

NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA

PLAN OF ACTIVITIES FOR 2023 YEAR



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National Bank of the Republic of North Macedonia



**PLAN OF ACTIVITIES
OF THE NATIONAL BANK
OF THE REPUBLIC OF NORTH MACEDONIA
FOR 2023**

Skopje, November 2022

Contents

GENERAL PROVISIONS.....	1
PROGRAM ACTIVITIES	1
Strategic goal 1 - Improving monetary policy infrastructure.....	1
Strategic goal 2 - Maintaining and further strengthening of the banking system stability and resilience.....	2
Strategic goal 3 - Supporting households and the corporate sector by developing reliable, innovative and efficient payment systems.	3
Strategic goal 4 - Improving the investment policy and ensuring optimal return on foreign reserves in accordance with the security and liquidity principles.	3
Strategic goal 5 - Adherence to the standards of the European System of Central Banks.....	4
Strategic goal 6 - Increased transparency and accountability.	5
Strategic goal 7 - Financial education and inclusion.....	5
Strategic goal 8 - Raised awareness of climate change and contribution to a green sustainable economy.	6
Strategic goal 9– Strengthening the National Bank risk management.	7
Institutional Capacity 1 - Integrity and trust in the national currency.	7
Institutional Capacity 2 - Human Resources.....	8
Institutional Capacity 3 - Information system.....	8
Institutional Capacity 4 - Statistical data.....	9
Institutional Capacity 5 - Research.	9
CLOSING PROVISIONS	10
Annex 1	11
Annex 2	15
Annex 3	17
Annex 4	18

LIST OF ABBREVIATIONS

The abbreviations used in the Plan of Activities denote the following:

NBRNM	National Bank of the Republic of North Macedonia
GO	Governor's Office
MAO	Management Advisors Office
SPO	Strategy and Prevention Office
IAD	Internal Audit Department
FSMD	Financial Stability and Macprudential Policy Department
BRD	Banking Regulations and Resolution Department
OSLD	Off-Site Supervision and Licensing Department
OSSD	On-Site Supervision Department
CPFED	Consumer Protection and Financial Education Department
ISSO	Information Systems Supervision Office
MPR	Monetary Policy And Research Department
ST	Statistics Department
FMOD	Financial Market Operations Department
PSD	Payment Systems Department
FACD	Finance, Accounting and Control Department;
BD	Banknotes Department
ITS	Information Technology Sector
ITD	Information Technology Department (infrastructure)
AppD	Applications Department
OSU	Oversight and IT Security Unit
HRD	Human Resources Department
LD	Legal Department
PPD	Public Procurement Department
TMSD	Technical Maintenance and Security Department
LA	Library and Archive
WG	Working Group
OU	Organizational unit(s)
IMF	International Monetary Fund
ESCB	European System of Central Banks
EU	European Union
NPAA	National Programme for Adoption of the Acquis Communautaire
IPA	Instrument for Pre-Accession Assistance
SSO	State Statistical Office
ISIDORA	Integrated Reporting System for the National Bank, banks, savings houses, for statistical and supervisory purposes
IT	Information technology
IIP	International Investment Position
ML/TF	Money Laundering/ Terrorism Financing
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
MIPS	Macedonian Interbank Payment System
CESEE	Central, Eastern and Southeast Europe
SWIFT	Society for Worldwide Interbank Financial Telecommunication
ERR	Electronic Regulatory Reporting (application for receipt of regulatory reports by banks and savings houses)
CRIS	Credit Registry Information for Supervision
KIBS	Clearing Interbank Systems
RegNBRNM	NBRNM Account Registry
Sisx	System for matching securities traded on secondary market

Pursuant to Article 47 paragraph 1 item 9 of the Law on the National Bank of the Republic of North Macedonia (Official Gazette of the Republic of Macedonia No. 158/10, 123/12, 43/14, 153/15, 6/16 and 83/18 and Official Gazette of the Republic of North Macedonia No. 110/21), and Article 54 paragraph 1 indent 3 of the Strategic and Operational Planning Regulation Reg. No. 02-15/I-1/2016 of 28 January 2016, No. 02-15 VI -1/2020 of 28 April 2020 and P. No. 02-15/IX-3/2021 of 30 June 2021, the National Bank of the Republic of North Macedonia Council adopted the following

Plan of Activities of the National Bank of the Republic of North Macedonia for 2023

GENERAL PROVISIONS

1. The Plan of Activities of the National Bank of the Republic of North Macedonia for 2023 (hereinafter: Plan of Activities) includes program activities aimed to achieve the strategic goals set in the [Strategic Plan of the National Bank of the Republic of North Macedonia for 2022 - 2024](#), SP No. 02-15/VIII-1/2021 of 4 June 2021.
2. The Plan of Activities aims to achieve the strategic goals of the National Bank of the Republic of North Macedonia (hereinafter: the National Bank) by optimal dedication of available resources to priority areas, to build up all work capacities, to improve the quality of operations, and to monitor and assess the outcomes and effectiveness of the measures and actions taken.
3. The program activities include implementation of regular work processes and activities related to projects that introduce changes to the operations such as increasing efficiency, quality, transparency and reliability, compliance with the new legal requirements, European regulations, international standards and the requirements of the International Monetary Fund.

PROGRAM ACTIVITIES

4. The program activities are closely related to the [strategic goals](#) and [tasks](#) of the National Bank and are implemented throughout the year. The program activities shall be distributed by strategic goal and by responsible department, as follows:

Strategic goal 1 - Improving monetary policy infrastructure.

Upgrading and building up the central bank's analytical capacities is crucial, because credible macroeconomic analyzes and forecasts are the fundamentals of proper economic policies. This is particularly important in times of high uncertainty and pressures from the external and internal environment, where quality macroeconomic forecasts play a significant role in the future activities of economic actors. In order to successfully implement monetary policy and maintain price stability, the National Bank will pursue activities that build up capacities and advance macroeconomic analysis and forecasting tools. To better explain economic movements, we will seek to improve short-term forecasting by upgrading and extending current models with models for forecasting certain monetary variables, and by improving MAKPAM¹ and DSGE². In terms of [monetary operations and maintenance of denar exchange rate stability](#), the National Bank will continue managing liquidity through the established monetary policy operational framework, and will take measures to modernize and improve the setup of monetary policy operational framework in accordance with the recommendations of the IMF comprehensive mission. Efforts will be made to improve the analytical basis for

¹ Structural models as a basis for monetary decision making.

² Dynamic Stochastic General Equilibrium (DSGE).

monitoring foreign exchange market movements and introduce best practices in the National Bank's intervention policy as well as to further develop the domestic foreign exchange market and to make policies for further promotion of the domestic [financial markets](#).

Part of the activities of this strategic goal include:

- Preparation of macroeconomic forecasts;
- Analyzing the public and external debt sustainability, balanced real exchange rate and monetary transmission used in monetary policy decision-making;
- Conducting surveys;
- Regular conduct of monetary operations and maintaining denar exchange rate stability;
- Improving the National Bank intervention regulation on the foreign exchange market;
- Modernization and improvement of the setup of monetary policy operational framework in accordance with the recommendations of the IMF mission;
- Support for the development of domestic financial markets through participation in working groups for fostering regional cooperation and developing domestic financial markets.

Expected results: Capacity building and improving macroeconomic analysis, and forecasting tools for better compliance with the best central bank practices as well as timely and appropriate design of monetary policy, maintenance of price stability and stable denar exchange rate.

Responsible department: MPRD and FMOD.

Strategic goal 2 - Maintaining and further strengthening of the banking system stability and resilience.

The National Bank, as the only supervisor of banks and savings houses, will continue to apply [efficient and prudent supervision](#) as a basis for stable and reliable banking system and protection of interests of depositors and other creditors who have invested their own funds in the banks. The focus will be on activities aimed to: improve banking regulation, implement the National Bank's macroprudential mandate and introduce bank resolution, monitor financial system movements and risks, enhance off-site and on-site supervision and create conditions for proper fintech development and advancement. The National Bank will continue to follow international standards and trends in the area of banking regulation and bank resolution for the purposes of harmonizing domestic regulation and applying the best European standards and practices. Also, activities will be undertaken to further improve the regulatory framework which will additionally strengthen financial sector security network, as well as build up the National Bank capacity for identifying and assessing systemic risks. To improve the overall supervisory framework, actions will be taken to upgrade supervision applications and identify risks in due course. Concrete activities will be taken to create software tools for generating reports on various forms for the status of banks' compliance with the imposed supervisory measures. Besides traditional risks, particular attention will be paid to IT risk and cyber threats, as well as to strengthening procedures for [protection against ML/TF risk](#) to payment service providers. In order to create innovation-friendly environment and financial system competitiveness and to improve access to finance, while taking into account consumer protection and financial system stability and security, the National Bank will strive to further advance the domestic fintech sector.

Part of the activities of this strategic goal include:

- Participation in drafting the Banking Law and relevant by-laws;
- Completion of activities related to the adoption of the Bank Resolution Law and the relevant by-laws and building capacities related thereto;
- Observing the international standards and trends in the field of banking regulation and bank resolution (EU, Basel standards, countries in the region, etc.);
- Strengthening the analyses of financial stability, needs of macroprudential measures and finalizing the Macroprudential Policy Strategy;
- Regular off-site and on-site supervision;

- Advancing the application of stress testing during the Supervisory Risk Assessment Process;
- Introducing oversight in new payment institutions;
- Developing a Register of supervisory actions imposed in the field of IT risk management and a Register of Security Incidents;
- Commencement of the implementation of the National Fintech Strategy.

Expected results: Stable financial system, resilient to exogenous and endogenous risks. Regulatory framework that creates conditions for market-oriented and competitive banking system in accordance with the best international standards and practices. Independent, prudential and efficient supervision that effectively protects users of financial services.

Responsible department: FSMD, BRD, OSLD, OSSD, WG for fintech support

Strategic goal 3 - Supporting households and the corporate sector by developing reliable, innovative and efficient payment systems.

According to its mandate, the National Bank establishes, registers and oversees the safety, soundness and efficiency of [payment](#), settlement and clearing systems that requires development of reliable, innovative and efficient payment systems that will keep pace with the best financial technologies and will be easily accessible and will create competitive advantage for domestic companies. The goal of the National Bank is to make room for introducing new technologies and innovations to support households and the corporate sector by promoting appropriate policies and legal framework. Within this strategic goal, the National Bank will take activities to maintain payment systems reliability and stability during the execution of transactions. Actions will also be taken to increase payment systems efficiency and transparency, thus opening up opportunities to reduce costs of processing payments and a transparent presentation of fees for the most common payment account services. The National Bank will seek to comply with the EU laws and regulations in order to apply the best practices that ensure greater security and safety for consumers, as users of the new advanced payment services. Furthermore, we will consider the possibility and assess the need for introducing a digital denar, as a long-term activity, which aims to enable citizens and companies who live in the digital era, to have easy access to money issued by the National Bank, as the safest form of money.

Part of the activities of this strategic goal include:

- Payment Systems Strategy of the Republic of North Macedonia;
- Introduction of the new payment regulation;
- Improvement of the payment statistics application;
- Projects for development and improvement of payment systems applications and development of payment services;
- Project for introducing digital denar;
- Participation in the Regional Cooperation Council for establishing a common regional market.

Expected results: Increasing reliability, stability and efficiency of the payment system, greater involvement and better protection of payment services users. Emergence of new service providers in the market, such as payment institutions, electronic money institutions and new payment system operators, as well as increased level of digitalization of the Macedonian society.

Responsible department: PSD, WG for fintech support.

Strategic goal 4 - Improving the investment policy and ensuring optimal return on foreign reserves in accordance with the security and liquidity principles.

[The National Bank manages the foreign reserves of the Republic of North Macedonia](#), which is crucial for the overall domestic economy. Within this strategic goal, the National Bank is committed to optimal return on foreign reserves and continuous improvement of investment policy, in accordance with the security and liquidity principles. Besides, the National Bank will take activities to supplement the framework with short-term forecasts for financial market movements, by selected relevant (market and macroeconomic) indicators. Activities will also be taken to identify opportunities for currency diversification and proactive monitoring of market conditions and risks.

Part of the activities of this strategic goal include:

- Foreign reserves management;
- Improvement of the short-term forecasts framework for the financial market movements, by selected market/macroeconomic indicator;
- Considering currency diversification options;
- Setting adjusted durations of trading portfolios according to the market conditions.

Expected results: Efficient management of the foreign reserves of the Republic of North Macedonia relying on the optimal balance of the principles of safety, liquidity and return on investment.

Responsible department: FMOD

Strategic goal 5 - Adherence to the standards of the European System of Central Banks.

The overall strategic determination of the Republic of North Macedonia [for integration in the European institutions](#) calls for the National Bank to adhere to the standards of the European System of Central Banks. These activities are expected to intensify given the current bilateral screening of the domestic legislation by the EU institutions, which will continue next year. In relation to [international financial institutions](#), the National Bank will closely monitor and perform its membership-based obligations in order to represent the National Bank positions and policies and to protect national interests.

Part of the activities of this strategic goal include:

- Activities for preparing strategic documents and institutional capacity building for the current and further stages of the process of the NBRNM accession to the European System of Central Banks;
- Measures and activities for compliance with the standards of the European System of Central Banks in the chapters of the National Program for Adoption of the Acquis Communautaire (NPAA) which include the National Bank (economic criteria, free movement of capital, financial services, statistics, economic and monetary union, financial control);
- Revision and upgrade of IT risk examination and assessment procedures during on-site supervision and their adjustment and alignment with the ECB regulations and guidelines;
- Adjustment of data sources for external statistics in terms of further liberalization of capital transactions with nonresidents and implementation of the EU regulations on payment services and payment systems;
- Participation in the SSO's IPA project for international trade in services for ensuring detailed presentation of data on international trade in services in accordance with international standards
- Further improvement of financial accounts statistics;
- Establishing an integrated reporting system for the National Bank, banks, savings houses, for statistical and supervisory purposes (ISIDORA);
- Establishing a system for managing, storing, processing and handling statistical data, establishing a data warehouse.

Expected results: Harmonization with acquis communautaire in which the National Bank participates and building up the institutional and analytical capacity for successful handling of challenges in the coming stages of the EU integration process.

Responsible department: GO, MAO, ST and ISSO.

Strategic goal 6 - Increased transparency and accountability.

[Transparency and accountability](#) are the focus of the National Bank with commitment for their constant improvement. The National Bank is dedicated to comprehensive [public information](#) about its daily activities by improving accessibility and enriching the scope of information released through various information channels. The National Bank will seek to enhance public communication for the purpose of understanding policies, timely reporting on measures and actions taken and preventing any spread of fake information. Moreover, in the context of the recommendations of the 2021 IMF mission for assessment of the National Bank observance of the IMF Transparency Code, efforts will be made to improve the availability of information in several National Bank's segments. In order to fulfill this strategic goal and maintain the National Bank credibility, the [strategic plan](#) will continue to be implemented through efficient and effective delivery of the annual program activities and projects under the highest transparency and clarity standards in fulfilling its legal mandate for [financial reporting and central bank operations](#). Activities will be taken to improve the processes of planning, conducting and monitoring [public procurements](#). Within this strategic goal, the National Bank's endeavors to advance [museum work and education](#), research, [library and historical and archival activities](#) are of inestimable importance for further promotion of the national and social values.

Part of the activities of this strategic goal include:

- Public communication and improving accessibility and enriching the scope of information on the National Bank's website;
- Organizing forums, debates and events on current topics (globalization, digitalization, innovation and climate change) that affect the National Bank's operation and performance of functions;
- Encouraging journalistic research for better informing the public with the National Bank's activities;
- Strategic planning;
- Publishing financial statements of the NBRNM and auditor's opinion;
- Regular and efficient/timely implementation of public procurements for smooth functioning of the institution;
- Museum education and research;
- Managing library holdings and digitization of archival material of historical significance.

Expected results: Enhanced communication of the National Bank's goals, tasks and vision, which will make it be recognized as an independent, responsible, professional, innovative and transparent institution that enjoys high credibility and public confidence.

Responsible department: GO, SPO, FACD, PPD, Museum, Library and archive.

Strategic goal 7 - Financial education and inclusion.

Within this strategic goal, the National Bank will continue to strengthen [financial literacy](#), enhance financial inclusion and ensure adequate consumer protection. Several educational activities are planned aimed to provide greater information to the public about financial products and services and potential risks arising from their use. This strategic goal will be focused on the implementation of the [Financial Education and Financial Inclusion Strategy of the Republic of North Macedonia for 2021-2025](#). The activities will take place in cooperation with other financial regulators within the Coordination Body for Financial Education and Financial Inclusion, as well as with other entities from the private and civil sector. On-site and off-site controls of consumer protection will contribute to strengthening of consumer protection

systems in the banking system, as well as the establishing supervision of banks and savings houses in this area, thereby strengthening citizens' trust in the banking sector, which is crucial for sustainable financial stability.

Part of the activities of this strategic goal include:

- Financial education and organizing events for educating the public (Global Money Week, Workshop– Teacher Training, Financial Literacy Days, World Savings Day;
- Implementation of the Financial Education and Financial Inclusion Strategy of the Republic of North Macedonia for 2021 - 2025;
- Implementation of on-site controls and preparation of regular reports on the type of complaints and the method of their resolution by banks and savings houses for the purpose of strengthening the consumer protection system in the banking sector, as well as the supervision of banks in this area, and for the purpose of enhancing citizens confidence in the banking sector and increasing financial stability;
- A detailed and comprehensive analysis of commissions charged by banks and savings houses to natural persons for their fair and realistic calculation and increased transparency;
- Further reviewing and agreeing on the draft Law on Financial Ombudsman with other financial regulators;
- Revision and improvement of the applicable legislation aimed to strengthen consumer protection system in the banking sector.

Expected results: Raised awareness and financial literacy of the population, advancement of financial inclusion and strengthening the consumer protection system.

Responsible department: CPFED.

Strategic goal 8 - Raised awareness of climate change and contribution to a green sustainable economy.

The National Bank, as a socially responsible institution strives to be a role model and to contribute to establishing a green and sustainable economy to improve citizen's quality of life and standard of living. In line with the global efforts to deal with the consequences of climate change, it will raise awareness in the banking sector about the climate risks and the need to increase [green financing](#). Furthermore, to raise [climate change awareness](#), the National Bank will furnish and adopt Green Finance Strategy, support green finance and transition to a green economy, and build up the National Bank capacity. In terms of foreign reserves management, the National Bank will carry out analytical preparations for measuring the effect of investing in green bonds for improving the environment.

Part of the activities of this strategic goal include:

- Preparation and adoption of Green Finance Strategy, which will be implemented in several segments: financial stability, banking regulation and supervision, monetary policy, research, financial markets and the National Bank capacity;
- Green finance workshop;
- Observing international standards in the area of climate risk management by banks and their application in the banking system of the Republic of North Macedonia;
- Monitoring the scope and structure of green financing and risks arising therefrom;
- Preparation of internal environmental, social and corporate governance assessment for countries where foreign reserves are invested;
- Introducing parameters for measuring the effect of investing in green bonds to improve environment;
- Green bond portfolio preparation framework.

Expected results: Raised awareness of climate change and contribution to a green sustainable economy and better living conditions for citizens.

Responsible department: BRD, FSMD, FMOD and WG for green finance.

Strategic goal 9– Strengthening the National Bank risk management.

The National Bank, as an institution that performs functions and tasks of public interest, will continue to conduct prudential [risk management](#) in all its segments for the purpose of achieving strategic goals while adhering to the highest standards of [corporate governance](#). Within this strategic goal, efforts will be made to strengthen mechanisms for intrinsic risk control management as well as perform regular [internal audit](#). The National Bank will also take measures to strengthen [information security](#), cyber resilience and to ensure business continuity, personal data protection and secure classified information. The National Bank will also continue to advance compliance i.e. maintain high level of [legal and ethical compliance](#) in the implementation of the National Bank's goals and tasks by the Council members and employees, to further strengthen the National Bank integrity and appropriately manage any compliance risks. It will also continue to build up capacity for legal risk management and further improve security measures and safety at work. The National Bank will seek to improve the operational planning process, analyze the financial position and income statement and the implementation of the financial plan, as well as to introduce the integrated accounting system as a mechanism to safeguard against heightened operational risks. Also, the National Bank will further strengthen its corporate governance and capital position through amendments to the legal framework, and propose amendments to the Law on the National Bank as recommended by the International Monetary Fund (IMF).

Part of the activities of this strategic goal include:

- Operating risk management in the National Bank and raising awareness of the employees for operating risk management in the daily work.
- Counseling, regular training of employees on their rights and obligations for protection of information system, personal data and classified information, training to raise awareness of cyber threats and occasional control of the compliance with the IT security, personal data and classified information protection regulations;
- Updating and testing of feasibility of continuity plans of critical work processes in various crisis scenarios;
- Drafting of Cloud Computing Strategy ;
- Advancing compliance at the National Bank through information and advice regarding the compliance regulation, delivering educational activities primarily to promote ethical compliance of the National Bank employees and Council members, for identifying and assessing compliance risks, more specifically corruption risks;
- Further introduction of the integrated accounting system;
- Preparation of the Draft Law amending the Law on the National Bank of the Republic of North Macedonia for the purpose of strengthening the corporate governance and building up the Bank's capital position.

Expected results: Effective risk management in all operating segments for the purpose of achieving strategic goals, strengthening control mechanisms and reducing residual risks, improving the National Bank resilience and security.

Responsible department: SPO, IAD, FACD, LD, ITS and TMSD.

Institutional Capacity 1 - Integrity and trust in the national currency.

In 2023, the National Bank, as the sole issuing bank, will continue maintaining the integrity and trust in the [national monetary unit](#) through the established functionality, stability, efficiency and effectiveness of the cash supply system, while ensuring high quality of banknotes and coins in circulation.

Some activities in this area include:

- Manufacturing/purchasing banknotes and coins, coin blanks, commemorative coins and collector coins;
- Supplying banks and cash centers with banknotes and coins;
- Oversight of the supply of banknotes and coins at banks and cash centers;
- Replacement of damaged banknotes and coins of natural persons for the purpose of maintaining the quality of currency in circulation and protecting the National Bank reputation;
- Performing expert analysis and expert examination of suspicious currency for the purpose of precise and efficient detection of counterfeit currency and prevention of counterfeit production and distribution;
- Replacement of the current banknote processing, selection and destruction system and modernization of technical facilities, elevating the level of equipment, quality and speed in banknote and coin processing;
- Improvement of the monetary units management processes and systems, reduction of risk of errors and faults, introduction of new automated modules and more efficient cooperation with other government institutions.

Expected results: Maintaining high level of integrity and trust in the national monetary unit.

Responsible department: BD.

Institutional Capacity 2 - Human Resources.

Constant development of modern and competent human potential adjustable to rapid changes to the environment is imperative for the effective and efficient conduct of our broad and complex mandate and for completing our mission for the public good. [Employees are the most valuable assets of the National Bank](#), which is why we will continue making efforts to attract, retain and develop dedicated staff and create a positive working environment and corporate culture that nurtures cooperation, team spirit, professionalism and creativity and encourages employees to give their best. Some activities in this area include:

- Staff recruitment and employment, regulation of rights and obligations arising from employment relationship and appropriate organizational and systematization setup;
- Developing of managerial and leadership skills of operational managers and soft skills of employees;
- Continuous education, further professional training, promotion and development of employees, which is a continuous process of maintaining and improving the quality of the Bank's work and performance;
- Design of tools and techniques for encouraging innovation and creativity, as well as maintaining employee motivation;
- Nourishing a high level of corporate values.

Expected results: High-quality, competent and dedicated human potential, adjustable to rapid changes to the environment which will ensure the achievement of National Bank mandate and vision, while respecting the organizational principles and values of quality, integrity, loyalty, transparency, leadership, innovation, flexibility, professionalism and team spirit.

Responsible department: HRD and GO.

Institutional Capacity 3 - Information system.

The National Bank has an information system in place that operates in a complex environment with numerous infrastructure equipment and performs a large number of daily and critical operations. Therefore, it is of particular importance to maintain information system soundness and to constantly upgrade it with hardware and software under the best international standards to ensure high accessibility and reliability of data and IT infrastructure. Advancement of the tracking of security events and incidents and promotion of the Security Operations Center (SOC). Moreover, digital transformation will be introduced to simplify internal processes

and increase efficiency and productivity, which is the basis for successful achievement of the strategic goals. Some activities in this area include:

- Maintaining and developing the IT infrastructure;
- Testing the National Bank's business continuity;
- Advancement of the monitoring of security events and incidents and promotion of the Security Operations Center (SOC) for better tracking of incidents and quicker response;
- Upgrading servers and workstations;
- Developing a Virtual PC Strategy;

Expected results: High information system accessibility and soundness and its constant upgrading and increase of efficiency amid rapid change in information technology and growth of cyber risks.

Responsible department: IST– Information Technology Sector (ITD – Information Technology (infrastructure) Department and AppD – Applications Department and Control and IT Security Unit).

Institutional Capacity 4 - Statistical data.

Statistical data are of immense importance for the public and significantly contribute to the National Bank processes when taking timely and appropriate measures and decisions to achieve strategic monetary policy and financial sector goals. Therefore, the National Bank will continue to improve possibilities for collecting, processing, analyzing and disseminating data, while fulfilling its obligations to international partners in the area of statistics and achieving compliance and data quality with the best international standards and practices. Some activities in this area include:

- Disseminating monetary and external statistics, financial accounts and securities statistics, and reporting as an obligation arising from membership in international organizations
- Improving internal direct investment reports in external statistics;
- Improving BoP and IIP data by drafting a new methodology for private transfers and foreign currency cash outside the banking system;
- Creating a system for receiving foreign trade data from the new system of the Customs Administration of the Republic of North Macedonia;
- Streamlining of the process of collecting data on investments from/to abroad and international credit operations by introducing electronic reporting.

Expected results: Providing high-quality, timely, consistent and easily accessible statistical data based on prescribed national and international standards compatible to and comparable with international statistical systems that are the basis for making informed decisions by the National Bank and all other entities in the country.

Responsible department: SD.

Institutional Capacity 5 - Research.

The dynamic and complex environment requires high-quality analytical and research potential, which is why the National Bank will continue to support and advance research. In 2023, the research will be focused on areas that are crucial for efficient achievement of goals and policymaking. The National Bank research is presented in its publications: regular reports, analytical boxes within reports, working papers, analyses and other publications. To ensure high-quality research, the National Bank will:

- develop and maintain databases, internal statistics databases and databases from external (domestic and foreign) sources. Particular attention will be paid to the increasing use of detailed micro-databases, and to building capacity for working with data warehouses, so called big data in the research;
- Conducting regular and targeted surveys;

- Promotion and application of various research techniques, from the most basic statistical analysis techniques to state-of-the-art econometric techniques that require up-to-date software packages. It should be noted that the National Bank particularly focuses on the construction of macroeconomic models in the Republic of North Macedonia, which is why the model infrastructure is constantly being developed and enriched, while actively deploying the already established models as one of the many tools in the decision making;
- Permanent investment in the maintenance and development of analytical and research capacity of employees, through specific training courses, with particular attention to the interaction with both domestic and foreign research institutions.

Thus, there are regular quarterly sessions of the [Research Club](#), as an opportunity to exchange experience with the public in the field of macroeconomics and other central banking topics. A high level international [conference](#) will also be held, which will enable exchange of opinions and debate about current challenges faced by central banks that seek to achieve an increasing number of macroeconomic goals, as well as to understand the current transformation processes that are changing the global monetary and financial order. In 2023, the National Bank will host the Full Forum - Vienna Initiative that will contribute to better information and understanding of the current financial trends of the countries in the region and the challenges they face, as well as exchange of experiences among policy makers.

Expected results: Support to the decision-making process in the field of monetary policy, exchange rate policy, financial stability and macro-prudential policy, as well as in other fields of operation. In this light, economic research brings up academic discussion and spreads knowledge of various areas relevant for the conduct of macroeconomic policies.

Responsible department: MPR, MAO and GO.

CLOSING PROVISIONS

5. The Plan of Activities will be implemented within one calendar year, from 1 January to 31 December 2023.

The Plan of Activities also include Annex 1 - Regular Program Activities, Annex 2 - National Bank Operations Projects, Annex 3 - Event Organization, and Annex 4 - Software Development Projects.

6. The Plan of Activities shall enter into force on the date of adoption.

**PA No. 02-15/XXI-1/2022
30 November 2022
Skopje**

**Governor
and Chairperson
of the National Bank of the Republic of
North Macedonia Council
Anita Angelovska Bezhoska**

Annex 1

REGULAR ACTIVITIES		
No.	Organizational unit	Name of the program activity
SG1 Improving monetary policy infrastructure		
1.	MPR	Preparing macroeconomic forecasts
2.	MPR	Making analyses of the sustainability of public and external debt, balanced real exchange rate and monetary transmission used when making monetary policy decisions
3.	MPR	Conducting surveys
4.	MPR	Developing ad hoc analyses at request of the management
5.	MPR	Producing regular reports
6.	FMOD	Regular conduct of monetary operations and maintaining denar exchange rate stability
7.	FMOD	Streamlining of the National Bank intervention regulation on the foreign exchange market
8.	FMOD	Modernization and improvement of the setup of monetary policy operational framework
9.	FMOD	Participating and supporting the domestic financial markets development
SG2 - Maintaining and further strengthening of the banking system stability and resilience		
10.	BRD	Participation in the drafting of the Banking Law and derived bylaws
11.	BRD	Completion of the drafting of the Law on Bank Resolution and preparation and adoption of bylaws
12.	BRD	Observing international standards and trends in the field of banking regulation and bank resolutions (EU, Basel standards, countries in the region, etc.)
13.	BRD	Participation in drafting other legislation or amendments thereto
14.	BRD	Amendments to other banking regulations
15.	BRD	Other regular activities related to banking regulations and operations of the Department
16.	FSMD	Monitoring of banking system movements and risks
17.	FSMD	Monitoring of financial system movements and risks
18.	FSMD	Assessment of the banking system resilience to shocks
19.	FSMD	Transparency
20.	FSMD	Monitoring of the need and conditions for introducing/canceling macro-prudential measures
21.	FSMD	Participation in projects/working groups
22.	FSMD	Other regular activities
23.	OSLD	Regular off-site activities
24.	OSLD	Drafting of a Methodology for off-site examination of MLTF risk at payment service providers
25.	OSLD	Review of internal procedures that regulate business processes
26.	OSLD	Advancement of stress testing during supervisory risk assessment
27.	OSSD	Conducting on-site examinations
28.	OSSD	Review and advancement of existing credit risk assessment management procedures and corporate governance;
29.	OSSD	Advancement of AML/CFT regulatory and supervisory framework
30.	OSSD	Drafting a Methodology for payment institution oversight
31.	ISSO	Regular on-site examinations

REGULAR ACTIVITIES		
No.	Organizational unit	Name of the program activity
32.	ISSO	Regular off-site activities
33.	ISSO	Developing a Register of supervisory actions imposed in the field of IT risk management;
34.	ISSO	Development of a Security Incident Register
35.	Fintech Work Group	Preparation of Survey on post-pandemic fintech challenges and opportunities in the country
36.	Fintech Work Group	Making an analysis of risks arising from fintech development
37.	Fintech Work Group	Making an analysis for the introduction and application of regulatory sandbox.
SC3 Supporting households and the corporate sector by developing reliable, innovative and efficient payment systems		
38.	PSD	Payment system oversight
39.	PSD	Preparing payment systems and payment services reports
40.	PSD	Processing and settling foreign reserves management and monetary policy implementation transactions
41.	PSD	Conducting international payment operations on behalf of the government and administrative bodies
42.	PSD	Support for the MIPS participants and processing of forced payment orders
SG4 Improving the investment policy and ensuring optimum return on foreign reserves in accordance with the security and liquidity principles		
43.	FMOD	Foreign reserves management
44.	FMOD	Improvement of the short-term forecast framework for the financial market movements, by selected market/macroeconomic indicators
45.	FMOD	Considering currency diversification options
46.	FMOD	Considering options to increase the share of gold in foreign reserves
47.	FMOD	Setting adjusted durations of trading portfolios according to the market conditions
SG5 Adhering to the standards of the European System of Central Banks		
48.	GO	Activities related to the process of accession of the NBRNM to the European System of Central Banks
49.	GO	Relations with international institutions
50.	ISSO	Revision and upgrade of IT risk examination and assessment procedures during on-site supervision
SC6 Increased transparency and accountability		
51.	GO	Protocol
52.	GO	Public relations
53.	GO	Translation/Interpretation and Proofreading
54.	PPD	Planning of public procurement needs, analysis and monitoring of the implementation and amendment to the Annual Public Procurement Plan
55.	PPD	Preparation and implementation of public procurement procedures
56.	PPD	Monitoring of public procurement contracts, and receipt, recording and control of invoices and other accounting documents
57.	SPO	Strategic planning
58.	FACD	Publishing the NBRNM Financial Statements and auditor's opinion
59.	Library	Dealing with library holdings and taking out subscriptions to newspapers and databases

REGULAR ACTIVITIES		
No.	Organizational unit	Name of the program activity
60.	Library	Digitization of archival material of historical significance
61.	Museum	Management of museum collection
62.	Museum	Museum education
63.	Museum	Research
SG7 Financial education and inclusion		
64.	CPFED	Financial education
65.	CPFED	Handling and responding to complaints from users of banking services
66.	CPFED	On-site examinations
67.	CPFED	Preparation of semiannual complaint reports
68.	CPFED	Comparative analysis of commissions and fees charged by banks when approving loans
SG8 Raised awareness of climate changes and contribution to a green sustainable economy		
69.	BRD	Observing international climate risk standards and possibilities for their application in the banking system of the Republic of North Macedonia
70.	FSMD	Climate change - monitoring the scope and structure of green financing and risks arising therefrom
SG9 Strengthening the National Bank risk management		
71.	IAD	Planning and preparation of annual and mid-term audit program
72.	IAD	Auditing
73.	SPO	Operating risk management in the National Bank
74.	SPO	Improvement of the compliance at the level of the National Bank
75.	SPO	Ensuring business continuity
76.	SPO	Ensuring information security and data protection
77.	TMSD	Maintenance of facilities
78.	TMSD	Providing transport services
79.	TMSD	Physical and technical security and firefighting
80.	FACD	Accounting recording of transactions related to the performance of the National Bank functions and tasks as well as operations
81.	FACD	Accounting policies and financial reporting
82.	FACD	Planning and control
83.	LD	Drafting and control of general and individual legal regulations
84.	LD	Drafting legal documents, lawsuits, responses to appeals and extraordinary legal remedies
85.	LD	Regulation of the property law issues of the National Bank and records of its real estate
86.	LD	Preparation of the National Bank Council sessions
87.	LD	Providing legal opinions, advices and trainings
88.	LD	Office operations
89.	LD	Archive operations
IC1 Integrity and trust in the national currency		
90.	BD	Manufacturing/purchasing banknotes and coins, coin blanks, commemorative coins and collector coins
91.	BD	Supplying banks and cash centers with banknotes and coins
92.	BD	Oversight of the supply of banknotes and coins at banks and cash centers
93.	BD	Sale of commemorative coins, collector coins, banknotes and coins for numismatic purposes and blank bills

REGULAR ACTIVITIES		
No.	Organizational unit	Name of the program activity
94.	BD	Activities for the needs of the NBRNM, government institutions and administrative bodies
IC2 Human Resources		
95.	HRD	Ensuring employee engagement
96.	HRD	Professional trainings and development of employees
97.	HRD	Providing and recruiting employees
98.	HRD	Setting appropriate organization and systematization
99.	HRD	Regulation of employment rights and obligations
IC3 Information system		
100.	ITS	Maintenance of IT infrastructure
101.	ITS	Asset management
102.	ITS	Backup and archiving
103.	ITS	Providing IT services
104.	ITS	IT incident management
105.	ITS	Business continuity testing in the NBRNM organizational units
106.	ITS	Establishing IT services, monitoring the fulfillment of service levels and continuous improvement
107.	ITS	Managing user accounts and controlling the access to the system
108.	ITS	Making changes to the system
109.	ITS	Upgrading servers and workstations
110.	ITS	Using a tool to automatically migrate applications to a test environment and SQL
111.	ITS	Introducing an applications testing process
IC4 Statistical data		
112.	ST	Compilation of monetary statistics
113.	ST	Uniform sectoral distribution of institutional units within the SD
114.	ST	Reporting obligations arising from membership in international organizations
115.	ST	Compilation of securities statistics
116.	ST	Compilation of external statistics
117.	ST	Compilation of financial accounts statistics
IC5 Research		
118.	MPR	<p>Producing workpapers:</p> <ol style="list-style-type: none"> 1. Gender and employment in the COVID-19 recession: Is there evidence of "she-cession" in CESEE? 2. Examination of the transmission effect of energy prices on core inflation in North Macedonia 3. Labor costs to inflation analysis for North Macedonia 4. Modeling the relationship between inflation and inflation uncertainty in North Macedonia by applying the GARCH model (GARCH) 5. Assessing the effects of private remittances on economy in Central and Southeastern Europe

Annex 2

PROJECTS		
No.	Organizational unit	Name of the program activity
SG2 Maintaining and further strengthening of the banking system stability and resilience		
1.	FSMD	Improvement of the analysis of corporate credit risk
SC3 Supporting the households and the corporate sector by developing reliable, innovative and efficient payment systems		
2.	PSD	Introduction of a new payments legislation
3.	PSD	Payment Systems Strategy of the Republic of North Macedonia
4.	PSD	Participation in the Regional Cooperation Council
SG5 Adherence to the standards of the European System of Central Banks		
5.	ST	Further improvement of financial accounts statistics
6.	ST	Participation in the SSO's IPA project for international trade in services
7.	ST	Adjustment of sources of external statistics amid further liberalization of capital transactions with non-residents and implementation of the EU regulations on payment services and payment systems.
SC6 Increased transparency and accountability		
8.	GO	Improving accessibility and enriching the scope of information on the National Bank website
9.	GO	Communication and exchange of opinions with the expert community
SG7 Financial education and inclusion		
10.	CPFE	Financial Education and Financial Inclusion Strategy of the Republic of North Macedonia for 2021 - 2025
11.	CPFE	Further reviewing and agreeing on the draft Law on Financial Ombudsman with other financial regulators
12.	CPFE	Review and improvement of applicable legislation
SG8 Raised awareness of climate change and contribution to a green sustainable economy		
13.	FMOD	Preparing internal ESG risk assessments for countries in which foreign reserves are invested
14.	FMOD	Introduction of parameters for measuring the effect of green bond investment on the improvement of environment
15.	FMOD	Green bond portfolio framework
16.	Working Group for green finance	Drafting and adoption of Green Finance Strategy
SG9 Strengthening the National Bank risk management		
17.	SPO	Promoting the ethical compliance of the employees and Council members
18.	SPO	Cloud Computing Strategy.
19.	SPO	Compliance with the SWIFT framework for security controls
20.	TMSD	Construction of the new NBRNM office building
21.	TMSD	Uninterruptible Power Supply Equipment
22.	TMSD	Power grid at the backup location
23.	FACD	Activities for defining requirements for preparation of the NBRNM's accounting system for statistical reporting purposes related to the NBRNM's ISIDORA project
IC2 Human Resources		
24.	GO	Nourishing a high level of corporate values
IC3 Information system		
25.	ITS	Improvement of the monitoring of security events and incidents

PROJECTS		
No.	Organizational unit	Name of the program activity
26.	ITS	Developing a Virtual PC Strategy;
IC4 Statistical data		
27.	ST	Analysis and compilation of direct investment data sets, by country and activity

Annex 3

PROJECTS FOR ORGANIZING EVENTS		
No.	Organizational unit	Name of the program activity
SG2 - Maintaining and further strengthening of the banking system stability and resilience		
1.	OSSD	Participation in the Moneyval's preparatory and plenary meeting where the Report on the Republic of North Macedonia will be reviewed and adopted
SC3 Supporting households and the corporate sector by developing reliable, innovative and efficient payment systems		
2.	PSD	Organization of the 15th Conference on Payments and Market Infrastructure
SC6 Increased transparency and accountability		
3.	GO	Encouraging journalistic research
4.	GO	Promotion of the current National Bank initiatives that concern the public
SG8 Increased awareness of climate change and contribution to a green sustainable economy		
5.	Working Group for green finance	Green finance workshop
IC5 Research		
6.	GO	Organization of the Full Forum - Vienna Institute
7.	GO	High-level international conference

Annex 4

SOFTWARE DEVELOPMENT PROJECTS		
No.	Organizational unit	Name of the program activity
SG1 Improving monetary policy infrastructure		
1.	MPR	Supplementing and advancing the Lending Survey application
2.	FMOD	Modernization and improvement of the setup of monetary policy operational framework - reform of the reserve requirement system
SG2 - Maintaining and further strengthening of the banking system stability and resilience		
3.	FSMD	Advancement of CRIS and ISIDORA 2023
4.	FSMD	Improvement of the Credit Registry (introducing new tables)
5.	FSMD	Improvement of the Credit Registry (introducing new fields)
6.	FSMD	Improvement of the annual account application
7.	OSLD	Upgrading of ERI
8.	OSLD	Upgrading of CRIS.
SC3 Supporting households and the corporate sector by developing reliable, innovative and efficient payment systems		
9.	PSD	Upgrading of the AML application
10.	PSD	Redesigning of RegNBRM, StatisticsPS, KIBS analysis and KIBS search applications
11.	PSD	Developing and upgrading of the SISX application
12.	PSD	Improvement of the payment statistics application
13.	PSD	Advancement of the charging on services of the Payment Systems Department
SG5 Adherence to the standards of the European System of Central Banks		
14, 15	ST	Introduction of reporting system by the National Bank, banks, savings houses, for statistical and supervisory purposes - ISIDORA) (two projects: for methodologies and for software development)
16.	ST	Activities for establishing a system for managing, storing, processing and handling statistical data, establishing a data warehouse
SG7 Financial education and inclusion		
17.	CPFE	Development of an application for receiving, coding, archiving and distribution of complaints by natural persons and responses thereto
SG9 Strengthening the National Bank risk management		
18.	FACD	Introducing an Integrated Accounting System Software – General Ledger
19.	FACD	Business case for introducing data, form configuration and plan reports in planning application
20.	FACD	Upgrading the business trip application

SOFTWARE DEVELOPMENT PROJECTS		
No.	Organizational unit	Name of the program activity
21.	FACD	Upgrading the e-Invoice application
22.	FACD	Re-engineering of several applications for the purpose of establishing a Single Registry of accounts from the Central Registry
23.	FACD	New output invoice application
24.	FACD	Upgrading the integrated material operations (IMO) application
IC3 Information system		
25.	ITS	Restructuring of the service showing the exchange rate published on the National Bank website.
IC4 Statistical data		
26.	ST	Advancement of the process of calculating weighted interest rates
27.	ST	Improving internal direct investment reports in external statistics
28.	ST	Developing a system for receiving foreign trade data from the new system of the Customs Administration of the Republic of North Macedonia
29.	ST	Streamlining of the process of collecting data on investments in and from abroad by introducing electronic reporting
30.	ST	Streamlining of the process of collecting international credit operations data by introducing electronic reporting



NATIONAL BANK OF THE
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