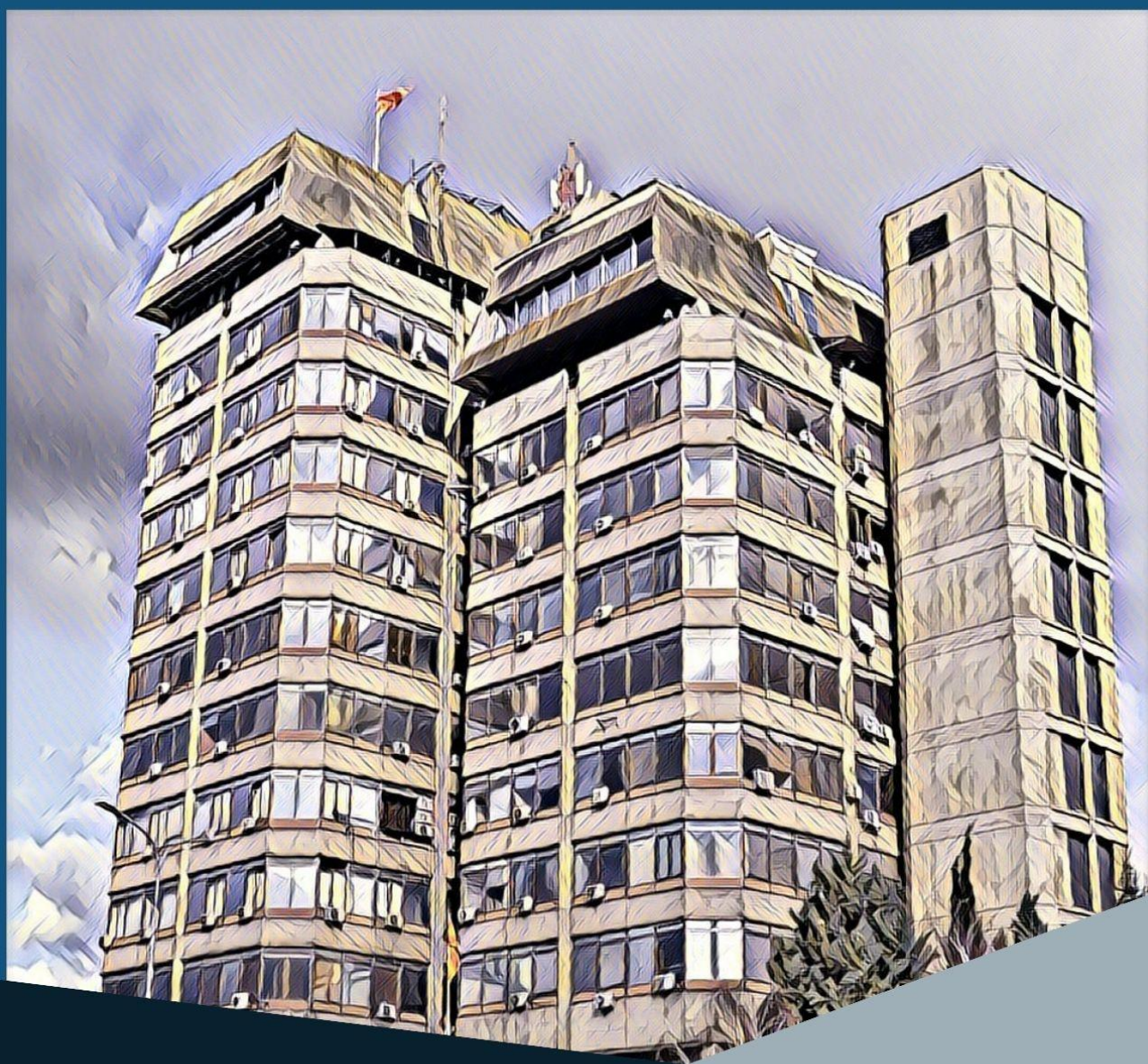


NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA

# PLAN OF ACTIVITIES FOR 2024 YEAR





**National Bank of the Republic of North Macedonia**



**PLAN OF ACTIVITIES  
OF THE NATIONAL BANK  
OF THE REPUBLIC OF NORTH MACEDONIA  
FOR 2024**

Skopje, November 2023

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## LIST OF ABBREVIATIONS

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

NBRNM	National Bank of the Republic of North Macedonia
SP	Strategic Plan
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
MPRD	Monetary Policy And Research Department
STD	Statistics Department
FMOD	Financial Market Operations Department
PSD	Payment Systems Department
FACD	Financial, Accounting and Control Department
BD	Banknotes Department
ITS	Information Technology Sector
ITD	IT Infrastructure Department
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
EU	European Union
ECB	European Central Bank
EBRD	European Bank for Reconstruction and Development
MAKPAM	Macedonian Policy Analysis Model
GDP	Gross domestic product
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
IAS	Integrated accounting system
IT	Information technology
SOC	Security Operations Center in the field of IT
IIP	International Investment Position
MLTF	Money Laundering/Terrorism Financing
MIPS	Macedonian Interbank Payment System
CRIS	Credit Registry Information for Supervision
KIBS	Clearing Interbank Systems
SISX	System for matching securities traded on the secondary market
AML	Anti-Money Laundering
ARDL	Autoregressive Distributed Lag Modelling Approach
IT-SREP	Supervisory Review and Evaluation Process



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, P. No. 02-15/IX-3/2021 of 30 June 2021 and No. 02-23366/5 of 30 June 2023, the Council of the National Bank of the Republic of North Macedonia has adopted the following

## **Plan of Activities of the National Bank of the Republic of North Macedonia for 2024**

### **GENERAL PROVISIONS**

1. The Plan of Activities of the National Bank of the Republic of North Macedonia for 2024 (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 objectives 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 objectives](#) and [tasks](#) of the National Bank and are implemented throughout the year. The program activities shall be distributed by strategic objective and by responsible department, as follows:

#### **Strategic objective 1 – Improving the infrastructure for monetary policy conduct**

The credible and comprehensive macroeconomic analyses and forecasts are the basis for making timely and appropriate macroeconomic policies. Therefore, the National Bank constantly works on the strengthening and improvement of analytical abilities, i.e. on the strengthening of the capacities for macroeconomic analyses and forecasts, for the purpose of further successful conduct of monetary policy. In order to improve the power of explaining the economic movements, further improvements are envisaged in the MAKPAM model, which is the basis for making monetary decisions. These activities, which are regular annual practice, will improve the power of explaining and forecasting the economic movements. During 2024, the National Bank will continue to carry out the activities for checking and improving the current models for short-term forecasting of GDP and inflation, as well as for improving the approaches for short-term forecasting of the most important categories of the balance of payments.

Price stability and [maintaining the stability of the Denar exchange rate](#) remains a priority for the National Bank. The National Bank will continue to manage the liquidity of the banking system, by adjusting the operational framework in accordance with the external and internal

challenges. Also, the National Bank will work on further modernization of monetary operations and liquidity planning. At the same time, the analytical basis for monitoring the efficiency of the measures in the reserve requirement will be improved. The National Bank will also continue to support the development of the domestic foreign exchange market and the development of the domestic [financial markets](#), activities that will be carried out with the mutual cooperation with the banks.

Activities related to this strategic objective include:

- Preparing macroeconomic forecasts;
- Making analyses of the sustainability of public and external debt, balanced real exchange rate and monetary transmission used when making monetary policy decisions;
- Regular conduct of monetary operations and maintaining denar exchange rate stability;
- Further harmonization of the monetary framework for the purpose of more efficient conduct of monetary policy by improving the interest rate transmission channel and supporting the process of denarization;
- Improvement of the analytical basis for monitoring the efficiency of the measures in the reserve requirement;
- Upgrading of the functionality of the electronic CB bill system.

**Expected results:** Strengthening of the capacities and improvement of the tools for macroeconomic analysis and forecasting and coming closer to the best practices established by the international financial institutions. Timely and appropriate changes in the monetary policy, maintaining a stable exchange rate of the denar and medium-term price stability.

**Responsible department: MPRD and FMOD.**

## **Strategic objective 2 – Maintaining and further strengthening of the stability and resilience of the banking system**

The National Bank as a [supervisory authority](#) which supervises banks and savings houses, remains firmly committed to applying effective micro-prudential and macro-prudential supervision. One of the main objectives of the National Bank is to maintain the safety and soundness of a banking system that is resistant to external and internal risks.

The main focus of the National Bank will be directed towards several key areas:

1. Improvement of banking regulations;
2. Execution of the macro-prudential mandate of the National Bank;
3. Monitoring of banking system movements and risks;
4. Strengthening of off-site and on-site supervision;
5. Improvement of software tools and systems for analyses and reporting forms.

The National Bank will continue with the harmonization with European regulations, international standards and trends in the domain of the banking regulations. This process aims to harmonize the domestic regulations with the best European and international standards and practices. In addition, drafting of the new Banking Law will ensure harmonization with the provisions and requirements of the Bank Resolution Law adopted in October 2023. Furthermore, the National Bank will undertake activities for further improvement of the regulatory framework in accordance with the EU regulations and the methodologies of the Basel Committee and the European Banking Authority which will further strengthen the security network of the financial sector. Also, the existing legislation in the field of information security will be analyzed in accordance with the latest recommendations and amendments to the EU regulations.

Attention will be paid to the further strengthening of the capacities of the National Bank in terms of climate changes. The supervisory practices in the part of the climate risk assessment will be improved by acquiring the knowledge and skills and appropriate changes in the relevant methodologies. The National Bank will continue to regularly assess and analyze the systemic risks and will take macro-prudential measures accordingly, if necessary. Also, the National Bank will assess the resilience of the banking system to shocks by conducting the regular

sensitivity tests, the annual macro stress test and occasional stress tests for different risks, depending on the need. At the same time, supervisory practices and the methodological framework for the use of stress tests will be improved, primarily in the process of supervisory assessment of the banks' risk profile. To improve its supervisory tools and provide a quick response to the identified risks, the National Bank will continue to further improve its applications for supervisory action. Besides the conventional risks, special attention will be paid to IT risk and cybersecurity, and at the same time in the medium run the National Bank will start developing a supervisory strategy for anti-money laundering and combating the financing of terrorism. In order to foster innovations and competitiveness in the financial sector and simultaneously improve the access to financial services, the National Bank will carry out several activities aimed at supporting the current development of the domestic fintech sector.

**Expected results:** Sound banking system that is resistant to external and internal risks. Regulatory framework that encourages modern, competitive and market-oriented banking system in accordance with the best international practices.

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

### **Strategic objective 3 – Supporting household and corporate sector by developing reliable, innovative and efficient payment systems**

In order to achieve its third strategic objective, in 2024 the National Bank will continue to monitor the application of the new legal framework in the payment area which enables introduction of new technologies and innovations to support household and corporate payments. In parallel, the National Bank will continue conducting the indirect and direct [payment system](#) oversight for support of the safe and efficient execution of payments and further harmonization with the international standards and requirements in this area. Activities for further improvement of back-office operations in accordance with the ECB operating practices and standards and strengthening the operating procedures and systems relevant for anti-money laundering and combating the financing of terrorism will also continue. The National Bank will continue to take activities for maintaining the safety, soundness and efficiency of the settlement of transactions concluded for the purpose of implementation of monetary policy and management of foreign reserves. The project activities for improvement of the established software solutions in payment services and payment systems in order to increase transparency and comparability of services, for the purpose of stronger competition and consumer protection will especially be taken into account. The National Bank will continue carrying out the preliminary analyses of the possibilities, the advantages and the possible risks from the issuance of a digital currency, the digital denar, as a digital form of our sovereign currency, the denar.

Part of the activities of this strategic objective include:

- Payment Systems Strategy of the Republic of North Macedonia and development and adoption of an Action Plan to implement the Strategy;
- Monitoring of the application of the new regulation in the field of payment services and payment systems;
- Payment system oversight;
- 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.

**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 Macedonian society.

**Responsible department: PSD, Digital Denar WG.**



#### **Strategic objective 4 – Improving the investment policy and ensuring optimal return on foreign reserves in accordance with the principles of security and liquidity**

The National Bank manages the foreign reserves of the Republic of North Macedonia, which is of national interest for the overall domestic economy. In accordance with its legal tasks, the National Bank aims to efficiently manage the foreign reserves, amid optimum balance between the principles of security, liquidity and return on investment. During 2024, in order to operationalize the investment allocation of foreign reserves, testing and application of the intuitive framework for analysis and assessment of the future movements on the international financial markets and the prices of the individual financial instruments is envisaged. In that context, the selected factors of the framework will be reviewed and calibrated on a regular basis. The quantitative assessment that will result from the analyses made in accordance with the point scale will be one of the input elements when making decisions about the tactical positioning of the portfolios of foreign reserves.

Part of the activities of this strategic objective include:

- Foreign reserves management;
- Application of the short-term forecast framework for the financial market movements, by selected market/macroeconomic indicators (point scale);
- Expansion of the scope of application of a new business model in the management of foreign reserves;
- Revision of the framework for setting exposure limits on foreign reserves.

**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 objective 5 – Adjusting to the standards of the European System of Central Banks**

The National Bank follows and fully contributes to the strategic commitment of the Republic of North Macedonia for integration into the European institutions. Also in the following period, the National Bank will actively participate in the European integration processes by contributing to the preparation and implementation of all strategic documents, including the reports on the clusters in which the National Bank was included within the bilateral phase of the analytical review of the legislation with the EU, as well as the regular economic reform programs. The National Bank will continue with the harmonization of its operations and with the active application of European regulations, standards and practices. Also, the National Bank will continue carrying out its policy of open cooperation and exchange of experiences and information with all international financial institutions within which the National Bank carries out cooperation. In accordance with the goals and policies of its operations, the National Bank will actively monitor and fulfill the obligations arising from the membership in the international financial institutions.

Part of the activities of this strategic objective include:

- Activities related to the process of accession of the NBRNM to the European System of Central Banks (submission of regular reports, participation in regular meetings within the European integration process);
- Activities to implement reforms and recommendations related to the European integration process<sup>1</sup> in accordance with the official reports from EU institutions (Report on the Republic of North Macedonia, Economic

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<sup>1</sup> These activities refer to several areas from the operations of the National Bank and are stated in more details within the separate strategic objectives.

Reforms Programme, reports on the respective clusters in which the National Bank was included within the bilateral phase);

- Activities to further improve the statistical system of the National Bank in accordance with the requirements and standards of the EU (introduction of integrated reporting system by the National Bank, banks, savings houses, for statistical and supervisory purposes (ISIDORA); submission of data on weighted interest rates to the ECB, in accordance with the data transmission requirements; activities for establishing a system for managing, storing, processing and handling statistical data, establishing a data warehouse; participation in the SSO's IPA project for international trade in services);
- Strengthening of the capacities through exchange of experiences and cooperation with other central banks;
- Cooperation with international institutions.

**Expected results:** Harmonization with the acquis communautaire within the areas in which the National Bank participates. Improvement of analytical capabilities, exchange of experiences and strengthening of the institutional capacity of the National Bank.

**Responsible department: GO, STD and MAO.**

### **Strategic objective 6 – Increasing transparency and accountability**

The National Bank aspires to constantly improve [transparency and accountability](#) in its own operations. Within the activities for [informing the public](#), the National Bank will use a systematized approach to the communication which will ensure availability and timely submission of the required information and data, with an appropriate explanation for the measures taken. The National Bank will continue to inform the public about the messages and perceptions from the discussions of renowned professionals and representatives of the central-banking community about current issues in the field of monetary policy and financial system. The National Bank will pay special attention to the further strengthening of the mechanisms for monitoring of the information that can affect the public opinion in relation to the operations of the National Bank or in relation to monetary and financial stability. The National Bank will continue to implement the [Strategic Plan](#) by successfully carrying out the planned activities and projects, with plans to improve the process of monitoring and presentation of the implementation of the program activities. During 2024, the National Bank will begin the process for preparation and adoption of the new Strategic Plan of the National Bank for the period 2025 - 2027, which will define and set the future strategic objectives, areas and guidelines in the following three-year period. Also, the National Bank will continue to apply the highest transparency and clarity standards in fulfilling its legal mandate for [financial reporting and central bank operations](#). Within this strategic objective, the activities to be undertaken to improve the processes of planning, execution and monitoring of [public procurements](#), develop [museum operations](#), research work, [library and historical and archival activities](#) as a contribution to the promotion of the national and social values of our country, are also significant.

Part of the activities of this strategic objective include:

- Strategic planning;
- Publishing financial statements of the NBRNM and auditor's opinion;
- Communication with the public and deepening of the cooperation with the media as the first link in the transmission of information;
- Planning of public procurement needs, analysis and monitoring of the implementation of the Annual Public Procurement Plan;
- Dealing with library holdings and taking out subscriptions to newspapers and databases;
- Digitization of archival material of historical significance;
- Management of museum collection, research and museum education.

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

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

### **Strategic objective 7 – Financial education and inclusion**

Strengthening of [financial literacy](#) of the population, improvement of the level of financial inclusion and providing consumers with adequate protection are the main areas on which the National Bank will continue to work in order to achieve this strategic objective. Several educational activities are envisaged that will ensure raising of financial awareness and literacy that will enable a higher degree of financial inclusion of the population. This strategic objective 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 non-governmental sector. Also during 2024, the National Bank will be proactive in the area of consumer protection. Thus, consumer protection systems in the banking system will be strengthened, thereby strengthening citizens' trust in the banking sector, which is crucial for sustainable financial stability.

Part of the activities of this strategic objective include:

- Financial education and organization of events to educate the public (Global Money Week, Financial Literacy Days, European Money Quiz, World Savings Day, Education and inclusion of the vulnerable groups in society);
- Implementation of the Financial Education and Financial Inclusion Strategy of the Republic of North Macedonia for 2021 - 2025;
- Workshop intended for women - entrepreneurs in the field of financial education and financial inclusion in cooperation with the European Bank for Reconstruction and Development (EBRD);
- Implementation of on-site and off-site controls and preparation of regular reports on the type of complaints and the method of their resolution by banks and savings houses;
- 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:** Increased awareness and financial literacy of the population, advancement of financial inclusion and strengthening the consumer protection system.

**Responsible department:** CPFED.

### **Strategic objective 8 – Increasing awareness of climate change and contribution to a green sustainable economy**

As a socially responsible institution, the National Bank will continue to take more specific measures in order to actively manage climate risks, strengthen the resilience and capacities of the banking system to manage climate risks, but also to increase its potential to support the green transformation of the economy. The adopted [Medium-Term Plan of the National Bank activities in the area of climate risk management for the period 2023 - 2025](#) provides for taking of several activities in the next period, such as: observing of the international standards in the area of climate risks and appropriate changes in the existing regulatory framework, holding of Green Finance Conference, analyses of the impact of climate risks on the operations of domestic banks and conduct of stress tests in order to assess the resilience of the banking system. Activities to change the supervisory approach are also envisaged, with gradual active

inclusion of climate risks in the assessment of the banks' risk profile. In the next period, the National Bank will continue with active national and international cooperation, adequate planning of analytical and research activities, but also with building and strengthening of the institutional capacities, corporate culture and sustainability of the operations of the National Bank. Attention will be paid to the coordination of activities in the country and the need for cooperation with other government institutions and bodies, given that climate issues require a coordinated national approach. Regarding the foreign reserves management, the National Bank will consider the possibilities for allocating a separate portfolio of green bonds and will make analytical preparations for measurement of climate risks and for presentation of the effects of investing in green bonds.

Part of the activities of this strategic objective include:

- Observing international climate risk standards and possibilities for their application in the banking system of the Republic of North Macedonia;
- Monitoring of climate risks;
- Development of an internal methodology i.e. a procedure for assessing climate risks in banks;
- Organization of a green finance conference;
- Contribution to the operation of the Network for Greening the Financial System;
- Consideration of the possibility of allocating a separate portfolio of green bonds;
- Revision of the parameters for measuring the climate risk on the foreign reserves management and the effect of investments in "green" bonds on the improvement of the environment.

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

**Responsible department: BRD, FSMD, OSSD, FMOD and MAO.**

### **Strategic objective 9 – Strengthening of the risk management in the National Bank**

The National Bank, as an institution that performs functions and tasks of public interest, will focus on further effective [risk management](#) in all its segments for the purpose of achieving strategic objectives, while respecting the highest standards of [corporate governance](#). In order to improve the work processes and the quality in the performance of the work tasks, activities are envisaged for strengthening of the management mechanisms for internal risk control, regular activities in the area of [internal audit](#), as well as an analysis of the effect on the internal acts and the operation of the internal audit in accordance with the new standards of 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 objectives 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. The National Bank plans activities for amendments to the accounting policies and rules in accordance with the draft amendments to the legal framework upon the recommendations received by the International Monetary Fund (IMF) and the European Central Bank (ECB), in order to strengthen the corporate governance and the capital position of the National Bank in order to provide protection against the increased risks and higher level of financial independence of the National Bank.

Part of the activities of this strategic objective include:

- Operating risk management in the National Bank and raising awareness of the employees for operating risk management in the daily work.

- Conducting risk-based audits which provide reasonable assurance about the operational risk management, the internal control system and the corporate governance in the National Bank, in order to add value and improve the operations;
- Further strengthening of the information system security and improvement of the measures for cyber resilience and operational resilience, advice and regular training of employees for active role in the protection of the information system, personal data and classified information, including periodical controls of the compliance of the operations with the regulations in the field of information system security, protection of personal data and classified information;
- Updating and testing of feasibility of continuity plans of critical work processes in various crisis scenarios;
- 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;
- Preparation of appropriate documentation with draft guidelines for continuation of the activities for the construction of the new building;
- Further implementation of the projects that improve the accounting system of the National Bank, as follows: establishment of a new Integrated Accounting System IAS General ledger, as well as several accounting applications and upgrades.
- Preparation of amendments to the accounting policies of the National Bank and the accounting recording rules which are related to the proposed amendments to the Law on the National Bank, in the part of the capital, reserves, profit distribution and loss coverage.

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

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

### **Institutional capacity 1 – Integrity and confidence in the national currency**

In 2024, 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;
- Conducting regular test procedures for the banknote and coin processing machines according to specified time dynamics.
- Implementation of a standardized platform for training of the staff of banks and cash centers to check the authenticity and fitness of currency in circulation;
- Implementation of the national training plan in accordance with the recommendations from the implemented Twinning Light Project "Strengthening the capacities of the system for fight against counterfeiting of the euro";



- 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**

Provision and development of modern and competent human potential adjustable to rapid changes to the environment is a basic prerequisite for the effective and efficient conduct of our mandate as a central bank and for completing our mission for the well-being of the general public. [Employees are the largest resource of the National Bank](#), which is why the National Bank will continue to take care of attracting, keeping and motivating competent and devoted staff. Also, the National Bank will continue with the activities to nurture the positive working environment and corporate culture, as well as with the development of cooperation, team spirit and creativity.

Some activities in this area include:

- Setting up an appropriate organization and systematization;
- Regulation of employment rights and obligations;
- Ensuring employee engagement;
- Professional trainings and development of employees.

**Expected results:** Highly qualified, competent and devoted human resources that can quickly adjust to the constantly volatile external challenges are essential for accomplishment of the mission and vision of the National Bank and achievement of the set objectives. Observance of the established principles and qualities of the organization, including: quality, integrity, loyalty, transparency, leadership, innovation, flexibility, professionalism and teamwork.

**Responsible department: HRD**

### **Institutional capacity 3 – Information system**

The information system of the National Bank is a complex system that includes different information and communication equipment and a large number of data in different format, supporting the business processes in the bank when carrying out various daily and critical activities. Therefore, the National Bank will continue to ensure the soundness of this information system and its constant upgrade with the latest hardware and software in accordance with the best international standards, thus achieving high accessibility and reliability of information in the system. During 2024, the National Bank will continue to regularly maintain its internally developed applications, improve their functionalities, as well as to develop new applications in order to improve its operations, harmonize with the changes in the legal and internal acts and resolve on time the incidents for ensuring business continuity of the systems. Some of the activities also include removal of the findings of the penetration testing, internal testing, as well as the findings of the internal audit. Moreover, the National Bank will continue with digitalization to facilitate internal processes and increase efficiency and productivity, which is the basis for successful achievement of the strategic objectives.

Some activities in this area include:

- IT incident management;
- Development, upgrading and maintenance of applications;
- Introduction of a tool to store the source code for databases;
- Introduction of a tool for static application testing, a tool and services for dynamic testing and services for forensic analysis of IT incidents;
- Introduction of an SOC (Security Operations Center in the field of IT);
- Regular annual penetration testing and controls for vulnerabilities;
- Upgrading and maintenance of the IT infrastructure;

- Introduction of cloud IT services.

**Expected results:** Maintenance of information system soundness and its constant upgrade with the latest hardware and software in accordance with the best international standards, thus ensuring high accessibility and reliability of information and IT systems.

**Responsible department: ITS, ITD, AppD and OSU.**

#### **Institutional capacity 4 – Statistics**

[Statistical data](#) that are collected and analyzed by the National Bank are of immense importance for the entire public and have an important role in supporting the processes in the National Bank when making timely and high-quality decisions. In order to improve the quality and accuracy of these data, the National Bank will continue to develop the possibilities for data collection, analysis, processing and publication. Also, the National Bank will remain fully committed to fulfilling its obligations to international partners in the field of statistics and will work on harmonizing the data with the highest world 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;
- Activities to enrich the set of statistical data available to users;
- Improving BoP and IIP by drafting a new methodology for private transfers and foreign currency cash outside the banking system;
- Streamlining of the process of collecting data on investments from/to abroad and international credit operations, by introducing electronic reporting.

**Expected results:** Preparation and management of high-quality, timely and easily available statistical data prepared in accordance with the relevant national and international standards, thereby obtaining compatible data comparable to international statistical systems.

**Responsible department: SD.**

#### **Institutional capacity 5 - Research**

The National Bank will continue to support and improve its research activities and will contribute to the promotion and enrichment of the research activity in the country and internationally. [Research activities](#) reflect in several [publications](#): regular reports, analytical boxes within reports, working papers, analyses and other publications. In 2024, the areas key to the effective achievement of the objectives and implementation of the National Bank policies will be the center of attention. Also, the National Bank will continue to organize 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.

During the next year, the activities that have already been started for the purpose of their completion, are expected to continue, and which refer to relevant areas, such as channels and intensity of transmission from world to domestic prices, profit margins, the process of wage and price formation by the domestic corporate sector, etc. New activities within the research area that should start in the following year refer to the following topics:

- Improvement of the model for analysis of the policies in the domestic economy (MAKPAM);
- Oil and food prices in North Macedonia: nonlinear ARDL approach.

**Expected results:** Encouraging research for different economic areas and academic debate in order to support the decision-making process in the field of monetary policy and financial stability.

**Responsible department: MPRD.**

## **CLOSING PROVISIONS**

5. The Plan of Activities will be implemented within one calendar year, from 1 January to 31 December 2024.

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

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

**No. 02-38910/2  
28 November 2023  
Skopje**

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

## Annex 1

REGULAR PROGRAM ACTIVITIES		
Ref. No.	Organizational unit	Name of the program activity
<b>SO1 Improving the infrastructure for monetary policy conduct</b>		
1	MPRD	Preparing macroeconomic forecasts
2	MPRD	Analyzing the public and external debt sustainability, balanced real exchange rate and monetary transmission used in monetary policy decision-making
3	MPRD	Surveys
4	MPRD	Developing ad hoc analyses at request of the management
5	MPRD	Producing regular reports
6	FMOD	Regular conduct of monetary operations and maintaining denar exchange rate stability
7	FMOD	Further harmonization of the monetary framework in accordance with the recommendations from the technical cooperation with the IMF for modernization of monetary operations and liquidity planning
8	FMOD	Participating and supporting the domestic financial markets development
9	FMOD	Further promotion and development of the foreign exchange market, in accordance with the recommendations from the technical cooperation with the IMF
10	FMOD	Improving the operational framework for confirming liquidity support in exceptional circumstances
<b>SO2 Maintaining and further strengthening of the stability and resilience of the banking system</b>		
11	BRD	Completion of the preparation of the Banking Law and preparation of the corresponding by-laws based on this law
12	BRD	Preparation and adoption of the by-laws on the basis of the Bank Resolution Law
13	BRD	Observing international standards and trends in the field of banking regulation and resolution of bank problems (EU, Basel standards, countries in the region, etc.)
14	BRD	Participation in drafting other legislation or amendments thereto
15	BRD	Amendments to other banking regulations
16	BRD	Other regular activities related to banking regulations and operations of the Department
17	FSMD	Monitoring of banking system movements and risks
18	FSMD	Monitoring of financial stability movements and risks
19	FSMD	Assessment of the banking system resilience to shocks
20	FSMD	Monitoring of the need and conditions for introducing/canceling macro-prudential measures and monitoring of the effects of the introduced macro-prudential measures
21	FSMD	Transparency
22	FSMD	Participation in projects/working groups
23	FSMD	Other regular activities
24	ISSO	Regular on-site examinations
25	ISSO	Regular off-site activities
26	ISSO	Creation of a register to monitor the movement of the evaluations from the conducted annual evaluation IT-SREP

<b>REGULAR PROGRAM ACTIVITIES</b>		
<b>Ref. No.</b>	<b>Organizational unit</b>	<b>Name of the program activity</b>
27	ISSO	Analysis of the existing legislation in the field of information security in accordance with the latest recommendations and amendments to the EU regulations from the area
28	OSLD	Regular off-site activities
29	OSLD	Strengthening of the supervisors' capacity for climate risks and implementation of the Medium-Term Plan of the National Bank activities in the area of climate risk management for the period 2023 - 2025
30	OSLD	Strengthening of the National Bank capacities in relation to the process of bottom up stress test and its change in SREP and setting out the capital requirement
31	OSLD	Carrying out of activities for overcoming the weaknesses identified in the report of "Moneyval" for Macedonia.
32	OSSD	Conducting on-site controls
33	OSSD	Development of internal supervisory procedures for the assessment of: 1. Internal Capital Adequacy Assessment Process 2. Banks' business model
34	OSSD	Improvement of the supervisory framework for managing the risk of MLTF
35	OSSD	Participation in working groups to identify the risk of MLTF on a national level (HPA)
36	Fintech WG	Preparation of Survey on post-pandemic fintech challenges and opportunities in the country
37	Fintech WG	Making an analysis of risks arising from fintech development
38	Fintech WG	Making an analysis for the introduction and application of regulatory sandbox .
<b>SO3 Supporting household and corporate sector by developing reliable, innovative and efficient payment systems</b>		
39	PSD	Preparing payment systems and payment services reports
40	PSD	Payment system oversight
41	PSD	Conducting international payment operations on behalf of the government and administrative bodies
42	PSD	Processing and settling transactions related to foreign reserves management and monetary policy and implementation and monitoring and supporting the settlement of OTC transactions
43	PSD	Support for the MIPS participants and processing of forced payment orders
<b>SO4 Improving the investment policy and ensuring optimal return on foreign reserves in accordance with the principles of security and liquidity</b>		
44	FMOD	Foreign reserves management
45	FMOD	Application of the short-term forecast framework for the financial market movements, by selected market/macroeconomic indicators (point scale)
<b>SO5 Adjusting to the standards of the European System of Central Banks</b>		
46	STD	Compilation of financial accounts statistics
47	GO	Activities related to the process of accession of the NBRNM to the European System of Central Banks
48	GO	Strengthening of the capacities through exchange of experiences and cooperation with other central banks
49	GO	Relations with international institutions



<b>REGULAR PROGRAM ACTIVITIES</b>		
<b>Ref. No.</b>	<b>Organizational unit</b>	<b>Name of the program activity</b>
<b>S06 Increasing transparency and accountability</b>		
50	GO	Public relations
51	GO	Proof-reading and translation of materials
52	GO	Protocol
53	PPD	Planning of public procurement needs, analysis and monitoring of the implementation and amendment to the Annual Public Procurement Plan
54	PPD	Preparation and implementation of public procurement procedures
55	PPD	Monitoring of public procurement contracts, and receipt, recording and control of invoices and other accounting documents
56	SPO	Strategic planning
57	FACD	Publishing the NBRNM Financial Statements and auditor's opinion
58	Library	Dealing with library holdings and taking out subscriptions to newspapers and databases
59	Library	Digitization of archival material of historical significance
60	Museum	Management of museum collection
61	Museum	Museum education
62	Museum	Research
<b>S07 Financial education and inclusion</b>		
63	CPFED	Financial education
64	CPFED	On-site and off-site controls
65	CPFED	Preparation of complaint reports
66	CPFED	Handling of complaints
67	CPFED	Preparation of the Law on Financial Ombudsman/Arbiter
68	CPFED	Review and improvement of applicable laws and by-laws
<b>S08 Increasing awareness of climate change and contribution to a green sustainable economy</b>		
69	BRD	Observing international climate risk standards and possibilities for their application in the banking system of the Republic of North Macedonia
70	FSMD	Monitoring of climate risks
71	OSSD	Development of an internal methodology, i.e. a procedure for assessing climate risks in banks
72	FMOD	Contribution to the operation of the Network for Greening the Financial System
<b>S09 Strengthening of the risk management in the National Bank</b>		
73	IAD	Planning and preparation of annual and mid-term audit program
74	IAD	Auditing
75	SPO	Operating risk management in the National Bank
76	SPO	Improvement of the compliance at the level of the National Bank
77	SPO	Ensuring business continuity
78	SPO	Ensuring information security and data protection
79	TMSD	Maintenance of facilities
80	TMSD	Providing transport services
81	TMSD	Physical and technical security and firefighting
82	LD	Drafting and control of general and individual legal regulations
83	LD	Drafting legal documents, lawsuits, responses to appeals and extraordinary legal remedies

<b>REGULAR PROGRAM ACTIVITIES</b>		
<b>Ref. No.</b>	<b>Organizational unit</b>	<b>Name of the program activity</b>
84	LD	Regulation of the property law issues of the National Bank and records of its real estate
85	LD	Preparation of the National Bank Council sessions
86	LD	Providing legal opinions, advices and trainings
87	LD	Office operations
88	LD	Archive operations
89	FACD	Accounting recording of transactions related to the performance of the National Bank functions and tasks as well as operations
90	FACD	Accounting policies and financial reporting
91	FACD	Planning and control
92	FACD	Preparation of the amendments to the accounting policies of the National Bank and the accounting recording rules which are related to the proposed amendments to the Law on the National Bank, in the part of the capital, reserves, profit distribution and loss coverage
93	FACD	Adoption of an internal act at a level of the National Bank, which will comprehensively regulate the electronic signing, confirmation, initialing of documents for internal needs, their distribution in the National Bank, as well as their storage and archiving
<b>IC1 Integrity and confidence in the national currency</b>		
94	BD	Manufacturing/purchasing banknotes and coins, coin blanks, commemorative coins and collector coins
95	BD	Supplying banks and cash centers with banknotes and coins
96	BD	Oversight of the supply of banknotes and coins at banks and cash centers
97	BD	Sale of commemorative coins, collector coins, banknotes and coins for numismatic purposes and blank bills
98	BD	Activities for the needs of the NBRNM, government institutions and administrative bodies
<b>IC2 Human resources</b>		
99	HRD	Providing and recruiting employees
100	HRD	Providing appropriate organization and systematization
101	HRD	Regulation of employment rights and obligations
102	HRD	Ensuring employee engagement
103	HRD	Professional trainings and development of employees
<b>IC3 Information system</b>		
104	AppD	Upgrading and maintenance of applications
105	ITD	Maintaining the IT infrastructure
106	ITD	Asset management
107	ITD	Providing IT services
108	ITD	Backup and archiving
109	ITD	Making changes to the system
110	ITD	Upgrading servers and workstations
111	ITD	IT incident management
112	ITD	Managing user accounts and controlling the access to the system
113	OSU	Business continuity testing in the NBRNM organizational units
114	OSU	Establishing IT services, monitoring the fulfillment of service levels and continuous improvement

REGULAR PROGRAM ACTIVITIES		
Ref. No.	Organizational unit	Name of the program activity
<b>IC4 Statistics</b>		
115	STD	Compilation of monetary statistics
116	STD	Compiling external statistics
117	STD	Reporting obligations arising from membership in international organizations
118	STD	Uniform sectoral distribution of institutional units within the SD
119	STD	Compilation of securities statistics
<b>IC5 Research</b>		
120	MPRD	<i>Producing workpapers:</i> <i>1. Improvement of the model for analysis of the policies in the domestic economy (MAKPAM)</i> <i>2. Oil and food prices in North Macedonia: nonlinear ARDL approach</i>

## Annex 2

<b>NATIONAL BANK OPERATIONS PROJECTS</b>		
<b>Ref. No.</b>	<b>Organizational unit</b>	<b>Name of the program activity</b>
<b>SO3 Supporting household and corporate sector by developing reliable, innovative and efficient payment systems</b>		
1	PSD	Monitoring of the implementation of a new payments legislation
2	PSD	Payment Systems Strategy of the Republic of North Macedonia
3	PSD	Participation in the Regional Cooperation Council
4	PSD	Work activities within the working groups formed by the decisions of the Government of the RNM
5	Digital Denar WG	Digital denar
<b>SO4 Improving the investment policy and ensuring optimal return on foreign reserves in accordance with the principles of security and liquidity</b>		
6	FMOD	Revision of the framework for setting exposure limits on foreign reserves
<b>SO5 Adjusting to the standards of the European System of Central Banks</b>		
7	STD	Submission of data on weighted interest rates to the ECB, in accordance with the data transmission requirements
8	STD	Participation in the SSO's IPA project for international trade in services
9	STD	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
<b>SO6 Increasing transparency and accountability</b>		
10	GO	Deepening of the cooperation with the key entities in the communication with the public
11	GO	Maintaining transparency in corporate communication
<b>SO7 Financial education and inclusion</b>		
12	CPFE	Financial Education and Financial Inclusion Strategy of the Republic of North Macedonia for 2021 - 2025
<b>SO8 Increasing awareness of climate change and contribution to a green sustainable economy</b>		
13	FMOD	Consideration of the possibility of allocating a separate portfolio of green bonds
14	FMOD	Revision of the parameters for measuring the climate risk on the foreign reserves management and the effect of investments in green bonds on the improvement of the environment
<b>SO9 Strengthening of the risk management in the National Bank</b>		
15	TMSD	Construction of the new NBRNM office building
16	TMSD	Equipment for Uninterruptible Power Supply System
17	TMSD	Power grid at the backup location
18	FACD	Activities for defining requirements for preparation of the NBRNM's accounting system for statistical reporting purposes related to the NBRNM's ISIDORA project
<b>IC1 Integrity and confidence in the national currency</b>		
19	BD	Ensuring functionality of the module for electronic data exchange with the Customs Administration
<b>IC3 Information system</b>		

<b>NATIONAL BANK OPERATIONS PROJECTS</b>		
<b>Ref. No.</b>	<b>Organizational unit</b>	<b>Name of the program activity</b>
20	AppD	Introduction of a tool to store the source code for databases
21	AppD	Introduction of a tool for static testing of applications
22	OSU	Improving the monitoring of security events and incidents
23	ITD	Project to strengthen the National Bank capacity for statistics and payment systems
24	OSU	Project for introducing cloud IT services
<b>IC4 Statistics</b>		
25	STD	Analysis and compilation of direct investment data sets, by country and activity
26	STD	Enrichment of the set of data available in NBStat



**Annex 3**

<b>EVENT ORGANIZATION PROJECTS</b>		
<b>Ref. No.</b>	<b>Organizational unit</b>	<b>Name of the program activity</b>
<b>S06 Increasing transparency and accountability</b>		
1	GO	Organization of events as a platform for discussion on relevant topics
<b>S07 Financial education and inclusion</b>		
2	CPFED	Global Money Week
3	CPFED	European Money Quiz
4	CPFED	Financial Literacy Days
5	CPFED	World Savings Day
6	CPFED	Financial education of persons with disabilities
7	CPFED	Financial education and financial inclusion for women - entrepreneurs
<b>S08 Increasing awareness of climate change and contribution to a green sustainable economy</b>		
8	MAO	Green Finance Conference

## Annex 4

SOFTWARE DEVELOPMENT PROJECTS		
Ref. No.	Organizational unit	Name of the program activity
<b>SO1 – Improving the infrastructure for monetary policy conduct</b>		
1	FMOD	Improvement of the analytical basis for monitoring the efficiency of the measures in the reserve requirement
2	FMOD	Upgrading of the functionality of the electronic CB bill system
3	FMOD	Enriching the analytical basis for monitoring the foreign exchange market
<b>SO2 – Maintaining and further strengthening of the stability and resilience of the banking system</b>		
4	OSLD	Upgrading of CRIS
<b>SO3 Supporting household and corporate sector by developing reliable, innovative and efficient payment systems</b>		
5	PSD	Improvement of the payment statistics application
6	PSD	Upgrading of the application for matching securities traded on the secondary market (SISX)
7	PSD	Redesigning of RegNBRM, StatisticsPS, KIBS analysis and KIBS search applications
8	PSD	Upgrading of the AML application
<b>SO4 Improving the investment policy and ensuring optimal return on foreign reserves in accordance with the principles of security and liquidity</b>		
9	FMOD	Introduction of new portfolios within the foreign reserves
<b>SO5 Adjusting to the standards of the European System of Central Banks</b>		
10, 11	STD	Introduction of integrated reporting system by the National Bank, banks, savings houses, for statistical and supervisory purposes - two software development projects (ISIDORA)
12	STD	Activities for establishing a system for managing, storing, processing and handling statistical data, establishing a data warehouse
<b>SO7 Financial education and inclusion</b>		
13	CPFE	Development of an application to compare data on bank loans and deposits (with an external supplier)
<b>SO9 Strengthening of the risk management in the National Bank</b>		
14	SPO	Upgrading of the SPO Service Desk - incidents, in the part for the operational risks
15	FACD	Integrated accounting system
16	FACD	Upgrading the e-Invoice application
17	FACD	Upgrading the integrated material operations (IMO) application
18	FACD	New output invoice application
19	FACD	Upgrading of the planning application - 278
<b>IC1 Integrity and confidence in the national currency</b>		
20	BD	Upgrading of the application 249 - expertise of counterfeits
<b>IC3 Information system</b>		

<b>SOFTWARE DEVELOPMENT PROJECTS</b>		
<b>Ref. No.</b>	<b>Organizational unit</b>	<b>Name of the program activity</b>
21	AppD	Translation of the applications on the NBRNM website in Albanian
<b>IC4 Statistics</b>		
22	STD	Developing a system for receiving foreign trade data from the new system of the Customs Administration of the Republic of North Macedonia
23	STD	Streamlining of the process of collecting data on investments in and from abroad by introducing electronic reporting
24	STD	Streamlining of the process of collecting international credit operations data by introducing electronic reporting



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