, the real amounts to the poor also increased. *Achieved.*
- Share of Social Financial Assistance beneficiaries with children ages 15-18 registered for conditional cash transfers: Baseline: 76% (women: 47%) (2014); Target: over 80% (women: at least 47 percent) (2018). 86 percent of children aged 15-18 that benefited from social financial assistance have been registered for conditional cash transfers (CCT) as of June 2018. The share of women was 48 percent. *Achieved.*



- Share of recipients of social assistance who work formally: Baseline: 1.46% (women - 0.99%) (2014); Target: 5% (women – 3%) (2018). The CLR reports that 6.89 percent of recipients work formally. However, IEG could not verify the share of women recipients. *Mostly Achieved.*

21. The first two indicators reflect increased targeting accuracy of the social protection system, which is a dimension of efficiency. IEG rates objective 6 as **Mostly Achieved**.

22. **Objective 7: Access to basic and municipal services enhanced.** This objective was supported through the Municipal Services Improvement Projects 1 (FY09) and 2 (FY16). The objective had two indicators:

- Additional households with improved piped water connections: Baseline: 0 (2014); Target: 30,000 (2018). 16,308 additional households benefited from improved piped water connections as of June 2018. *Partially Achieved.*
- Additional households with improved solid waste services: Baseline: 0 (2014); Target: 60,000 (2018). 524,216 people in urban areas were provided with access to regular solid waste collection as of December 2018, which, represents about 146,000 households. *Achieved.*

23. Additional information provided by the region indicates that 414,000 people benefited from improved local infrastructure. On balance, IEG rates Objective 7 as **Mostly Achieved**.

24. Focus Area II is rated as **Moderately Satisfactory**. There was substantial progress on improving the efficiency of the social protection system. There was also good progress in improving access to water and sanitation connections. However, there was no progress on focusing the education system on skills for the labor market.

Overall Assessment and Rating

25. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the seven objectives, five were Achieved or Mostly Achieved and two were Partially Achieved or Not Achieved. On Focus Area I (Growth and Competitiveness), there was good progress in improving public finance and road infrastructure and increasing the availability of clean energy. However, progress on improving investment climate was limited. On Focus Area II (Skills and Inclusion), there was substantial progress on improving the efficiency of the social protection system. There was also good progress in improving access to water and sanitation connections. However, there was no progress on focusing the education system on skills for the labor market.

Objectives	CLR Rating	IEG Rating
Focus Area I: Growth and Competitiveness.	Not Rated	Moderately Satisfactory
Objective 1: Improved fiscal and public financial management.	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
Objective 2: Better conditions for private investment and links to FDI.	<i>Partially Achieved</i>	<i>Partially Achieved</i>
Objective 3: Road infrastructure improved.	<i>Achieved</i>	<i>Achieved</i>
Objective 4: More clean energy available.	<i>Achieved</i>	<i>Achieved</i>
Focus Area II: Skills and Inclusion.	Not Rated	Moderately Satisfactory
Objective 5: Tertiary and vocational education system more focused on skills for labor market.	<i>Not Achieved</i>	<i>Not Achieved</i>
Objective 6: Social protection system more efficient and compatible with employment.	<i>Achieved</i>	<i>Mostly Achieved</i>
Objective 7: Access to basic and municipal services enhanced.	<i>Achieved</i>	<i>Mostly Achieved</i>



6. WBG Performance

Lending and Investments

26. At the beginning of the CPS period, total IBRD commitments were \$349.4 million, with nine IPF operations, including three Additional Financing, and one DPF operation. During the CPS period, total new commitments of \$223.4 million were below the planned \$400.0 million, reflecting delays in the development of new operations due to the 2015-17 political crisis. The new lending portfolio consisted of four IPF operations, reflecting a shift in focus from the inherited portfolio. Compared to the pre-existing portfolio, the new financing portfolio allocated more for transport (72 percent from 30 percent) and for municipal services (from 12 percent to 21 percent); and less for social protection (from 15 percent to 7 percent); and none to other sectors in the pre-existing portfolio, including energy, skills development, competitiveness, and cadaster services. In addition to IBRD lending, TF commitments were \$ 42 million, including \$34.9 million from the EU IPA TFs for Municipal Services Improvement (rural component) and Local and Regional Competitiveness in Tourism.

27. During the CPS period, North Macedonia's portfolio at exit performed well compared to the World Bank and ECA averages. All four projects validated by IEG (or 100%) were rated Moderately Satisfactory or better, above the averages for ECA (83 percent) and the Bank (78 percent). In terms of commitments, North Macedonia also performed well, with all four projects rated Moderately Satisfactory or better compared to the averages for ECA (91 percent) and World Bank (86 percent). However, North Macedonia's closed portfolio had a lower percentage of moderate or lower risk to development outcome (RDO) ratings (26 percent and 40 percent in value and number of operations, respectively), compared to the averages for ECA (60 percent and 52 percent), and Bank-wide (48 percent and 42 percent). The overall high RDO rating for North Macedonia's portfolio at exit was due to two operations that had significant to high risks of not being sustained in the future.

28. Overall, North Macedonia's active World Bank portfolio also performed well, notwithstanding the 2015-17 crisis that significantly affected some projects. Only one project (3 percent) was at risk during the CPS period compared to ECA (20 percent) and the World Bank (24 percent). In terms of commitments, North Macedonia's portfolio at risk was 6 percent compared to ECA (17 percent) and the World Bank (22 percent). According to the CLR, good portfolio performance reflects the Bank Group's strengthened efforts at portfolio management, including special focus on procurement, support to technical staff in project implementation units, and regular portfolio briefings with the Ministry of Finance.

29. During the CPS period, IFC made net commitments of \$19.8 million in long term loans to one company in the financial sector and another in the industry sector. IFC investments declined markedly compared to plans as the crisis reduced investment demand and created excess bank liquidity. The financial sector investment supported the third largest bank whose growth strategy focused on the SME segment. The industry sector investment supported IFC's efforts to develop local supply chains in the automotive industry. Average outstanding commitments under the short-term trade finance guarantee amounted to \$1.5 million.

30. During the CPS period, IEG validated (EvNote) two IFC Expanded Project Supervision Report (XPSR). IEG rated a commercial banking project Mostly Unsuccessful for Development Effectiveness since the project materially fell short of targets. IEG rated a second commercial banking project Mostly Successful for Development Outcome.

31. During the CPS period, MIGA underwrote political risk guarantees to two financial institutions amounting to \$156.4 million.

Advisory Services and Analytics products (ASA)

32. The World Bank delivered more ASA outputs compared to what was envisaged in the original CPS and revised at the PLR stage, to compensate for the drop in lending following the political crisis. The scaled- up ASA provided the basis for new operations and provide advice to the



new government. Most ASA topics were closely aligned with CPS objectives and cross-cutting issues. The CPS planned for 11 tasks, but the World Bank delivered 33 ASA comprising 11 Economic Sector Work (ESW) and 22 Technical Assistance (TA) outputs. Key ASA outputs were on public expenditure, debt issues, public sector reform, and energy efficiency; and addressed cross-cutting topics, notably gender and poverty. The regional perspective was covered in several Western Balkans reports, including on growth and shared prosperity, transport connectivity and trade logistics, and education. Outputs with donor financing strengthened coverage of CPS areas, including labor markets, energy efficiency and municipal services. Many reports, notably the 2017 Policy Notes, are not available to the public in the World Bank's Open Knowledge Repository.

33. During the CPS period, IFC approved one AS project amounting to \$1.8 million to support the development of local supply chains in the automotive sector. The project was terminated and was replaced with a regional supply chains project which would enable North Macedonia enterprises access to a larger pool of investors.

34. During the CPS period, IEG validated (EvNote) one IFC Project Completion Report for Advisory Services for an energy project. The EvNote rated the Development Effectiveness of the project as Mostly Unsuccessful due to non-achievement of expected outcomes and impact.

Results Framework

35. The results framework reflected reasonably well the links between the government's strategy, the CPS objectives and indicators, and the supporting World Bank Group's interventions. Generally, indicators were measurable, with baselines, targets and their associated dates (albeit some were provided at the PLR stage and four were not available). CPS objectives were also well supported by WBG interventions. For example, Objective 1 (improved fiscal management) addressed the rapid build-up of debt in the aftermath of the 2009 global crisis and shortcomings on public financial management. The fiscal deficit and approval of a new organic budget law were appropriate indicators that reflected progress towards this objective, and the FY16 Public Expenditure Review provided appropriate support through its analyses of debt sustainability and the budget process. At the PLR stage, associated baseline and target dates were added for most of the indicators and some indicators were added or dropped to capture increased WBG engagement in some areas of public finance, access to finance and competitiveness, and to reflect implementation delays. However, there were some shortcomings: Objective 2 (on private investment), where IFC's transactional indicators do not appropriately reflect the country-wide objective; and Objective 5, where the first indicator does not capture the focus on TVET objective.

Partnerships and Development Partner Coordination

36. The CPS envisaged strong coordination with partners, primarily with the European Union. It also coordinated its activities with other partners including the European Bank for Reconstruction and Development, the European Investment Bank (EIB), the Council of Europe Development Bank (CEB), and the European Commission. Coordination issues included assurance of complementarity of projects and advisory services to jointly reinforce the EU accession process; cooperation through parallel/joint financing (with the EBRD on roads rehabilitation and with the EU on municipal services), consideration of EU *acquis* requirements⁷, and capacity to absorb IPA funds. The CLR notes that the EU was the key partner of the World Bank to advance the accession cross-cutting theme and to help North Macedonia absorb available IPA funds through two World Bank projects, and to support the government on municipal services, public administration reform, education, competitiveness, and labor markets. The World Bank also coordinated its activities with the U.S. Agency for International Development (USAID) and the Swiss State Secretariat for Economic Affairs (SECO), under the Municipal Services Improvement Project.

⁷ *Acquis Communautaire* is the accumulated body of European Union (EU) law and obligations.



Safeguards and Fiduciary Issues

37. During the CPS period, three projects (in transport, social development, and energy and extractives) triggered environmental and social safeguards. The CLR reports that safeguards policy requirements were complied with, despite implementation delays and coordination difficulties experienced in the application of the Involuntary Resettlement policy. In the case of the Energy Community of South East Europe Adaptable Program Loan (P082337), the reported problems relate to the poor management of the land acquisition process, inadequate coordination and poor dialogue between the stakeholders, which caused the affected population to resist the project and block access to the construction sites. In the case of the Regional and Local Roads Program Support project (P107840), implementation challenges included poor road side maintenance, hazardous slope, and absence of measures to protect the infrastructure. The projects' ICRs and ICRRs confirmed the general compliance with the policy requirements. The ICRs and ICRRs further noted that all these issues were mitigated at projects' completion. No Inspection Panel investigation was recorded during the CPS.

38. During the review period, INT received one complaint on a social protection project and one related to an IFC operation. INT did not launch any investigations.

Ownership and Flexibility

39. The alignment of the CPS objectives with the government's 2014-18 program ensured government commitment to implement the CPS program. In addition, the CPS consultations with the government, civil society, the private sector, academia and other development partners was informed by the findings of a March 2015 Opinion Survey and by consultations with the government, civil society, the private sector, academia and other development partners. However, the government's commitment wavered in some areas during the 2015-17 political crisis. The CLR notes, for example, that the political crisis affected the ability of the government to interact with stakeholders in higher education, stalling the reform program in this area. The World Bank responded to changes in commitment by reducing lending, intensifying portfolio management and increasing ASA. As result, the number of projects approved during the CPS period declined from 8 to 4 projects while ASA outputs increased from 11 planned to 33 actual outputs. Nevertheless, with continued engagement, and as the crisis subsided, financing activities picked up pace again in FY19. The World Bank also demonstrated flexibility in other areas, including timely response to government demands for scaled up ASA (e.g., the policy notes to the new government) and for additional financing to the Municipal Services Improvement Project.

WBG Internal Cooperation

40. Bank and IFC activities largely reflected a division of labor between the two institutions, with limited joint work. The CPS envisaged a division of labor between the two institutions, with IFC working on the supply of credit to SMEs and the World Bank addressing the demand side. However, the CPS also anticipated joint IFC/Bank implementation of the Balkans Renewable Energy Program. During implementation, the CLR notes that both institutions worked jointly on trade logistics (risk-based border inspections), tourism, and automotive backward linkages pilot program⁸. Two of the seven CPS objectives (private investment and clean energy) were covered by both the World Bank and IFC, reflecting primarily division of labor. On Objective 2 (private investment) IFC provided support through its MSMEs portfolio and ASA on automotive backward linkages ((jointly with the World Bank), road concessions, and hydro power. The World Bank supported policy reforms through its Competitiveness DPL and several other ASA outputs. On Objective 4 (Clean Energy) (IFC provided support for investment in renewable energy through its renewable Energy Macedonia Small Hydro Advisory Project and the World Bank provided ASA on energy.

⁸ The program seeks to stimulate linkages between local small and medium enterprises and large foreign companies operating in a country.



Risk Identification and Mitigation

41. The CPS and PLR identified seven major risk factors that could affect the program's implementation: a deteriorating Euro economy, political instability (particularly due to unemployment and the slow pace of EU accession), natural disasters (mainly floods and earthquakes), changing priorities which could delay implementation, resistance to high profile operations, capacity constraints, and data constraints (notably on poverty and shared prosperity). The PLR assessed the overall risk as *Moderate*, albeit *Substantial* on political, capacity, and environmental/social risks. Intended mitigation strategies included changes in the volume or composition of financial support, Bank advice on disaster risk management, social and environmental safeguards (and technical assistance and implementation). The CLR argues that although the Bank did not anticipate the depth and length of the 2015-17 political crisis, it attenuated its effect on implementation through portfolio management, support to technical staff, stakeholder engagement, and ASA. Nevertheless, the crisis contributed to the decline in IFC lending (e.g., with lower demand for credit during 2017) from \$80-100 million to \$20 million, and to the delay in the planned fiscal and competitiveness DPLs to FY19.

Overall Assessment and Rating

42. IEG rates WBG performance as **Good**. The CPS addressed well-identified development challenges and benefited from alignment with the Government's 2014-18 economic program, consultation with multiple stakeholders, and from the findings of a 2015 opinion survey. The CPS was selective, and the objectives addressed critical constraints and were consistent with the twin corporate goals. The planned interventions (lending and ASA) and use of instruments were generally appropriate to achieve CPS objectives. There was a division of labor between the Bank and IFC, but with limited joint work. The World Bank Group forged partnerships with other development partners, mainly with the EU and also with other EU institutions, USAID and SECO. The results framework reflected reasonably well the link between the government's strategy, objectives and Bank Group interventions. Although the CPS identified relevant risks with appropriate mitigation measures, it did not anticipate the depth and length of the 2015-17 political crisis.

43. Implementation of new lending and IFC investments slowed down during the 2015-17 political crisis. In contrast to lending, the Bank delivered higher than planned ASA outputs that increased its preparedness for future operations and provided advice to the new government. Active and closed portfolio performed well overall with no major fiduciary or safeguards issues, despite implementation challenges from the crisis. According to the CLR, the Bank Group took a proactive stance in portfolio management including focus on procurement, support for technical staff in projects, briefings with the Ministry of Finance, and stakeholder outreach and collaboration. INT received two complaints but did not launch any investigations.

7. Assessment of CLR Quality

44. The CLR presents a careful and informative assessment of the CPS development outcomes and World Bank Group performance. It provides evidence on the extent to which outcomes were achieved and brings in additional evidence to supplement CPS indicators. The CLR also presents a well-considered assessment of CPS design and implementation and its alignment with the corporate goals. However, it is unclear in some cases how the lessons relate to CLR findings.

8. Findings and Lessons

45. The CLR provided seven lessons and three key lessons are summarized as follows. First, work in a complex political environment requires flexibility, proactive portfolio monitoring, and close engagement and dialogue with the Government. Second, to be a politically independent actor, the WBG needs to gain broad acceptance by engaging with the Government as well as representatives of opposition parties and civil society. Third, linking the CPS to the EU accession agenda helps accelerate accession.



46. IEG adds the following lessons:

- During a political crisis, increased use of ASA to compensate for decline in lending and sound portfolio management can help sustain the World Bank Groups engagement and impact. As a result of the 2015-17 crisis in North Macedonia, the Bank Group postponed new lending operations and scaled up its ASA work. The ASA work provided the analytical underpinnings for new operations and provided policy advice to the new government. The focus on portfolio management contributed to sustained improvements in the World Bank's active portfolio and yielded better results at exit.
- World Bank Group's support for the accession agenda can advance reforms and yield better development outcomes. Thus far, accession support (e.g., on energy) helped achieve the CPS development outcomes. The recent resolution of North Macedonia's dispute with Greece will allow negotiations to move forward and thus open a new window of opportunity for the WBG to further anchor its support to the EU accession development agenda. Going forward, the Bank Group engagement may entail even closer coordination with development partners, notably the EU, to provide needed financing and analytical support.



- Annex Table 1: Summary of Achievements of CPS Objectives – Republic of North Macedonia
- Annex Table 2: Planned and Actual Lending for the Republic of North Macedonia, FY15-FY19 (\$, millions)
- Annex Table 3: Advisory Services and Analytics Work for the Republic of North Macedonia, FY15-FY19
- Annex Table 4: The Republic of North Macedonia Grants and Trust Funds Active in FY15-FY19 (\$, millions)
- Annex Table 5: IEG Project Ratings for the Republic of North Macedonia, FY15-FY19 (\$, millions)
- Annex Table 6: IEG Project Ratings for the Republic of North Macedonia and Comparators, FY15-FY19
- Annex Table 7: Portfolio Status for the Republic of North Macedonia and Comparators, FY15-FY19
- Annex Table 8: Disbursement Ratio for the Republic of North Macedonia, FY15-FY19
- Annex Table 9: Net Disbursements and Charges for the Republic of North Macedonia, FY15-FY19 (\$, millions)
- Annex Table 10: Total Net Disbursements of Official Development Assistance for the Republic of North Macedonia (\$, millions)
- Annex Table 11: Economic and Social Indicators for the Republic of North Macedonia
- Annex Table 12: List of IFC Investments in the Republic of North Macedonia (\$, millions)
- Annex Table 13: List of IFC Advisory Services in the Republic of North Macedonia (\$, millions)
- Annex Table 14: IFC net commitment activity in the Republic of North Macedonia, FY15 - FY18 (\$, millions)
- Annex Table 15: List of MIGA Projects Active in the Republic of North Macedonia, FY15-18 (\$, millions)

Annex Table 1: Summary of Achievements of CPS Objectives – Republic of North Macedonia

	CPS FY15-FY18: Focus Area I: <i>Growth and Competitiveness</i>	Actual Results	IEG Comments
Major Outcome Measures	1. CPS Objective: Improved fiscal and public financial management		
	Indicator 1: Fiscal deficit declines in line with medium-term budget framework: Baseline: 4.2 percent of GDP (2014) Target: below 3 percent of GDP (2018)	The WBG supported the preparation of the Macedonia Public Expenditure Review (PER , project P147200, FY16) and of a Public Finance Review (PFR) (P165084, FY18). In addition, North Macedonia joined the WBG Debt and Risk Management Program (P162741, FY17) in December 2016 (see WBG information and the concept note) which supported the preparation of an action plan for debt management reforms. As indicated in the CLR, the estimated fiscal deficit of the General Government was 1.8% of GDP in 2018, excluding the Public Enterprise for State Roads (PESR) debt, according to North Macedonia's Ministry of Finance . Achieved	Before the PLR, the indicator's baseline was: 4.1 percent of GDP (2014). Years added at PLR for the baseline/target.
	Indicator 2: Quarterly reports on consolidated public and publicly guaranteed debt published on the MoF website: Baseline: No (2014) Target: Yes (Q3 2014)	The Public Expenditure Policy Based Guarantee (P133791, FY14, see IEG ICRR: MS) supported this indicator. North Macedonia benefited from the WBG Debt and Risk Management Program (P162741, FY17) in December 2016 (see WBG information and the concept note). As reported in the CLR, consolidated quarterly reports are regularly published on the Ministry of Finance (MoF) website since the 3 rd quarter of 2014. The Statistical Review information from the MoF's website presents this data since the 1 st quarter of 2014. Achieved	The 2018 IMF Fiscal Transparency Evaluation for North Macedonia (see document) indicates that quarterly public debt reports, which includes information on general government and government guaranteed debt, are published within one month of the end of the quarter.
	Indicator 3: Organic budget law approved: Baseline: No (2017) Target: Yes (2018)	The WBG supported technical assistance on Organic Budget Law (P168027, FY18, see Concept Note). The 2018 IMF Fiscal Transparency Evaluation for North Macedonia (see document) reports there have been some reforms on the Budget Law, aimed at improving the quality and transparency of the budget and of medium-term budgeting procedures. The North Macedonian Public Financial Management Reform Program 2018-2021 (see document) reports that the Organic budget Law should be reviewed to be in line with the improvements in public financial management systems and that a new Organic Budget Law was planned for	Indicator added at PLR. Additional information provided by the country team indicates that the first draft of the Organic Budget Law was with the Ministry of Finance, awaiting their comments, as of January 2019.

	CPS FY15-FY18: Focus Area I: <i>Growth and Competitiveness</i>	Actual Results	IEG Comments
		2018. However, as reported in the CLR, the Law was not yet approved. Not Achieved	
	<u>Indicator 4: Road Enterprise makes investments using Road Asset Management System (RAMS):</u> Baseline : No (2014) Target : Yes (2018)	The National and Regional Road Rehabilitation project (P148023, FY15) supported this indicator. The June 2018 ISR: S reports that all activities to modernize road asset management have been completed, which provide the necessary tools for the Public Enterprise of States Roads (PESR) to operate as a more efficient road manager. However, the December 2018 ISR: S reports that no five-year rolling program for national and regional roads preservation works had been prepared based on RAMS. Finally, the Strategic Country Diagnosis (SCD) indicates that the asset management system, to prioritize interventions, is not being used systematically and will require better data collection. The CLR also indicates that complete institutionalization of the RAMS is pending. Not Achieved	Years added at PLR for the baseline/target.
	2. CPS Objective: Better conditions for private investment and links to FDI		
	<u>Indicator 1: Private investment facilitated in the real sector through IFC interventions:</u> Baseline : EUR80 million (2014) Target : EUR180 million (2017)	As reported in the CLR, about USD 244 million of private investment was facilitated in the real sector through the IFC Renewable Energy Advisory Program in Small Hydro Power (project 575587, FY16, see AS completion report). Achieved	Years added at PLR for the baseline/target.
	<u>Indicator 2: Number of people and MSMEs with improved access to financial services:</u> Baseline: 1,751 (2015) Target: 7,100 (2019)	The CLR reports that 1,900 people were registered in one inactive client bank as of 2016 and 3,500 as of 2017 for another active client bank according to IFC Reach database. The Reach database shows a decline in the number of MSME loans outstanding (in IFC client institutions) from 4,647 in 2015 to 2,491 in 2016. Not Achieved.	Indicator added at PLR. North Macedonia's ranking in the World Economic Forum Global Competitiveness ranking improved from 56/140 in 2015-2016 (see report) to 45/138 in 2016-2017 (see report) for the "ease of access to loans" and from 52/140 to 60/138 for the "affordability of financial services" indicator between the same dates. The 2018 World Economic Forum Global

	CPS FY15-FY18: Focus Area I: <i>Growth and Competitiveness</i>	Actual Results	IEG Comments
			Competitiveness ranking does not permit comparison as indicators have changed.
	Indicator 3: Volume of outstanding MSME loan portfolio of IFC clients: Baseline: \$54.2 million (2015) Target: \$588.6 million (2019)	The CLR reports that the volume of outstanding MSME loan portfolio of IFC clients reached USD 178 million in on inactive client bank as of calendar year 2016 and USD 230 million as of calendar year 2017 for another active client bank according to IFC Reach Database for the IFC project NLB Tutunska Banka (project 54259, FY09. The Reach database shows a decline in the volume to MSME loans outstanding (in IFC client institutions) from \$207 million in 2015 to \$181 million in 2016. Not Achieved.	Indicator added at PLR.
	Indicator 4: Number of days to obtain construction permit: Baseline: Average 181.1; Manufacturing 43; Services 243.1 (BEEPS) (2013) Target : Average 83; Manufacturing 25; Services 100 (2018)	The First and Second Competitiveness Development Policy Operation – DPO (P126038, FY13 and P130847, FY 14, IEG ICRR: S) supported this objective through prior actions oriented at attracting greenfield investment such as the establishment of a one-stop shop for construction permits. As reported by the Country Team, BEEPS 2017-2018 is not available for North Macedonia to assess progress. According to Doing Business, 96 days and 11 procedures are required in 2017 to obtain construction permits (see Doing Business 2018 report) compared to 90 days and 12 procedures in 2014 (see 2014 Doing Business report). Doing Business also indicates that North Macedonia's competitive ranking in dealing with construction permits improved from 63/189 to 26/180 between 2014 (see 2014 report) and 2018 (see 2018 report). Partially Achieved	Years added at PLR for the baseline/target. The Business Environment and Enterprise Performance Survey (BEEPS) data for 2013 (baseline) is slightly different: Manufacturing 44; Services 234.5
	Indicator 5: Improved local business and export sophistication: Baseline: Sophistication 3.65; Innovation 3.2 (Global Competitiveness Report 2013, pillars 11 & 12),	The First Second Competitiveness DPO (P126038, FY13 and P130847, FY 14, IEG ICRR: S) supported this objective in addition to the Local and Regional Competitiveness Project (P154263, FY16, December 2018 ISR: MU) and the Competitive Industries and Innovation Support Program (see October 2016 Aide Memoire and program page).	At PLR, this indicator was changed from the original: <i>Improved local business Sophistication:</i> <i>Baseline: Sophistication 3.65; Innovation</i>

	CPS FY15-FY18: Focus Area I: <i>Growth and Competitiveness</i>	Actual Results	IEG Comments
	<p>share of medium and high tech exports in the total exports – 57% (2016).</p> <p>Target: Sophistication 4.0; Innovation 4.0,</p> <p>share of medium and high tech exports in the total exports – 60% (2018).</p>	<p>In 2017, the WBG completed the report <i>Positioning FYR Macedonia for the Global Economy: the Impact of Reforms and Investment Promotion in the Automotive Components Manufacturing Sector</i> which indicates that the share of high and medium tech products in the country's export basket increased from 39% to 57% between 2011 and 2016. The CLR reports that this current share is 57.4% (2017 data from UN Comtrade using Eurostat definition of medium- and high-tech exports), missing the CPS target.</p> <p>As reported in the CLR, North Macedonia's ranking in the World Economic Forum Global Competitiveness ranking:</p> <ul style="list-style-type: none"> - slightly decreased from 72/140 in 2015-2016 (score of 3.9/7, see report) to 75/138 in 2016-2017 (score of 3.8/7, see report) for Business Sophistication indicator - slightly improved from 58/140 (score of 3.4/7) to 51/138 for the "Innovation" indicator (score of 3.4/7) between the same dates. <p>Recorded progress missed the CPS targets. Partially Achieved</p>	<p>3.2 (<i>Global Competitiveness Report 2013, pillars 11 & 12</i>)</p> <p>Target: Sophistication 4.0; Innovation 4.0 (2018)</p> <p>The 2018 World Economic Forum Global Competitiveness ranking does not permit comparison for North Macedonia as indicators used in the Report have changed.</p>
	<p><u>Indicator 6: Jobs created by greenfield FDI with state incentives (in and outside TIDZs):</u></p> <p>Baseline: 12,000 (2016) Target: 13,000 (2018)</p>	<p>The First Second Competitiveness DPO (P126038, FY13 and P130847, FY 14, IEG ICRR: S) and the Competitive Industries and Innovation Support Program (see October 2016 Aide Memoire and program page) supported the government's investment program and strengthened governance of the Technological Industrial Development Zones (TIDZs) and implement foreign direct investment (FDI) attraction reforms.</p> <p>The CLR reports that the target was achieved, with 20,000 jobs created by greenfield FDI with state incentives. The increase from 12,000 to 20,000 jobs could not be verified.</p> <p>Not Verified</p>	<p>Indicator added at PLR.</p> <p>The WBG also supported the preparation of the <i>FYR Macedonia Supplier Development Pilot Program Toolkit: Materials and Lessons Learned</i> (see report) published in 2017 and which reports on program implementation aimed at increasing the sophistication of local SMES, integrating them into the global and regional supply chains of large foreign companies located inside and outside TIDZs.</p>
	<p>3. CPS Objective: Road infrastructure improved</p> <p><u>Indicator 1: Percentage of national and regional roads network in good and fair condition increased:</u></p> <p>Baseline: 79% (2014)</p>	<p>The National and Regional Road Rehabilitation project (P148023, FY15) supported this indicator.</p> <p>The June 2018 ISR: S reports that the share of roads in good or fair condition out of the</p>	<p>At PLR, the baseline and target were changed from: <i>Baseline: 64 percent (2015)</i> <i>Target: 74 percent (2018)</i></p>

	CPS FY15-FY18: Focus Area I: <i>Growth and Competitiveness</i>	Actual Results	IEG Comments
	Target: 81% (2018)	total of classified roads was 87% as of May 2018. Achieved.	and the following indicator was dropped: <i>Number of people with better access to transportation through new PPPs: Baseline: 0 (2014) - Target: 300,000 (2018)</i>
	4. CPS Objective: More clean energy available		
	Indicator 1: Additional annual renewable clean energy generation: Baseline: 0 GWh (2014) Current: None Target: 105 GWh (Bank) + 100 GWh (IFC) (2018)	The CLR reports that the target was achieved, with 336GWh of annual renewable clean energy generation achieved, using data from the IFC Renewable Energy Macedonia Advisory Project (575587, FY12). The project's Completion Report indicates that the EUR 219 million financing in renewable energy assets in North Macedonia permitted the construction of 150 renewable energy plants with a capacity of 150 MW which translated into the benefit of 336,273 MWh (or 336.2 GWh) of new renewable energy to be produced per year. Achieved	At PLR, the following indicator was dropped: <i>Total projected lifetime energy savings of new EE measures implemented under Bank-supported programs: Baseline: 0 (2014) Target: 600 GWh (2018)</i> As reported in the CLR and the country team, no IBRD intervention contributed to this Indicator, although the the WBG supported technical assistance through the Municipal Energy Efficiency Promotion (P150863, FY16, see the produced Guidance Note of February 2016).
	CPS FY15-FY18: Focus Area II: <i>Skills and Inclusion</i>	Actual Results	IEG Comments
	5. CPS Objective: Tertiary and vocational education system more focused on skills for labor market		
Major Outcome Measures	Indicator 1: Share of public universities accredited with new quality assurance measures consistent with EU norms: Baseline: 0 (2014) Target : 60 percent (2018)	The Skills Development and Innovation Support project (P128378, FY14) supported this indicator. The December 2018 ISR: MS reports, as of October 2018, no progress in relation to the share of public universities accredited which utilize new quality assurance and accreditation measures develop din accordance with EU norms and practices. Not Achieved	Years added at PLR for the baseline /target. The ISR: MS also reports that the national quality assurance agency (NQAA) for higher education has not been established. The country team indicated that the Higher Education Law was approved in June 2018 and that it stipulates the establishment of a NQAA, responsible for accreditation and evaluation of the Higher Education Institutions and that in December 2018, the

	CPS FY15-FY18: Focus Area II: <i>Skills and Inclusion</i>	Actual Results	IEG Comments
			Government adopted a Decision for the establishment of the NQAA (see decision).
	<p><u>Indicator 2: Percentage increase in the number of secondary TVET students benefiting from practical training in SMEs and large firms:</u></p> <p>Baseline: 11,543 students (2016) Target: 20 percent increase (2018)</p>	<p>The Skills Development and Innovation Support project (P128378, FY14) supported this indicator. The December 2018 ISR: MS reports, as of October 2018, a 36.30% increase in the number of secondary technical and vocational education training (TVET) students benefiting from practical training in SME and large sized firms. It also shows that project baseline was already 36.30% as of April 2018 and, hence, that no progress has been recorded (see IEG comment). Not Achieved</p>	<p>At PLR, the indicator was revised from: "<i>Share of secondary TVET students receiving practical training in firms:</i>"</p> <p><i>Baseline: 28 percent (2014)</i> <i>Target: 48 percent (2018)"</i></p> <p>The December 2018 ISR: MS indicates that the baseline was determined previously, when the TVET Center did not use standardized questionnaire for data collection and that standardized data collection was introduced in 2015/2016 which led to a change in the baseline value to 36.60% or 11,543 students.</p>
6. CPS Objective: Social protection system more efficient and compatible with employment			
	<p><u>Indicator 1: Share of the poorest quintile receiving social assistance:</u></p> <p>Baseline: 65.6% (2011) Target: over 70% (2018)</p>	<p>The Conditional Cash Transfers Project (P103974, FY09) supported this indicator. The CLR reports that 77.7% of the poorest quintile was receiving social assistance – similarly, the July 2018 ISR: S reports that overall safety nets' targeting accuracy increased from 60.8% to 77.70% between February 2014 and June 2018. Achieved</p>	<p>Years added at PLR for the baseline /target.</p> <p>As per the Project Appraisal Document (PAD), the project's key performance indicator "Overall safety nets' targeting accuracy maintained or improved after year 4" was measured as the percentage of safety nets transfers going to the poorest quintile.</p>
	<p><u>Indicator 2: Share of Social Financial Assistance beneficiaries with children ages 15-18 registered for conditional cash transfers:</u></p> <p>Baseline: 76% (women: 47%) (2014)</p>	<p>The Conditional Cash Transfers Project (P103974, FY09) supported this indicator. As reported in the CLR, as per the July 2018 ISR: S, 85.91% of the share of social financial assistance beneficiary children aged 15-18 have been registered for conditional cash transfers (CCT) as of June 2018. The share of women was 48.10%. Achieved</p>	<p>At PLR, as the old baseline and target values for the share of female beneficiaries were incorrect, the baseline and target were changed from: <i>Baseline: 76% (women: 73%) (2014)</i></p>

	CPS FY15-FY18: Focus Area II: <i>Skills and Inclusion</i>	Actual Results	IEG Comments
	Target: over 80% (women: to maintain or increase this share of female beneficiaries) (2018)		<i>Target: over 80% (women: 75%) (2018)</i>
	Indicator 3: Share of recipients of social assistance who work formally: Baseline: 1.46% (women - 0.99%) (2014) Target: 5% (women – 3%) (2018)	The Conditional Cash Transfers Project (P103974, FY09) supported this indicator. The CLR reports that 6.89% of the recipients of social assistance work formally (of which 2.54% are women) using the database of the National Employment Agency (NEA) which has been provided by the NEA. Additional information from the region indicates that the share of recipients of social assistance who work formally was 6.89%. However, IEG could not verify the share of women recipients. Mostly Achieved	Years added at PLR for the baseline /target. The July 2018 ISR: S does not report this information; it only reports that the CCT subsidized employment program take-up has increased and helped 315 young underprivileged persons to get on the job training and their first job.
	7. CPS Objective: Access to basic and municipal services enhanced		
	Indicator 1: Additional households with improved piped water connections: Baseline: 0 (2014) Target: 30,000 (2018)	The Municipal Services Improvement Project 1 (P096481, FY09) and 2 (P154464, FY16) supported this indicator. The March 2019 ISR: S of P096481 reports that 16,308 additional households benefited from improved piped water connections as of June 2018. Partially Achieved	Years added at PLR for the baseline /target. The March 2019 ISR of P096481 also reports that 414,773 individuals were beneficiaries of improved local road infrastructure.
	Indicator 2: Additional households with improved solid waste services: Baseline : 0 (2014) Target : 60,000 (2018)	The Municipal Services Improvement Project (P096481, FY09) supported this indicator. The March 2019 ISR: S of P096481 reports that, 524,216 people in urban areas were provided with access to regular solid waste collection as of December 2018, which, according to estimates from the national statistics, represents about 146,000 households (see IEG comment). Achieved	Years added at PLR for the baseline /target. The Country Team indicated that the average number of people per household in North Macedonia is 3.58, according to the latest census of 2002 (see state statistics report).

Annex Table 2: Planned and Actual Lending for the Republic of North Macedonia, FY15-FY19 (\$, millions)

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IBRD Amount
					CPS	PLR	
Project Planned Under CPS/PLR							
Dropped	Small Hydro Water Storage	2015			60		
Dropped	Solid Waste Water	2015			20		
Dropped	ICT Based Jobs	2015			10		
Moved to 2019	Macedonia Public Finance DPL	2015			70	80	
P148023	National and Regional Roads Rehabilitation	2015	2015	2020	70	71	71.0
Moved to 2019	Macedonia Energy Efficiency Fund	2016			20	20	
Dropped	Macedonia Competitiveness DPL3	2016			70		
P149955	Road Upgrading and Development Project	2017	2016	2021	80	91	90.9
P154464	MUNICIPAL SERVICES IMPROVEMENT 2	2016	2016	2022		28	28.0
Dropped	Social Protection Reform	2017				TBD	
Proposed	Regional Trade and Transport Facilitation	2019				TBD	
P162246	Social Services Improvement Project	2019	2019	2025		35	33.4
Total Planned					400.0	325.0	223.4
Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IBRD Amount
Project Unplanned Under CPS/PLR							
Total Unplanned							
Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IBRD Amount
					CPS	PLR	
On-going Projects During the CPS/PLR Period							
P083126	REG & REAL ESTATE (CRL)		2005	2016			14
P082337	ECSEE APL #3 (FYR MACEDONIA)		2006	2017			25
P107840	REGIONAL AND LOCAL RDS PROG SUPPORT PROJ		2008	2016			105.2
P103974	CCT		2009	2019			25
P096481	MUNICIPAL DEVELOPMENT		2009	2020			25
P119688	AF-REAL ESTATE CADASTRE & REGISTRATION P		2010	2015			12.1
P096217	AF-ENERGY INFRASTRUCTURE IMPROVEMENT		2011	2017			19.1
P129996	AF - MUNI SERV IMPR		2012				50
P130847	MK Competitiveness DPL 2		2014	2015			50
P128378	Skills Development & Innovation Support		2014	2020			24
Total On-going							349.4

Source: Macedonia CPS, WB Business Intelligence Table 2a.4, 2a.7, and 2b.1 as of 01/23/2019.

* Ratings of parent project; ** Rating as part of a DPL series.

Annex Table 3: Advisory Services and Analytics Work for the Republic of North Macedonia, FY15-FY19

Project ID	Economic and Sector Work	Fiscal Year	Report Type	Global Practice
P128942	Accounting and Auditing ROSC Macedonia	FY15	Accounting and Auditing Assessment (ROSC)	Governance
P145041*	Integrating distributional analysis	FY15	Other Poverty Study	Poverty and Equity
P145042*	Regional work	FY15	Other Poverty Study	Poverty and Equity
P144276*	Mainstreaming gender in CPSS/CPSPR	FY15	Sector or Thematic Study/Note	Poverty and Equity
P144277*	Gender diagnostics	FY15	Sector or Thematic Study/Note	Poverty and Equity
P144278*	Gender in the portfolio	FY15	Sector or Thematic Study/Note	Poverty and Equity
P144396*	Addressing gender knowledge gaps	FY15	Sector or Thematic Study/Note	Poverty and Equity
P150699*	South East Europe Regular Economic Report (SEE RER)	FY16	Sector or Thematic Study/Note	Macroeconomics, Trade and Investment
P143125*	Regional Balkans Infrastructure Study on Transport Update	FY16	Sector or Thematic Study/Note	Transport
P147200	Macedonia Public Finance Review	FY16	Public Expenditure Review (PER)	Macroeconomics, Trade and Investment
P159722*	Western Balkans SCD Synthesis	FY17	Sector or Thematic Study/Note	Macroeconomics, Trade and Investment
Project ID	Technical Assistance	Fiscal Year	Output Type	Global Practice
P147029	Macedonia ICT TA	FY15	Technical Assistance	Transport
P132666*	Western Balkans Poverty Assessment	FY15	Technical Assistance	Poverty and Equity
P143093*	Western Balkans Poverty Assessment	FY15	Technical Assistance	Poverty and Equity
P133412*	Western Balkans Gender Monitoring	FY15	Technical Assistance	Poverty and Equity
P150480	ML/FT risk assessment of Macedonia	FY16	Technical Assistance	Finance, Competitiveness and Innovation
P150863	Municipal Energy Efficiency Promotion	FY16	Technical Assistance	Energy & Extractives
P147100*	Land and Gender – Improving data availability and use in the Western Balkans	FY16	Technical Assistance	Social, Urban, Rural and Resilience Global Practice
P158072*	Western Balkans Poverty FY 16	FY16	Technical Assistance	Poverty and Equity
P156428*	Promoting Gender Equality Western Balkans	FY16	Technical Assistance	Poverty and Equity
P156426*	Western Balkans Poverty FY 16-17	FY17	Technical Assistance	Poverty and Equity
P161212*	Western Balkans Regular Economic Report 10-11	FY17	Technical Assistance	Macroeconomics, Trade and Investment
P153254*	Western Balkans Trade Logistics Impact Evaluation	FY17	Technical Assistance	Trade & Competitiveness
P161577*	Western Balkans Gender Program FY17	FY17	Technical Assistance	Poverty and Equity
P164576*	Western Balkans Regular Economic Report S12-13	FY18	Technical Assistance	Macroeconomics, Trade and Investment
P133231*	Directions for the energy sector in the Western Balkan	FY18	Technical Assistance	Energy & Extractives
P165698*	Western Balkans Education Engagement	FY18	Technical Assistance	Education

P164996*	Western Balkans Gender FY18	FY18	Technical Assistance	Poverty and Equity
P165084	FYR Macedonia Public Finance Review	FY18	Technical Assistance	Macroeconomics, Trade and Investment
P166513	FYR Macedonia Public Sector Reform Support	FY18	Technical Assistance	Governance
P160419*	Internal Audit Training of Trainers (IATOT)	FY19	Technical Assistance	Governance
P148325*	W-Balkans Biomass Heating Sector Study	FY19	Technical Assistance	Energy & Extractives
P158222*	Investment Readiness Impact Evaluation	FY19	Technical Assistance	Other

Source: WB Business Intelligence 01/23/2019.

* Regional ASAs.

Annex Table 4: The Republic of North Macedonia Grants and Trust Funds Active in FY15-FY19 (\$, millions)

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P162741	Macedonia Government Debt and Risk Management Program	TF A4048	2018	2022	0.1
P163920***	Public Sector Accounting and Reporting	TF083455	2018	2022	0.2
P168027	Organic Budget Law TA	TF A7985	2018	2020	0.5
P160419***	Internal Audit Training of Trainers (IATOT)	TF A3567	2017	2019	0.3
P162776***	Balkans Digital Highway	TF A4055	2017	2019	0.4
P160951	Enhancing the implementation of Public Procurement	TF A3682	2017	2019	0.3
P154263	Local and Regional Competitiveness	TF A1779	2016	2020	17.2
P154263	Local and Regional Competitiveness	TF A1780	2016	2020	1.4
P153865***	Venture Capital and Investment Readiness	TF 18736	2015	2019	3.7
P150342	ADDITIONAL FINANCING - MSIP (EU-IPA)	TF 18812	2015	2019	17.7
P153254***	Western Balkans Trade Logistics IE	TF 18714	2105	2017	0.1
P148325***	W-Balkans Biomass Heating Sector Study	TF 17297	2014	2019	0.1
P147928***	EU-REPARIS	TF 82726	2014	2019	5.0
P150863	Municipal Energy Efficiency Promotion	TF 17385	2014	2016	0.3
P144659	Public Accounting Certification Training	TF 15604	2014	2016	0.2
P154263	Local and Regional Competitiveness Project	TF 14914	2013	2016	1.5
Total					49.1

Source: WB Client Connection as of 01/23/2019.

* IEG validates RETF that are 5M and above;

** Rating of parent project;

*** Regional projects.

Annex Table 5: IEG Project Ratings for the Republic of North Macedonia, FY15-FY19 (\$, millions)

Exit FY	Project ID	Project name	Total Evaluated	IEG Outcome	IEG Risk to DO
2015	P083126	REG & REAL ESTATE (CRL)	24.8	HIGHLY SATISFACTORY	LOW
2015	P130847	MK Competitiveness DPL 2	100.5	SATISFACTORY	SIGNIFICANT
2016	P107840	REGIONAL AND LOCAL RDS PROG SUPPORT PROJ	91.5	SATISFACTORY	SIGNIFICANT
2017	P082337	ECSEE APL #3 (FYR MACEDONIA)	43.5	SATISFACTORY	MODERATE
		Total	260.4		

Source: WB Business Intelligence Key IEG Ratings as of 01/23/2019.

Annex Table 6: IEG Project Ratings for the Republic of North Macedonia and Comparators, FY15-FY19

ECA	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$M)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Republic of North Macedonia	260.4	5	100	100	26	40
ECA	15,163.6	113	91	83	60	52
World Bank	76,792.6	802	86	78	48	42

Source: WB Business Intelligence as of 01/23/2019 and IEG staff calculations.

Annex Table 7: Portfolio Status for the Republic of North Macedonia and Comparators, FY15-FY19

Fiscal Year	2015	2016	2017	2018	2019	Ave FY15-FY19
Republic of North Macedonia						
# Proj	6	6	6	6	6	6
# Proj At Risk	0	0	1	0	0	0
% Proj At Risk	0	0	17	0	0	3
Net Comm Amt (\$M)	344.3	314.0	314.0	311.9	322.4	321.3
Comm At Risk (\$M)	0.0	0.0	90.9	0.0	0.0	18.2
% Commit at Risk	0.0	0.0	29	0.0	0.0	6
ECA						
# Proj	207	197	202	204	206	203
# Proj At Risk	30	40	34	45	51	40
% Proj At Risk	14	20	17	22	25	20
Net Comm Amt (\$M)	26,192.1	27,213.5	25,219.5	26,524.9	26,116.0	26,253.2
Comm At Risk (\$M)	3,507.2	4,288.2	5,460.1	4,138.4	4,941.4	4,467.1
% Commit at Risk	13	16	22	16	19	17
World Bank						
# Proj	1,402	1,398	1,459	1,497	1,490	1,449
# Proj At Risk	339	336	344	348	364	346
% Proj At Risk	24	24	24	23	24	24
Net Comm Amt (\$M)	191,907.8	207,350.0	212,502.9	229,965.6	226,516.1	213,648.5
Comm At Risk (\$M)	44,430.7	42,715.1	50,837.9	48,148.8	51,141.5	47,454.8
% Commit at Risk	23	21	24	21	23	22

Source: WB Business Intelligence as of 01/23/2019.

Annex Table 8: Disbursement Ratio for the Republic of North Macedonia, FY15-FY19

Fiscal Year	2015	2016	2017	2018	2019	Overall Result
Republic of North Macedonia						
Disbursement Ratio (%)	24	21	12	19	8	16
Inv Disb in FY (\$M)	30	31	32	43	14	150
Inv Tot Undisb Begin FY (\$M)	125	147	263	231	183	949
ECA						
Disbursement Ratio (%)	23	17	21	22	13	19
Inv Disb in FY (\$M)	2,665	2,276	2,859	2,928	1,573	12,301
Inv Tot Undisb Begin FY (\$M)	11,343	13,032	13,779	13,370	12,516	64,040
World Bank						
Disbursement Ratio (%)	22	19	20	20	10	18
Inv Disb in FY (\$M)	21,854	21,154	22,128	22,594	10,973	98,703
Inv Tot Undisb Begin FY (\$M)	100,346	108,604	108,151	110,623	113,583	541,307

Source: WB Business Intelligence as of 01/23/2019.

Annex Table 9: Net Disbursements and Charges for the Republic of North Macedonia, FY15-FY19 (\$, millions)

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfers
FY15	78.5	45.0	33.5	5.2	2.5	25.8
FY16	37.7	45.8	-8.2	6.8	2.5	-17.4
FY17	28.7	46.9	-18.2	7.1	2.3	-27.7
FY18	33.9	50.3	-16.5	7.4	2.3	-26.1
FY19	8.1	25.8	-17.7	3.6	1.1	-22.4
Report Total	186.9	213.9	-27.0	30.2	10.8	-67.9

Source: WB Client Connection as of 01/23/2019.

Annex Table 10: Total Net Disbursements of Official Development Assistance for the Republic of North Macedonia (\$, millions)

Development Partners	2015	2016	2017
Australia	0.01	0.01	0
Austria	1.84	2.6	2.26
Belgium	..	..	0
Canada	0.43	0.03	0.01
Czech Republic	0.36	1.09	1.46
Denmark	..	0.04	0.03
Finland	0.11	0.11	0.1
France	2.35	2.43	1.79
Germany	1.31	-1.37	-2.43
Greece	0.25	0.05	0.06
Hungary	0.11	0.21	0.14
Ireland	0.02	0.02	..
Italy	-0.77	-0.85	-0.91
Japan	-2.71	-3.9	-3.85
Korea	..	0.06	..
Luxembourg	0	0.12	0.15
Netherlands	..	0.05	0.32
Norway	2.39	1.88	1.84
Poland	0.06	0.07	0.07
Portugal	0.02	0.03	0.02
Slovak Republic	0.11	0.18	0.22
Slovenia	2.53	3	3.54
Spain	-0.18	-0.36	-0.35
Sweden	-1.52	0.42	0.26
Switzerland	16.82	22.07	20.51
United Kingdom	3.28	2.48	2.52
United States	19.5	21.4	24.7

Development Partners	2015	2016	2017
DAC Countries, Total	46.4	51.9	52.4
Bulgaria	0.1	0.2	0.1
Croatia	..	..	0.0
Estonia	0.0	0.0	..
Kazakhstan	..	..	0.1
Lithuania	0.0	0.0	0.0
Malta	0.0	..	..
Romania	0.2	0.3	0.2
Russia	..	0.4	..
Turkey	25.6	19.0	13.2
Non-DAC Countries, Total	25.9	19.9	13.5
EU Institutions	136.0	99.7	81.2
Regional Development Banks, Total	4.9	-0.5	6.3
Council of Europe Development Bank [CEB]	4.9	-0.5	6.3
United Nations, Total	2.6	4.0	3.8
International Atomic Energy Agency [IAEA]	0.1	0.6	0.3
IFAD	-0.5	-0.4	-0.6
International Labour Organisation [ILO]	0.2	0.1	0.2
UNDP	0.6	0.6	0.3
UNFPA	0.4	0.3	0.3
UNHCR	0.4	1.4	1.4
UNICEF	1.0	0.6	1.0
World Health Organisation [WHO]	0.5	0.8	0.8
World Bank Group, Total	-12.9	-14.1	-14.8
World Bank, Total	-12.9	-14.1	-14.8
International Development Association [IDA]	-12.9	-14.1	-14.8
Other Multilateral, Total	11.5	7.6	7.6
Global Environment Facility [GEF]	1.1	..	0.2
Global Fund	4.1	1.2	0.8
OSCE	6.3	6.4	6.6
Multilateral Agencies, Total	142.0	96.6	84.0
Development Partners, Total	214.3	168.3	150.0

Source: OECD Stat database as of 01/23/2019.

Note: Data available through 2017 only.

Annex Table 11: Economic and Social Indicators for the Republic of North Macedonia

Series Name				Republic of North Macedonia	ECA	World Bank
	2015	2016	2017	Average 2015-2017		
Growth and Inflation						
GDP growth (annual %)	3.8	2.9	0.0	2.3	2.1	2.8
GDP per capita growth (annual %)	3.8	2.8	-0.1	2.2	1.7	1.6
GNI per capita, PPP (current international \$)	13,330	14,150	14,590	14,023	31,255	16,261
GNI per capita, Atlas method (current \$)	5,100	4,990	4,880	4,990	23,442	10,429
Inflation, consumer prices (annual %)	-0.3	-0.2	1.3	0.3	0.8	1.7
Composition of GDP (%)						
Agriculture, value added (% of GDP)	10	9	9	9	2	4
Industry, value added (% of GDP)	24	25	23	24	23	26
Services, etc., value added (% of GDP)	54	53	54	54	65	65
Gross fixed capital formation (% of GDP)	24	24	23	24	20	23
Gross domestic savings (% of GDP)	14	18	18	17	24	25
External Accounts						
Exports of goods and services (% of GDP)	49	50	55	51	42	29
Imports of goods and services (% of GDP)	65	65	69	66	39	28
Current account balance (% of GDP)	-2	-3	-1	-2	..	..
External debt stocks (% of GNI)	70	71	79	73	..	..
Total debt service (% of GNI)	11	8	..	10	..	..
Total reserves in months of imports	4	4	4	4	8	13
Fiscal Accounts*						
General government revenue (% of GDP)	29	28	29	29	..	..
General government total expenditure (% of GDP)	32	31	32	32	..	..
General government net lending/borrowing (% of GDP)	-3	-3	-3	-3	..	..
General government gross debt (% of GDP)	38	40	39	39	..	..
Health						
Life expectancy at birth, total (years)	76	76	..	76	77	72
Immunization, DPT (% of children ages 12-23 months)	91	95	91	92	93	85
People using at least basic sanitation services (% of pop)	91	..	..	91	96	68
People using at least basic drinking water services (% of pop)	97	..	..	97	98	88
Mortality rate, infant (per 1,000 live births)	11	11	12	11	8	30
Education						
School enrollment, preprimary (% gross)	36	..	..	36	74	49
School enrollment, primary (% gross)	94	..	..	94	102	104
School enrollment, secondary (% gross)	82	..	..	82	106	76
Population, total (Millions)	2	2	2	2	9,116	7,444
Population growth (annual %)	0.1	0.1	0.1	0.1	0.5	1.2

Series Name				Republic of North Macedonia	ECA	World Bank
	2015	2016	2017	Average 2015-2017		
Urban population (% of total)	57	58	58	58	72	54
Poverty						
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	..	..	..	..	2	10
Poverty headcount ratio at national poverty lines (% of pop)	22	22	..	22	..	..

Source: WB Development Data Platform as of 01/23/2019.

*International Monetary Fund, World Economic Outlook Database, October 2018.

Note: Data available through 2017 only. The Country Team provided additional data, however IEG could not verify this information with publicly available data.

Annex Table 12: List of IFC Investments in the Republic of North Macedonia (\$, millions)

Investments Committed in FY15-18

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
34389	2015	Active	Finance & Insurance	27.3	11.0	-	11.0
36116	2015	Closed	Industrial & Consumer Products	8.6	8.8	-	8.8
			Sub-Total	35.9	19.7	-	19.7

Investments Committed pre-FY15 but active during FY15-18

Project ID	CMT FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
30600	2013	Active	Finance & Insurance	2.0	11.5	-	11.5
28115	2009	Active	Finance & Insurance	-	5.3	-	5.3
8173	1998	Active	Industrial & Consumer Products	1.8	0.8	-	0.8
8972	1998	Active	Information	50.0	25.0	-	25.0
			Sub-Total	53.8	42.5	-	42.5
			TOTAL	89.6	62.2	-	62.2

Source: IFC-MIS Extract as of 10/30/18

Annex Table 13: List of IFC Advisory Services in the Republic of North Macedonia (\$, millions)
Advisory Services Approved in FY15-18

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds Managed by IFC
600782	Macedonia Automotive Backwards Linkages	2016	2019	TERMINATED	TAC	1.80
Sub-Total						1.80

Advisory Services Approved pre-FY15 but active during FY15-18

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds Managed by IFC
599403	Macedonia Corridor 8 Road Concession	2013	2017	CLOSED	CAS	1.43
575587	Renewable Energy Macedonia Small Hydro Power	2012	2016	CLOSED	INR	1.52
29202	HPP Cebren	2010	2015	CLOSED	CAS	1.05
Sub-Total						4.0
TOTAL						5.8

Source: IFC AS Portal Data as of 11/30/18

Annex Table 14: IFC net commitment activity in the Republic of North Macedonia, FY15 - FY18 (\$, millions)

	2015	2016	2017	2018	Total
Long-term Investment Commitment					
Financial Markets	11.0	-	-	-	11.0
Manufacturing	8.9	0.0	-	-	8.9
					-
Total IFC Long Term Investment Commitment	19.8	0.0	-	-	19.8
Total Short-term Finance/Trade Finance / Average Outstanding Balance (GTFP)	2.0	0.6	-	-	2.5

Source: IFC MIS as of 12/18/18

Note: IFC began reporting average outstanding short-term commitments (not total commitments) in FY15 and no longer aggregates short-term commitments with long-term commitments. IEG uses net commitment number for IFC's long-term investment. For trade finance guarantees under GTFP, average commitment numbers have been used.

Annex Table 15: List of MIGA Projects Active in the Republic of North Macedonia, FY15-18 (\$, millions)

Contract Enterprise	Project Status	Sector	Max Gross Issuance
ProCredit Group Central Bank Mandatory Reserves Coverage	Active	Banking	12.5
NBG Central Bank Mandatory Reserves Coverage in Macedonia	Active	Banking	143.9
Total			156.4

Source: MIGA 12/18/18 w/ Project Briefs