

National Bank of the Republic of North Macedonia



PLAN OF ACTIVITIES OF THE NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA FOR 2022

Skopje, December 2021

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 2022

GENERAL PROVISIONS

1. The Plan of Activities of the National Bank of the Republic of North Macedonia for 2022 (hereinafter: the 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 ensure the achievement of the strategic goals of the National Bank of the Republic of North Macedonia (hereinafter: the National Bank) by optimal targeting of available resources to priority areas, to build all work capacities, to improve the quality of operations, and to ensure monitoring and evaluation of the results and effectiveness of the measures and activities taken.
3. The program activities include implementation of the regular work processes and activities related to the projects that introduce changes in the operations such as increasing efficiency, quality, transparency and reliability, compliance with the new legal requirements, European regulations, international standards and 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 department¹ as follows:

Strategic goal 1 - Improving monetary policy infrastructure.

The National Bank will focus on further capacity building for preparation of macroeconomic forecasts while improving monetary policy infrastructure by expanding the portfolio of available forecast models and policy simulations. Regarding the monetary operations and maintaining the denar exchange rate stability, the National Bank will continue managing liquidity through its monetary policy operational framework, while reviewing the operating framework setup along with the possibilities for applying new monetary instruments in line with macroeconomic conditions. Furthermore, the analytical grounds for monitoring the foreign exchange market movements will be improved while implementing the best practices in the National Bank intervention policy.

Activities related to this strategic goal include:

- Preparation of macroeconomic forecasts;

¹ The abbreviations used in the Plan of Activities denote the following: GO - Governor's 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, MPRD - Monetary Policy and Research Department, SD - Statistics Department, FMOD - Financial Market Operations Department, PSD - Payment Systems Department, FACD - Financial, Accounting and Control Department, BD - Banknotes Department, ITD - Information Technology Department, HRD - Human Resources Management Department, LD - Legal Department, PPD - Public Procurement Department, TMSD - Technical Maintenance and Security Department, LA - Library and Archive.

- Analyzing the public and external debt sustainability, balanced real exchange rate and monetary transmission used at monetary policy decision-making;
- Conducting surveys;
- Reconsidering the setup of the monetary policy operating framework and the Foreign Exchange Intervention Rules;
- Regular conducting of monetary operations and maintaining denar exchange rate stability;
- Supporting the development of domestic financial markets through participation in working groups to support regional cooperation and development of the domestic financial markets.

Responsible department: MPRD and FMOD.

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

The National Bank will continue to apply effective banking prudential supervision as a basis for stable and reliable banking system. The focus will be on activities to improve the overall supervisory framework, to upgrade the application solutions for supervision and to identify risks on time. In addition to traditional risks, special attention will be devoted to IT and cyber risks, climate risks and the health crisis created by the external environment. In order to create innovation- and competitiveness-friendly environment in the financial system and to improve access to finance, while taking into account consumer protection and financial system stability and security, in the period ahead activities will be taken to finalize the first National Fintech Strategy. Furthermore, the National Bank will continue with the activities for establishing the National Bank macroprudential mandate in relation to the banking system and preparation of a macroprudential strategy. This will further strengthen the National Bank activities for monitoring the risks to financial stability, particularly focusing on the effects of changes in the real estate market. Also, activities will be undertaken for further improvement of the regulatory framework which will additionally strengthen the financial sector security network, as well as build the National Bank capacity for identifying and assessing systemic risks. In addition, the Denarization Strategy and the Non-performing Loan Strategy will continue to be implemented. Activities related to this strategic goal include:

- National Fintech Strategy Project;
- Regular off-site and on-site supervision;
- Preparation of a draft - Banking Law and bylaws on the basis of this Law;
- Adoption of a draft - Law on Bank Resolution and preparation and adoption of bylaws;
- Observing the international standards and trends in the field of banking regulation and bank resolutions (EU, Basel standards, countries in the region, etc.);
- Improving the monitoring of systemic risk to the banking system by defining and monitoring the early warning indicators;
- Development of a Macroprudential Policy Implementation Strategy;
- Strengthening the analyses of financial stability and macroprudential measures.

Responsible department: FSMD, BRD, OSLD, OSSD, WG to support fintech sector.

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

In order to fulfill the third strategic goal, the National Bank will take steps to further develop the payment services market, by adopting appropriate policies and legal framework aligned with the development of financial technologies and innovations, and will also support

household and corporate activities. For that purpose, the National Bank will draft a Payment System Strategy of the Republic of North Macedonia, which will take into account technological changes in the payment systems and their impact on economic agents. The National Bank will facilitate the entry of new payment service providers and payment system operators, will introduce new payment instruments and more efficient payment initiating solutions in conditions of greater competitiveness and higher transparency of fees. Therefore, an oversight function will be established for the new payment service providers (payment and e-money institutions) and register will be established for these providers. The focus will be on digital transformation and raising the quality of payment services by setting up a system of comparative presentation and publication of fees charged by payment service providers to users for the most representative payment account-related services. The National Bank will undertake activities to promote and improve the applications, payment systems and electronic infrastructure for easier, more efficient and more reliable execution of payment processes. Therefore, analytical capacities will be built by using new payment statistics, monitoring of innovations and further harmonization with the ECB and BIS standards in this area. In the period ahead, bylaws will be adopted and implemented, direct and indirect payment systems oversight will be further developed, while establishing an oversight function over other entities in the financial markets infrastructure by applying the Principles for Financial Markets Infrastructure. In the context of the need to increase the efficiency of cross-border payments, the National Bank will participate in activities within the Regional Cooperation Council² for establishing a common regional market of the Western Balkan countries. Initial activities will also be launched to consider the possibility and to assess the need to introduce a digital denar. It is a long-term activity defined for a period of over five years, which aims to enable citizens and companies, in the era of digital environment, to have easy access to money issued by the National Bank, as the safest form of money.

Activities related to this strategic goal include:

- Initiating and coordinating procedures for adoption of bylaws that will derive from the Law on Payment Services and Payment Systems after its adoption;
- Payment Systems Strategy of the Republic of North Macedonia;
- Improving the capacity of licensing and oversight of payment and electronic money institutions;
- Projects for development and improvement of payment systems applications and development of payment services;
- Participation in the Regional Cooperation Council for establishing a common regional market of the Western Balkan countries;
- Project for introducing digital denar.
- Organization of the 14th Conference on Payments and Market Infrastructure.

Responsible department: PSD, OSLD, OSSD, WG to support fintech sector.

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, within the process of maintaining and managing foreign reserves, in order to improve the investment policy and ensure optimal return on funds, will establish a macroeconomic framework for dynamic analysis and creating forward-looking perceptions of the movements in international financial markets and prices of financial instruments based on selected relevant (macroeconomic and market) indicators for the developed economies. Also, within this strategic goal, the National Bank will undertake activities to consider the possibility

² The Regional Cooperation Council was established on 27 February 2008, as the successor to the Stability Pact for South Eastern Europe. It promotes mutual cooperation and European and Euro-Atlantic integration of Southeast Europe in order to foster development in the region and the well-being of its citizens. It is composed of 45 member countries, organizations and international financial institutions.

of developing internal reference portfolios, according to a previously developed methodology, in order to identify the strengths and weaknesses in relation to the currently used reference indexes. At the same time, activities will be undertaken to deal with currency, credit, liquidity and interest rate risks for better management of risks and foreign reserves. There are also activities for applying new tools for improving foreign reserves management and for more active monitoring of the risks and the results from placement of the foreign reserves.

Activities related to this strategic goal include:

- Foreign reserves management;
- Managing risks to foreign reserves management and investment;
- Establishing a framework with short-term forecasts for the global financial markets movements based on selected market and macroeconomic indicators for the euro area and the United States;
- Reviewing and analyzing the possibility of replacing the reference portfolios with alternative indexes or internally developed reference portfolios.

Responsible department: FMOD

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

The National Bank will actively contribute to the processes of preparation of the national reform programs and other strategic documents. At the same time, the National Bank will continue to organize and improve the cooperation with other central banks and to design projects within the 2022 technical cooperation. In relation to the international financial institutions, the National Bank will actively monitor and perform its membership-based obligations in order to represent the National Bank positions and policies and to protect national interests. Regarding the integration processes towards the European Union, the National Bank will undertake activities for further harmonization of the scope of statistical data, in accordance with the recommendations of the European Central Bank and the latest EU regulations.

Activities related to this strategic goal include:

- Activities related to the preparation of strategic documents in the process of accession of the NBRNM to the European System of Central Banks;
- Activities for institutional capacity building necessary for the 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);
- Compilation of financial accounts statistics;
- Participation in IPA 2017 project of the SSO for statistics on foreign trade in services;
- Project for introducing integrated reporting system by the National Bank, banks, savings houses, for statistical and supervisory purposes (ISIDORA);
- Project for establishing a system for managing, storing, processing and handling statistical data, establishing a data warehouse.

Responsible department: GO, Chief Economist, SD, FACD and other National Bank organizational units.

Strategic goal 6 - Increased transparency and accountability.

In order to improve the National Bank transparency and accountability, strengthen the credibility of the institution, as well as increase the coverage of public information, a series of

activities will be undertaken to increase the presence in the media and social networks to promote papers and events hosted or attended by the National Bank. In this regard, particularly valuable are the recommendations of the IMF Mission conducted in May 2021 for assessment of the National Bank practices of transparency which pointed to areas of public relations that can be further improved. One of the primary tasks of the National Bank in relation to this strategic goal will be to inform the public about the policies and steps it undertakes in the course of its operations and cooperation with domestic and international organizations. Within this strategic goal, the National Bank through its activities will mark the 30th anniversary of monetary independence. The National Bank will dedicate itself to further improvement of the strategic planning process, as well as to the application of the highest transparency and clarity standards in fulfilling its legal mandate for financial reporting and functioning as a central bank. In the coming period, numerous activities are envisaged to improve the processes of planning, conducting and monitoring public procurements. The National Bank will continue to develop museum activities, library and historical-archival activity in order to further promote the national and social values of the country.

Activities related to this strategic goal include:

- Project for promotion of transparency and available information on the National Bank functions, activities and operations as recommended by IMF Mission;
- Conducting a survey on the National Bank communication strategy and organizing journalist workshops and briefings;
- Public relations activities related to the celebration of the 30th anniversary of monetary independence;
- Strategic planning;
- Publishing financial statements of the NBRSM and auditor's opinion;
- Museum education and research;
- Exhibition in the National Bank Museum marking 30 years of monetary independence - project event;
- Managing the library holdings and digitization of archival material of historical significance.

Responsible department: GO, SPO, FACD, PPD, Museum, Library and Archive and other National Bank organizational units.

Strategic goal 7 - Financial education and inclusion.

The National Bank will intensify activities for rising financial awareness and literacy of the public for their greater involvement in the financial flows and easier access to finance. In the period ahead, several educational activities are planned 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. Within the financial inclusion, activities for consumer protection in the financial system are also envisaged. 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 non-governmental sector. Such activities will increase financial education and inclusion for the benefit of the citizens.

Activities related to 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);
- Preparation and publication of educational materials in the field of financial education;
- Implementation of the Financial Education and Financial Inclusion Strategy of the Republic of North Macedonia for 2021 - 2025;
- Preparation of a Draft-Law on Financial Ombudsman;

- Organizational and regulatory changes aimed at strengthening the consumer protection system in the banking system, as well as the supervision of banks in this area.

Responsible department: GO and Chief Economist

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

In line with global efforts to deal with climate change, the National Bank will also take action to raise awareness of the consequences of climate change, by strengthening the analytical framework and managing climate risks and their impact on the financial system. Research on climate and related risks will be conducted to see their significance and impact on the domestic economy. A survey of banks will also be conducted to obtain data and information to make an analysis of the impact of climate risks on the banking sector. In accordance with the global trends for support of sustainable finances, the National Bank will examine the possibility of introducing and applying a monetary instrument to directly support domestic banks lending for financing green projects. It will also consider and assess the prospects for building a green bond portfolio within the foreign reserves, by investing in financial instruments issued in the global financial markets that finance eco-friendly projects.

Activities related to this strategic goal include:

- Climate Risk Survey;
- Establishing a system for regular reporting on green loans and sources of financing;
- Recognizing the possibilities and capacities for conducting stress testing for the impact of the climate risk on the banks;
- Initiating activities for preparation of guidelines for banks for proper climate risk management;
- Introducing an instrument to stimulate green finance;
- Considering the possibility of creating a green asset portfolio within the foreign reserves.

Responsible department: MPRD, FSMD and FMOD.

Strategic goal 9– Strengthening of risk management in the National Bank.

The National Bank will be committed to effective risk management aimed to achieve its strategic goals. To improve the work flow and work tasks quality, it will focus on strengthening the internal risk control management mechanisms and on the regular internal audit activities. The National Bank will also take measures to strengthen the information system security and ensure business continuity, protect personal data and secure classified information. Therefore, we will work on improving the Security Operations Center and the Cloud Computing Strategy. The National Bank will continue to promote and strengthen compliance at the institutional level through educational activities for the employees and the Council members, report and advice on compliance regulations, as well as monitor and inform about the National Bank compliance. The legal support will be provided through legal assistance when preparing and discussing laws and bylaws, general and individual legal acts, memorandums of cooperation, protocols, agreements and contracts of the National Bank, preparing consistent legal opinions according to the needs of the management, the organizational units and the National Bank Council and other activities in this area. The National Bank envisages activities for improving the planning process, analyzing the financial position and implementing the income statement and the financial plan, as well as further designing and introducing the integrated accounting system. For unimpeded flow of work processes, there will be further improvement of the safety measures in the facilities and installation of new more advanced systems for security support and conditions for safety and health at work.

Activities related to this strategic goal include:

- Promoting the ethical compliance of the employees and the Council members;
- Strengthening of the operational resilience;
- Improving the Security Operations Center (SOC);
- Cloud Computing Strategy;
- Further designing and introducing of the integrated accounting system;

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

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

One of the key tasks of the National Bank is constant maintenance of a high level of integrity and trust in the national currency. The National Bank, through several activities, will constantly follow the trends and current technological developments for producing coins and banknotes. The National Bank will strive to improve the efficiency of the cash supply system in place and will also carry out regular activities for ensuring an adequate structure for an unimpeded conduct of the cash supply process. At the same time, it will continue issuing collector coins, while providing a significant contribution to the promotion of the national, historical, cultural and spiritual values of the Republic of North Macedonia. Also, the National Bank will undertake activities to improve its processes and systems for handling monetary units, to reduce any risk of errors and faults, to introduce new automated modules and more efficient cooperation with other government institutions. Activities related to this area include:

- Manufacturing and purchasing banknotes and coins, coin blanks, commemorative and collector coins;
- Supplying banks and cash centers with banknotes and coins;
- Maintaining and improving the quality of currency in circulation;
- Inspection and supplying of banks and cash centers with banknotes and coins;
- Upgrading of cash management and vault operation applications;
- Improving the control of cash in circulation, in line with the recommendations of the IMF Technical Mission;
- Development of an application for the features of the Macedonian money by conducting a hackathon as part of the celebration marking 30 years of monetary independence.

Responsible department: BD.

Institutional Capacity 2 - Human Resources.

The National Bank will continue to invest in staff education and encourage promotion, professional development and staff development, which is an ongoing process for maintaining and improving the work quality and the Bank achievements. In this area, the National Bank will perform activities for setting up an appropriate organization and systematization, as well as activities for recruiting, regulating employment rights and obligations and ensuring proper staff engagement. Activities related to this area include:

- Setting up an appropriate organization and systematization;
- Professional training and development of employees;
- Development of practices for 360° feedback for managers, talent management and planning and leadership development;

Responsible department: HRD

Institutional Capacity 3 - Information system.

The information system of the National Bank is a set of multiple applications, processes, software and hardware that together form the basis of operations and represent the nervous system for all operations of the Bank. Therefore, maintaining a stable information system and

its constant upgrade amid rapid change in information technology will be a priority task in the period ahead. In this area, the National Bank will also perform regular activities that will ensure availability, security and integrity of the IT infrastructure for using IT services. At the same time, digital transformation will be introduced to simplify internal processes and increase efficiency and productivity. In addition, the bank will undertake activities to develop a strategy for virtual PCs to facilitate the connection of employees to the bank's systems. Activities related to this area include:

- Maintaining and developing the IT infrastructure;
- Improving the monitoring of security events and incidents;
- Testing the National Bank's business continuity;
- Upgrading servers and workstations;
- Developing applications as requested by users;
- Developing a Virtual PC Strategy;

Responsible department: IT.

Institutional Capacity 4 - Statistical data.

The statistical data add exceptional value to the National Bank and enable the process of adopting appropriate and timely monetary and financial measures and decisions in order to achieve the strategic goals. It will continue with the activities for providing quality, timely and easily accessible statistical data. In the area of statistics, the activities will be aimed at further improvement of the quality and scope of the current statistics in line with the international and European statistical standards. The National Bank will also focus on improving the work processes, while undertaking activities to increase the efficiency of data collection process to reduce the reporting burden. Activities related to 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 the internal reports in external statistics;
- Improving the data in the balance of payments and IIP by drafting a new methodology for private transfers and foreign currency cash outside the banking system;
- Developing a system for receiving foreign trade data from the new system of the Customs Office of the Republic of North Macedonia.

Responsible department: SD.

Institutional Capacity 5 - Research.

The National Bank will continue to pay close attention to research in areas that are crucial for the effective achievement of objectives and policy making. In the upcoming period, we will work on increasing the use of big data in the research process. Activities will also be taken for further development of econometric tools as a basis for further research development. This area is also one of the segments of the annual research conference of the National Bank as a forum for exchange of ideas and opinions in the field of macroeconomics.

Responsible department: MPRD, Chief Economist and GO.

5. The Plan of Activities also provides for activities for testing of the business continuity plans of several critical work processes, so as to enable evaluation of the sustainability of the plans and consideration of difficulties that may arise during implementation. In 2022, business continuity plans will be tested for the following working processes:

Quarter 2

1. Monitoring of public procurement contracts, and receipt, recording and control of invoices and other accounting documents.
2. Providing transport services.
3. Cash operations, calculation and payment of allowances to individuals, income tax.
4. Calculation, payment and recording of wages, wage contributions, income tax and allowances.
5. Maintaining the IT infrastructure.

Quarter 3

6. Bank's liquidity forecasting.
7. Public communication.
8. Activities for the needs of the NBRNM, government institutions and administrative bodies.
9. Physical security and firefighting.
10. Financial reporting.
11. Office operations.
12. Regulation of employment rights and obligations.

Quarter 4

13. Implementation of the monetary policy and auctions of government securities.
14. Processing and settling transactions related to foreign reserves management and to monetary policy implementation, and monitoring and supporting the settlement of transactions on OTC markets.
15. Performing international payment operations on behalf of the government and administrative bodies.
16. Support to MIPS participants and processing of forced payment orders.
17. Risk management.
18. Foreign reserves management.
19. Loan of last resort.
20. Drafting and control of general and individual legal regulations.
21. Providing legal opinions, advices and trainings.

CLOSING PROVISIONS

5. The Plan of Activities will be implemented within one calendar year, from 1 January to 31 December 2022.

The Plan of Activities also include Annex 1 - Regular program activities, Annex 2 - Projects from certain areas in the National Bank operations, Annex 3 - Organization of events, and Annex 4 - Software development projects.

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

PA. No. 02-15/XX-1/2021

**17 December 2021
Skopje**

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

Annex 1

REGULAR ACTIVITIES		
Ref. 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 conducting of monetary operations and maintaining stability of the denar exchange rate
7	FMOD	Harmonization of the scope of the non-standard measure with the reserve requirement, in accordance with the measures of the Government of the Republic of North Macedonia
8	FMOD	Participating and supporting the domestic financial markets development
SG2 - Maintaining and further strengthening of the banking system stability and resilience.		
9	BRD	<i>Drafting and adopting of regulations in the area of banking operations and bank supervision:</i> 9.1 Amendments to the capital adequacy regulation 9.2 Amendments to the credit risk management regulation 9.3 Amendments to the Credit Registry regulations 9.4 Participation in the preparation and finalization of bylaws derived from the Law on Payment Services and Payment Institutions; 9.5 Regular activities in the regulation area;
10	BRD	Following international standards and trends in the field of banking regulation and bank resolutions (EU, Basel standards, countries in the region, etc.)
11	FSMD	<i>Producing reports:</i> 11.1 Establishment of a framework for regular monitoring and analysis of the real estate market in the RNM 11.2 Conducting a Housing Loan Survey and processing the obtained results 11.3 Analysis of the real estate market in the RNM 11.4 Further activities related to the model for determining the probability of default (PD) of individual corporate borrowers whose ultimate goal is to improve the analysis of corporate borrowers 11.5 Defining a new deposit euroization indicator 11.6 Preparation of regular banking system reports 11.7 Development of a so-called banking system stability heat map 11.8 Preparation of financial stability report 11.9 Conducting regular surveys on environmental risks and business activities of banks 11.10 Preparation of thematic analyses and reports 11.11 Preparation of regular sheets on data on the banking system, individual banks and bank groups published on the National Bank website or disclosed to relevant foreign and domestic institutions (IMF, World Bank, BSCEE, ECB, EBA, IFC, SEC, SSO, ISA, MF, etc.) or are for internal needs in the NB 11.12 Answering journalistic questions, answering special surveys and questionnaires mostly submitted by foreign institutions (IMF, ECB, World Bank, BSCEE, etc.).
12	FSMD	<i>Macprudential measures and activities:</i> 12.1 Completion of the Macprudential Policy Strategy 12.2. Improvement of the National Bank website in the field of financial stability and microprudential policy 12.3 Determining systemically important banks in the country and determining capital buffer for each systemically important bank 12.4 Determining the need to introduce a countercyclical capital buffer and its rate 12.5 Improving the monitoring of systemic risk to the banking system by defining and monitoring the early warning indicators
13	FSMD	Improvement of the stress testing framework implemented by FSMD (multiyear activity)

14	FSMD	Regular implementation of sensitivity tests
15	FSMD	Regular implementation of the analysis of the banking system scenario
16	FSMD	Review of the memorandums of understanding with other regulators
17	BRD FSMD	Participation in the activities of the Financial Stability Committee (FSC)
18	OSLD	Regular off-site activities
19	OSLD	Review of the Supervisory Risk Assessment Methodology
20	OSLD	Review of internal procedures that regulate business processes
21	OSSD	Conducting on-site controls
22	OSSD	Review and improvement of the existing risk assessment procedures within the risk-based supervision
23	OSSD	Review of internal procedures that regulate business processes
24	OSSD	Review of IT risk management bylaws
25	OSSD	Improving the AML/CFT regulatory and supervisory framework
SC3 Supporting the households and the corporate sector by developing reliable, innovative and efficient payment systems.		
26	PSD	Preparing information in the field of payment systems and payment services
27	PSD	Conducting international payment operations on behalf of the government and administrative bodies
28	PSD	Processing and settling transactions related to foreign reserves management and monetary policy and implementation and monitoring and supporting the settlement of OTC transactions
29	PSD	Overseeing payment systems
30	PSD	Support for MIPS participants and processing of forced payment orders
31	OSLD OSSD	Improving the capacity of licensing and oversight of payment and electronic money institutions
SG4 Improving the investment policy and ensuring optimum return on foreign reserves in accordance with the security and liquidity principles.		
32	FMOD	Foreign reserves management
SG5 Adaptation to the standards of the European System of Central Banks.		
33	Chief Economist GO	Activities related to the preparation of strategic documents in the process of accession of the NBRNM to the European System of Central Banks
34	Chief Economist GO	Activities for institutional capacity building necessary for the further stages of the process of the NBRNM accession to the European System of Central Banks
35	Chief Economist, GO	Measures and activities for compliance with the European System of Central Banks standards in 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)
36	GO	Relations with international institutions
37	ST	Compilation of financial accounts statistics
SC6 Increased transparency and accountability.		
38	GO	Public relations
39	GO	Translation and proofreading of documents, information
40	GO	Protocol
41	FACD	Publishing financial statements of the NBRNM and auditor's opinion
42	SPO	Strategic planning
43	PPD	Planning of public procurement needs, analysis and monitoring of the implementation and amendment of the Annual Public Procurement Plan
44	PPD	Preparation and implementation of public procurement procedures
45	PPD	Monitoring of public procurement contracts, and receipt, recording and control of invoices and other accounting documents
46	Museum	Management of museum collection

47	Museum	Museum education
48	Museum	Research
49	Library	Working with the library holdings and making subscriptions to newspapers and databases
50	Library	Digitization of archival material of historical significance
SG7 Financial education and inclusion.		
51	GO, Chief Economist	Financial education
52	GO, Chief Economist	Financial inclusion and consumer protection
SG8 Increased awareness of climate change and contribution to a green sustainable economy.		
53	FSMD	Establishing a system for regular reporting on green loans and sources of financing
54	FSMD	Climate Risk Survey
55	FSMD	Recognizing possibilities and capacities for conducting stress testing for the impact of the climate risk on the banks
56	BRD	Initiating activities for preparation of guidelines for banks for proper climate risk management
SG9 Strengthening of the risk management in the National Bank.		
57	SPO	Operating risk management in the National Bank
58	SPO	Improvement of the compliance at the level of the National Bank
59	SPO	Participation in the analyses of the National Bank, within the anti-money laundering and terrorist financing framework
60	SPO	Ensuring business continuity
61	SPO	Ensuring information security and data protection
62	IAD	Planning and preparation of annual and mid-term audit program
63	IAD	Auditing
64	FACD	Accounting recording of the transactions related to the performance of the functions and tasks of the National Bank, as well as to the operations
65	FACD	Accounting policies and financial reporting
66	FACD	Planning and control
67	LD	Drafting and control of general and individual legal regulations
68	LD	Drafting legal documents, lawsuits, responses to appeals and extraordinary legal remedies
69	LD	Regulation of the property law issues of the National Bank and records for the real estate
70	LD	Preparation of the National Bank Council sessions
71	LD	Providing legal opinions, advices and trainings
72	LD	Office operations
73	LD	Archive operations
74	TMSAD	Maintenance of facilities
75	TMSAD	Providing transport services
76	TMSAD	Physical and technical security and firefighting
IC1 Integrity and trust in the national currency.		
77	BD	Manufacturing/purchasing banknotes and coins, coin blanks, commemorative coins and collector coins
78	BD	Supplying banks and cash centers with banknotes and coins
79	BD	Oversight of the supply of banknotes and coins at banks and cash centers
80	BD	Sale of commemorative coins, collector coins, banknotes and coins for numismatic purposes and blank bills
81	BD	Activities for the needs of the NBRNM, government institutions and administrative bodies
IC2 Human Resources.		
82	HRD	Providing and recruiting employees
83	HRD	Setting appropriate organization and systematization

84	HRD	Regulation of employment rights and obligations
85	HRD	Ensuring employee engagement
86	HRD	Professional trainings and development of employees
IC3 Information system.		
87	ITD	Maintaining the IT infrastructure
88	ITD	Asset management
89	ITD	Backup and archiving
90	ITD	Providing IT services
91	ITD	IT incident management
92	ITD	Business continuity testing activities in the NBRNM organizational units
93	ITD	Making changes to the system
94	ITD	Establishing IT services, monitoring the fulfillment of service levels and continuous improvement
95	ITD	Managing user accounts and controlling access to the system
96	ITD	Upgrading servers and workstations
IC4 Statistical data.		
97	ST	Compilation of monetary statistics
98	ST	Compilation of external statistics
99	ST	Compilation of securities statistics
100	ST	Reporting on obligations arising from membership in international organizations
101	ST	Unified sectoral distribution of the institutional units within the SD
IC5 Research.		
102	MPR	<p><i>Producing workpapers:</i></p> <p>102.1 Climate change impact on the domestic economy - looking from the monetary policy perspective;</p> <p>102.2 Investigating dynamic spillover effect of the international food prices on the Macedonian ones;</p> <p>102.3 Re-evaluation of the process of wage formation and pricing of the Macedonian corporate sector, with reference to the effects of the COVID-19 pandemic (findings from a survey).</p>

Annex 2

PROJECTS		
Ref. No.	Organizational unit	Name of the program activity
SG1 Improving monetary policy infrastructure.		
1	FMOD	Review of the set-up and proposed changes to the operational monetary policy framework
2	FMOD	Review of the Foreign Exchange Intervention Rules of the National Bank
SG2 Maintaining and further strengthening of the banking system stability and resilience		
3	BRD	Preparation of a draft - Banking Law and derived bylaws
4	BRD	Adoption of a draft - Law on Bank Resolution and preparation and adoption of derived bylaws
5	BRD	Participation in drafting other legislation, or drafting amendments thereto
6	OSLD	Preparation of the procedure for money laundering risk assessment
7	OSSD	Improving the existing functionalities and reporting forms of ATK
8	Fintech Work Group	National Fintech Strategy
SC3 Supporting the households and the corporate sector by developing reliable, innovative and efficient payment systems		
9	PSD	Initiating and coordinating the procedure for adoption of bylaws derived from the Law on Payment Services and Payment Systems
10	PSD	Preparing procedures, rules and/or operating instructions
11	PSD	Drafting amendments to other laws
12	PSD	Payment Systems Strategy of the Republic of North Macedonia
13	PSD	Completing documentation and specification for the needs of the introduction of ISO 20022 and the new MX format of messages
14	PSD	Participating in Regional Cooperation Council
15	Fintech Work Group	Digital denar
SG4 Improving the investment policy and ensuring optimal return on foreign reserves in accordance with the security and liquidity principles		
16	FMOD	Establishing a framework with short-term forecasts for the movements of the financial markets based on selected market/macroeconomic indicators
17	FMOD	Reviewing and analyzing the possibility of replacing the reference portfolios with alternative indexes or internally developed reference portfolios
SG5 Adaptation to the standards of the European System of Central Banks		
18	ST	Participation in the SSO's IPA project for international trade in services
19	ST	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
20	FACD	Activities for defining the requirements for the preparation of the NBRNM's accounting system for statistical reporting purposes related to the NBRNM's ISIDORA project.
SC6 Increased transparency and accountability		
21	GO	PR activities to mark the 30th anniversary of monetary independence
22	GO, other OU	Improving transparency and data availability on the National Bank's Internet and Intranet
23	GO, Advisor to the Governor in cooperation with the PPD, FACD, ITD and TMSD	Assessment of the adequacy of internal acts on planning and implementing public procurement for the needs of the National Bank
24	Museum	Activities related to the new NB office building.
SG7 Financial education and inclusion		
25	Chief Economist, Advisor to the Governor, GO	Financial Education and Financial Inclusion Strategy of the Republic of North Macedonia for 2021 - 2025
26	Chief Economist, Advisor to the Governor, GO	Draft-Law on Financial Ombudsman

27	Chief Economist, GO	Organizational and regulatory changes aimed at strengthening the consumer protection system in the banking system, as well as the supervision of banks in this area
SG8 Increased awareness of climate change and contribution to a green sustainable economy		
28	FMOD	Introducing an instrument for stimulating green finance in the country
SG9 Strengthening of risk management in the National Bank		
29	SPO	Promoting the ethical compliance of the employees and Council members
30	SPO	Strengthening of the operational resilience
31	SPO, ITD	Improving the Security Operations Center
32	SPO, ITD	Cloud Computing Strategy.
33	IAD, SPO	Compliance with the SWIFT framework for security controls
34	TMSD	Construction of the new NBRNM office building
35	TMSD	Equipment for Uninterruptible Power Supply System
36	TMSD	Power grid at the backup location
37	TMSD, LD, PPD and ITD	Analysis of the possibilities for further optimum management of the National Bank's immovable and movable property, after the commencement with the use of the new office building
IC3 Information system		
38	ITD	Improving the monitoring of security events and incidents
39	ITD	Migration to new database systems
40	ITD	Migration to a new DMS
41	ITD	Developing a Virtual Desktop Computer Strategy;

Annex 3

PROJECTS FOR ORGANIZING EVENTS		
Ref. No.	Organizational unit	Name of the program activity
SC3 Supporting the households and the corporate sector by developing reliable, innovative and efficient payment systems		
1	PSD	Organization of the 14th Conference on Payments and Market Infrastructure
SC6 Increased transparency and accountability		
2	GO	Workshops and briefings, and a survey to assess media opinion on the communication strategy of the National Bank
3	Museum	Exhibition in the National Bank Museum marking 30 years of monetary independence
SG7 Financial education and inclusion		
4	GO, Chief Economist	Global Money Week
5	GO, Chief Economist	Workshop/Teacher Training
6	GO, Chief Economist	Financial Literacy Days
7	GO, Chief Economist	World Savings Day
IC5 Research		
8	Chief Economist, GO	Organizing the NBRNM Annual Conference and Official Ceremony marking the 30th anniversary of monetary independence

Annex 4

SOFTWARE DEVELOPMENT PROJECTS		
Ref. No.	Organizational unit	Name of the program activity
SG1 Improving monetary policy infrastructure.		
1	FMOD	Supplementing the reports on the balance and interest rates of government securities in accordance with the new issues on the primary government securities market
2	FMOD	Improvement of the process of monitoring government transactions on the foreign exchange market
3	FMOD	Expanding the list of instruments for securing monetary operations
4	FMOD	Improving the analytical basis for monitoring the movements in the foreign exchange market
5	FMOD	Upgrading of the electronic reserve requirement system
6	FMOD	Pseudonymization of personal data on government securities holders
SG2 - Maintaining and further strengthening of the banking system stability and resilience.		
7	FSMD	Improving the analytical base related to ERI client in order to improve the banking system analysis
8	FSMD	Creating conditions for conducting electronic surveys
9	OSLD	Preparing an application for the imposed corrective measures and for monitoring the status of the imposed measures at banks/savings houses
10	OSLD	Upgrading of ERI
11	OSLD	Upgrading of CRIS
SC3 Supporting the households and the corporate sector by developing reliable, innovative and efficient payment systems		
12	PSD	Improvement of the payment statistics application
13	PSD	Upgrading of the AML application
14	PSD	Developing and upgrading of the SISX application.
15	PSD	Improving the charging of services performed at the Payment Systems Department
16	PSD	Redesigning of RegNBRM, StatisticsPS, KIBS analysis and KIBS search applications
SG5 Adaptation to the standards of the European System of Central Banks		
17.18	ST	Introduction of integrated reporting system by the National Bank, banks, savings houses, for statistical and supervisory purposes (ISIDORA) (two software development project).
19	ST	Activities for establishing a system for managing, storing, processing and handling statistical data, establishing a data warehouse
SC6 Increased transparency and accountability		
20	PPD	Planning of public procurement needs, analysis and monitoring of the implementation and amendment of the Annual Public Procurement Plan (with Vendor)
21	PPD	Monitoring of public procurement contracts and receipt, recording and control of invoices and other accounting documents (with Vendor)
SG9 Strengthening of risk management in the National Bank		
22	FACD	Integrated accounting system
23	FACD	Upgrading of the integrated material operations (IMO) application
24	FACD	Upgrading of the planning application
25	FACD	Upgrading of the business trip application
26	FACD	Redesigning of the BNT application with a new tool (Visual studio)
27	LD	Office management (with Vendor)
28	LD	Archive management (with Vendor)
IC1 Integrity and trust in the national currency.		
29	BD	Upgrading of AP 221-Treasury 2 Automation of the process of receiving, storing and issuing control stamps (conditional implementations, project from previous years)
IC3 Information system.		
30	ITD	Migration to new database systems (SQL server)
IC4 Statistical data.		

31	ST	Improving the internal reports in external statistics (NDNP app 200)
32	ST	Developing a system for receiving foreign trade data from the new system of the Customs Office of the Republic of North Macedonia



NATIONAL BANK
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