



THE JOURNEY TO A NATIONAL DEVELOPMENT STRATEGY



The National Development Strategy, an experiment in systems transformation

Acknowledging and embracing the complexities of the day, we started working on the NDS against the backdrop of the Global Covid Pandemic that brought multitude changes to our everyday lives and challenged the way our public systems and businesses operate. Moreover, our society faced and still faces social polarization, prolonged EU accession as well as a certain detachment from people from the public policymaking processes in the country combined with some distrust in the public sector. In this context we started our support towards institutions in formulating the country's National Development Strategy. With the NDS process we were guided by several questions that we thought are important for governance and policymaking in the country and were a part of our broader experimental and innovative approach.

The guiding, learning questions behind our activities, included:

- Can we get people, institutions, civil society, and other actors engaged and excited about policymaking?
- Can we learn from innovative experiences from other countries and embed them in this policymaking process?
- Can we build societal capabilities to deal with long term and cascading global challenges of the next twenty years?
- Can we construct common societal aspirations for the future, and use them as a development path, something that we can jointly follow and work collectively towards achieving?

We believed that the NDS process as a momentous opportunity to rethink our approaches to policymaking, upgrade our methods, plans and strategies of governing so that they can be an adequate fit for a world filled with new and complex problems. We adopted an approach to policymaking that moved beyond the often-criticized practice of "thinking and acting in silos" and moved towards a more inclusive and transparent process that made space for cross-sectoral, cross-generational linkages, more innovation, experimentation, and a dynamic approach to problem-solving that will be grounded in collaboration, learning and adaptation, allowing for quick and flexible policy course corrections. We set up a wide 'coalition', a 'co-creation' process starting from the UNDP country office, but also joining forces with CSOs, academics, international experts, other UN agencies and international institutions all with the goal to rethink and redesign a public policymaking process.

Guided by the belief that a new nationwide strategy for development could be a unique opportunity for our country to embrace the complexity of current challenges and offer a portfolio of interventions that will generate collective intelligence, facilitate interactions between societal stakeholders, lead to interventions on multiple fronts and perhaps even catalyze a systemic transformation. Strategy that could build a think consensus among all political stakeholders that could accelerate the achievement of SDGs in our country and address the thematic areas that require the greatest societal focus to reach the desired outcomes and communicate them with the public.



INTRODUCTION

In early 2021, the Government of North Macedonia initiated the preparation of a National Development Strategy (NDS), supported by the Good Governance Fund of the British Embassy in Skopje and implemented by the UNDP in coordination with the UN RCO in North Macedonia, leveraging collective UN expertise. In October 2022, the Ministry of Finance of the Republic of Slovakia joined the process of designing and formulating the NDS as a financial supporter, alongside the British Embassy and the UNDP.

The intention behind the NDS was to outline the common development path of the country in the upcoming 20 years, with an inclusive, participatory, whole-of-society approach, through a process that can build consensus among different societal stakeholders in order to achieve the vision of our country.

This comprehensive and strategic document is not merely a bureaucratic exercise but a shared vision that reflects the aspirations of the entire nation. Let's take a closer look at the inspiring story of meticulous preparation of the NDS.

How it started?

The NDS is not just a document; it is a promise to the people of North Macedonia a promise of a planned and secure future that reflects an intergenerational, gender, interethnic, inter-party, and long-term consensus. The creation of the National Development Strategy is strongly supported by the majority of citizens.

80%

of citizens consider the process of creating a National Development Strategy to be of exceptional importance

89%

believe that implementing such a strategy will improve their quality of life

83%

expect that the Strategy will contribute to the harmonization of state priorities

Source: Screening Stakeholders Expectations, March 2021

A noteworthy starting point was acknowledging that the active engagement of the public is crucial. An encouraging fact emerged—nearly 60% of citizens deemed it extremely important or very important to personally participate in shaping the content of the NDS. This set the stage for an open, transparent, and inclusive process from the project's inception.

Key Questions and Concerns:

During the design stage, critical questions were posed to guide the approach. It's important to note that the process aimed to address complexity and global challenges, ensuring an adaptive and flexible response to key issues. Could the process build societal capabilities to keep pace with rapid changes? How could innovation be embedded while adhering to the guiding principles? The aim was to draw on the best national and international experiences, ensuring the NDS's legitimacy and alignment with global goals.

Addressing Realities and Challenges:

The process acknowledged the existing polarization in society, recognizing North Macedonia as a young democratic nation with both benefits and challenges. The team was mindful of the gap between well-crafted documents and their effective implementation, yet optimism prevailed. The belief was that this process presented an excellent opportunity to unite people and envision a better future.

The main steps in the process of consolidation of the Strategy

From the adoption of a robust methodology to the collaborative selection of strategic areas and the compilation of the NDS, each step reflects a commitment to addressing the challenges and opportunities that lie ahead. Below are the key stages that have defined this transformative process, underscoring inclusivity, stakeholder engagement, and a forward-looking approach:

1.Preparation and adoption of the Methodology for the Preparation of the NDS. The Doughnut Model Framework was used to identify risks and potentials over a time frame and build resilience capabilities to deal with uncertainties. The Core Elements of the Methodology are:

- Sustainable Growth: The methodology promotes growth that is environmentally sustainable and contributes to regenerative economies.
- Long-Term Vision: To ensure enduring effectiveness, the NDS is designed to meet future challenges, promoting long-termism over short-sighted strategies.
- Systems Thinking: Acknowledging the interconnected nature of challenges, this approach adopts a systems perspective, recognizing that actions in one area influence other areas.
- Flexibility: Given the complexity of future challenges, the NDS prioritizes flexibility in order to enable agile responses to unforeseen circumstances.

2. Preparatory activities – In the early stages of crafting the National Development Strategy (NDS), critical preparatory activities were undertaken. The process involved mapping existing strategic documents, conducting a comparative study, and stakeholder mapping to fully comprehend the current landscape. Aligning with EU standards and SDGs was integral to ensure international compatibility. These activities aimed to identify gaps, recognize opportunities, and establish a strong foundation for the subsequent stages of the development of the NDS.

3. Identifying the main challenges and setting up a vision through a series of dream Labs (visionary workshops) organized in all 8 planning regions. The 45 dream labs with more than 10,000 people were accessible to all citizens, including vulnerable groups, regardless of their age and profession. The events were organized in all 8 planning regions, at locations with appropriate access for persons with physical disabilities and with sign language interpreting provided. The participants put forward suggestions on different topics from the area of education, the labour market, the environment, economy, social inclusion, agriculture, tourism, culture, etc.



4. Preparation of 24 Baseline Studies for: education, water management and infrastructure, waste management and infrastructure, water management and infrastructure, culture and cultural heritage, economic development, public finance and fiscal policy, youth and sport, tourism, balanced regional development, the labour market, spatial planning, the environment, climate change and habitats, ICT, social policy and pension system, health and health infrastructure, the energy system, the rule of law and fight against corruption, green economy and green jobs, science and research, public institutions, security and resilient society. The studies are based on data collected by state institutions, also including the insights from the dream labs organized within the project. In all these thematic areas, the following cross-cutting topics were taken into consideration: digitalization and innovation; social inclusion; good governance; resilience to crises and natural disasters; gender perspective, environment protection and human rights.

5. Preparation of the state-of-the-art analysis – conditions and challenges - Within this state-of-the-art analysis, MASA has pinpointed the most important aspects from the 24 thematic baseline analyses prepared, such as gaps/conflicts between different analyses within the thematic area and possibilities for better synchronization and improvement. In addition, the vision for the country was drafted based on all visions communicated by the citizens during the 45 dream labs that were previously organized.

6. Design and development of the Innovative mechanisms and instruments for financing strategic national documents study. This study provides an overview of the current mechanisms that countries and institutions have put in place to finance key national development documents/plans/strategies and the lessons that can be drawn for the purposes of mainstream and innovative financing vehicles in our context. The study's insights served as a foundation for proposing new methods for financing the National Development Strategy (NDS), considering not only government funds but also funds from municipalities, the private sector, International Financial Institutions (IFs), and other donor organizations.

7. A "Prioritization Framework" was created to evaluate and select key strategic areas of the NDS, incorporating a scoring methodology for strategic area prioritizing. It emphasized structured, accountable, and transparent decision-making with stakeholder participation. We consulted on the criteria with think tanks, the business sector, MPs, the government, and municipalities.

8. Strategic areas for the NDS were selected in a workshop involving representatives from the Government, the Assembly, the Macedonian Academy of Sciences and Arts, the academic community, thematic experts, the civil sector, the private sector, and representatives of other relevant parties.

9. Over 30 expert debates, roundtables, and workshops were organized to pinpoint system changes, strategic objectives, and priorities for each strategic area. These events drew the participation of over 4,000 diverse stakeholders, including MPs, government representatives, municipal authorities, public institutions, civil society organizations, members of the business sector, the Macedonian Academy of Sciences and Arts (MASA), and the youth.



The extensive engagement in these debates ensured a comprehensive exchange of ideas and perspectives among a wide spectrum of stakeholders, contributing to the formulation of well-informed strategic goals and priorities for the National Development Strategy.

10. The NDS Unit in the General Secretariat has closely collaborated with the State Statistical Office during the preparation of the NDS to incorporate the latest census data in its content. Moreover, the development of the NDS relies on an evidence-based approach, with the Pardee Center for International Futures at the University of Denver providing interconnected projections that cover agriculture, demographics, economics, and technology.

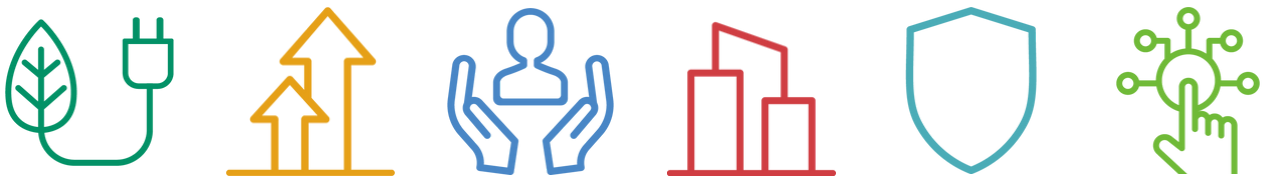
11. Compilation of the NDS - NDS Compilation Team

The compilation stage encountered the challenge of balancing academic rigor and diverse perspectives. Collaborating with the Macedonian Academy of Sciences and Arts (MASA) ensured academic validation and co-leadership. Furthermore, managing a team of 6 international and over 30 national experts in close coordination and cooperation with MASA was demanding but crucial for the creation of a comprehensive and well-rounded National Development Strategy. In addition, youth organizations, notably the National Youth Council of North Macedonia (NYCM) with 54 diverse member organizations and youth leaders from the Chevening Alumni Network in North Macedonia played a significant role, contributing valuable insights, recommendations, and inputs on the NDS's vision, goals, and priorities.

The process of NDS writing

The development process of the NDS was enhanced through the application of the so-called theory of change. This stage was divided into two parts:

The process of development of the NDS incorporated the theory of change, comprising two stages. In the first stage, intensive discussions among stakeholders and expert groups identified the country's challenges in the next two decades. This laid the foundation for short-term and long-term NDS goals. Discussions covered six NDS strategic areas: Sustainable, Innovative and Competitive Economy; Sustainable Local and Regional Development that Ensures Cohesion; Demographic Revitalization and Social and Cultural Development; Secure, Safe and Resilient Society; Rule of Law and Good Governance and Green Transformation.



In the second stage, more than 30 expert debates, workshops, and roundtables were organized, involving over 4.000 stakeholders, including the youth. The focus was on defining challenges within six strategic areas. Detailed analyses, including causes and effects, and proposed measures, were conducted for each area. Human capital and digitalization of the society are central elements and fundamental prerequisites for achieving progress in each strategic area. Furthermore, social inclusion, gender perspectives, resilience to crises and catastrophes, and environmental protection are integrated into each strategic area.

12. Consultation of the final version with all relevant stakeholders via email, final workshops, the digital platform ENER, etc.



The draft version was shared for final comments and suggestions with all ministries, parliamentary commissions, think tanks, the business sector, and the academia. Additionally, final events involving more than 500 citizens were conducted. An additional event for receiving suggestions and comments from more than 200 youths was organized. Furthermore, the National Development Strategy (NDS) was published on the NDS digital platform "nrs.mk" and on ENER to ensure access for all citizens.

13. Submission of the final draft to the Government for further procedures and adoption by the Parliament

Upon the completion of the consultations with the stakeholders and incorporating their feedback, the finalized draft of the National Development Strategy (NDS) was submitted to the Government for review. Following approval from the National Council for Development (as the highest body of the NDS' structure) and the final approval during a governmental session, the NDS was, then, presented to the Assembly for adoption.



Challenge:

The challenge in this complex process is achieving a balance between academic rigor and practical applicability. The need to maintain high academic standards, as seen in the collaboration with the Macedonian Academy of Sciences and Arts (MASA) and the involvement of international experts, must be harmonized with the necessity for a strategy that is not only comprehensive but also feasible and adaptable to real-world conditions. Achieving such balance required careful navigation to ensure that the final National Development Strategy is both intellectually sound and practically implementable.

This challenge was further addressed through regular expert debates and workshops involving various stakeholders. The continuous engagement with experts, government officials, civil society organizations, the business sector and other relevant parties helps to refine the strategy, ensuring that it remains grounded in empirical data, expert opinions, and the practical needs of the nation.

Key factor for success:

Reaching consensus through active and regular stakeholder involvement:

The NDS development became a testament to collaborative excellence, involving over 60 Members of Parliament, 200+ ministry representatives, more than 75 events (dream labs, expert debates, roundtables) with over 14.000 citizens, and engagement of think tanks, civil society groups, and chambers of commerce. This inclusive approach enriched the dialogue and ensured diverse perspectives.

While the discussions were essential, they also posed a challenge—ensuring diverse perspectives not only to be heard but also to be effectively integrated. Overcoming this challenge involved creating inclusive platforms that encouraged active participation from various stakeholders. These discussions, whether in parliamentary sessions, coordination meetings with ministries, or visionary workshops across planning regions, played an exceptionally important role in shaping the Strategy.



Visionary workshops in all planning regions became vibrant platforms for citizens of all ages and professions to actively contribute. These discussions, which were realized through the 45 dream labs, became the pulse of the strategy, capturing the aspirations and concerns of the people.

Valuable input was sought from the Collegium of State Secretaries, ensuring that perspectives from various administrative units were considered. The presentation of the NDS process at the Assembly of the Republic of North Macedonia further facilitated discussions among key decision-makers, ensuring a collective understanding of the Strategy's significance.

The cooperation with the Cabinet of the President of the Parliament involved engaging coordinators of political parties and MPs, fostering active support and commitment. These engagements went beyond political lines, emphasizing the non-partisan nature of the NDS preparation process.

The coordination meetings with the 17 ministries served as forums for defining mechanisms for cooperation and coordination throughout the NDS development process. The participation of over 200 representatives from all ministries/agencies ensured that a broad spectrum of insights and expertise was considered.

The involvement of think tanks, civil society groups, and chambers of commerce added depth to the discussions. Expert debates enriched the dialogue, ensuring that the NDS was not just a product of government-centric views but a reflection of a collective vision.

It is noteworthy that in the comprehensive development process of the National Development Strategy (NDS) of North Macedonia, a gender perspective and aspects of social inclusion were actively integrated, recognizing their importance not only in the formulation of the document but also throughout various events, workshops, and engagement initiatives.

More than 50% of participants in all events were women, 30 % youth and over 20% were representatives of marginalized and vulnerable groups. The inclusive approach ensured that diverse gender and social inclusion perspectives were considered, reflecting a commitment to address the multifaceted challenges and opportunities with sensitivity to gender- and social inclusion- related issues in the nation's developmental landscape.



Challenge in the process:

Bringing together representatives from the government, citizens, the business sector, and the academia was a challenge. While crucial for comprehensive decision-making, aligning diverse perspectives and interests in a single forum was demanding. Defining priorities required a holistic understanding of the challenges, requiring careful consideration of governmental, societal, economic, and academic viewpoints. The challenge extended to setting strategic objectives through a systemic lens, ensuring that solutions were not isolated but interconnected, addressing the complexity of the nation's developmental landscape. Overcoming this challenge demanded a delicate balance, fostering collaboration and inclusivity while navigating the intricacies of varied stakeholder expectations. However, this inclusive approach was a crucial mechanism for ensuring that the NDS addressed the multifaceted nature of the national development.

Parliamentary Support

Representatives from the Parliament were actively involved throughout the entire preparation process of the National Development Strategy (NDS). They participated in dream labs, different workshops, roundtables and events determining criteria for selecting NDS strategic areas, and workshops where strategic areas were agreed upon based on the defined criteria. Additionally, priorities and strategic objectives for each area were debated publicly within the Parliamentary Commissions at the Assembly.



Proposed to Parliament with endorsements from coordinators of the four parliamentary groups, the NDS law reflects a unified consensus among all political parties on the National Development Strategy (NDS). Crucially, the Parliament's adoption of the law, backed by unanimous support from all 62 MPs present, irrespective of party affiliations, underscores the strength of a shared vision and the commitment to inclusive governance.

This legislative endorsement serves as a vital prerequisite for the adoption of the NDS strategy itself, emphasizing its significance in achieving broad consensus. This parliamentary support ensures consistency across different governments, allowing the NDS goals to continue in the next two decades. It lays a strong foundation for promoting a unified and ongoing approach to national development.

Challenge:

The challenge in securing support from all political parties revolves around harmonizing diverse ideologies and interests to establish a unified consensus on the National Development Strategy (NDS). While presenting the law with endorsements from the four parliamentary groups is a noteworthy accomplishment, sustaining this unity across the entire political spectrum remains an ongoing challenge.



The initial adoption of the Strategy by all political parties and its integration into their respective programs is the first tangible sign of collaboration toward a more promising future over the next two decades. The ongoing challenge lies in maintaining this collaborative spirit, navigating through diverse priorities, resolving potential policy differences, and upholding a commitment to inclusive governance.

Functional Operational Structure of the NDS:

To strengthen the **NDS Unit within the General Secretariat**, an extensive program of mentorship and capability-building was initiated. The team underwent training modules on various aspects, ensuring proficiency in strategy formulation and implementation.

The establishment of the National Council for Development further solidified the operational structure. The Council organizes the preparation of the Strategy and the Program, reviews the draft text, submits the proposed text to the Government and provides opinions and recommendations on the planning, implementation, and monitoring of the Strategy, as well as determining and implementing the means and methods for financing the Strategy. With its diverse composition, the National Council for Development is bringing together stakeholders from various sectors—the Government, the President's Cabinet, the Assembly, the regions and municipalities, the Macedonian Academy, universities, chambers of commerce, unions, the civil society and the youth.



The Working Committee is a supporting body of the Council that provides expert and technical support to the Council. The Working Committee is organized and operates in four subgroups, following the model of a quadruple helix, in particular:

- State Administration Subgroup: state secretaries, administrative officials from units for strategic planning, units for normative work in governance authorities, units responsible for budget planning and other budget-related issues, as well as units responsible for activities in the relevant strategic areas of the National Development Strategy;
- Civil Society Subgroup: thematic - citizen associations, associations of vulnerable communities, trade unions, media, and research bodies of political parties;
- Business Community Subgroup: economic chambers and employer associations;
- Public Institutions Subgroup: representatives from other authorities, representatives of units in local self-government, other public institutions performing activities in the fields of culture, science, labour, social protection, child protection, health, communal activities at both a national and local level, and representatives of the judiciary.

Challenges:

The Executive Board is a supporting body of the Council that enables strategic collaboration and partnership of the Council with the international community, international financial institutions, and donors.

Harmonizing opinions from diverse sectors within the National Council for Development is a significant challenge. Balancing inputs from the government, academia, business, and civil society requires delicate navigation.

Furthermore, the Working Committee, as a complex body with numerous members, faces distinct challenges in the process of coordination and collaboration. Achieving a common understanding among the diverse members demands effective communication and integration of various perspectives. Harmonizing inputs from the government, academia, business, and civil society demands careful navigation, yet it is crucial for overcoming concrete challenges and achieving the goals outlined in the NDS. Despite its complexities, the structure of the abovementioned bodies ensures adaptability, innovation, and shared responsibility, thereby contributing to the success of North Macedonia's National Development Strategy through a systemic lens.

Communication and Outreach:



NDS digital platform: The NDS digital platform (<https://nrs.mk/>) is not just a website; it's a dynamic hub, **with over 40.000 visits**—a testament to its user-friendly design. Run directly by the NDS team, it's a platform where inclusivity meets innovation.

Listen to over 100 people—from experts to citizens and businesses. They're all saying the same thing—the NDS is essential. It's not just a plan; it's something we're all in on.

Visual Stories: With **eleven impactful videos**, the NDS brings its objectives to life. These aren't just clips; they're visual narratives, painting scenarios that resonate with everyone, crystallising the strategy's objectives and priorities.

TV Shows as Platforms of Insight: Government representatives, opposition figures, and UNDP contributors step into the spotlight through television shows. Here, the National Development Strategy isn't just discussed, it's dissected, bringing informed discussions and public awareness to the forefront. Moreover, more than 200 news related to NDS speak about the significance of this strategy, making it a conversation on a national level.

The story of preparing the NDS in North Macedonia is not just a tale of bureaucratic procedures; it's an inspiring narrative of collective vision, commitment, and resilience.



Next steps

Establishing a tools for monitoring and evaluation system

- Joint implementation of the Strategy through active involvement of the Working Committee (operating based on the quadruple helix) to spearhead the collaborative implementation of the NDS.
- An Investor Map will be created to help businesses find investment opportunities that support the goals of the National Development Strategy (NDS) and the Sustainable Development Goals (SDGs). It will be part of the existing digital platform "nrs.mk", making it easy for the NDS team and stakeholders to access and use. Collaboration between government institutions and chambers of commerce will be strengthened to ensure that investments in the private sector align with the NDS.
- Strategic Partnerships and International Collaboration – Seek collaboration with the international community to leverage expertise, resources, and best practices in key developmental areas outlined in the NDS.
- Continue investing in the mentorship and capacity-building programs for the NDS Unit within the General Secretariat.
- Public Engagement and Communication – Sustain the momentum of public engagement through the NDS digital platform, emphasizing transparency and accessibility.
- Adaptive Governance and Flexibility – Embrace an adaptive governance approach, allowing for flexibility in strategy adjustment based on changing circumstances and emerging challenges.

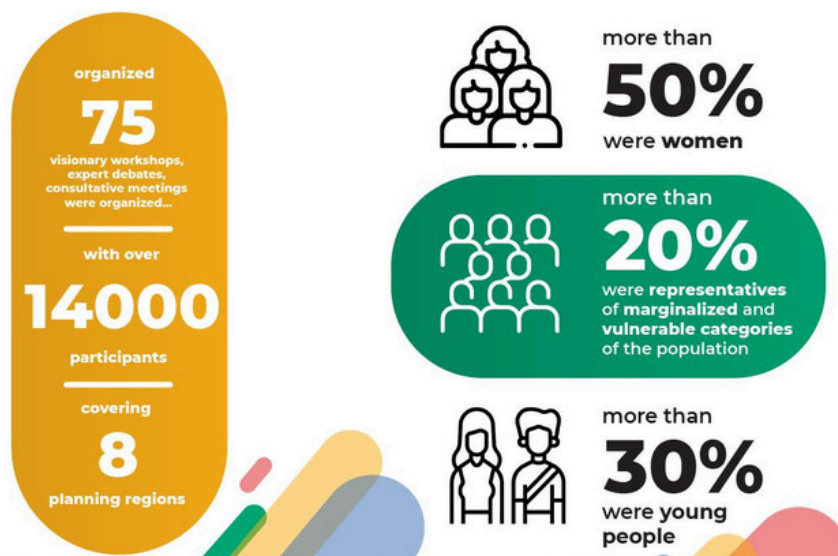


CONCLUSION

The National Development Strategy (NDS) is a roadmap for North Macedonia's future, crafted through collaborative efforts and forward-thinking development. Through meticulous planning and a collaborative spirit, several key achievements have been realized, shaping a promising path forward.

Key Achievements:

1. Inclusive Engagement: Overcoming challenges in a diverse society, the initiative successfully involved a broad spectrum of stakeholders, including 60 Members of Parliament, more than 60 Mayors, over 250 ministry representatives, 200+ experts, all chambers of commerce, over 25 think tanks, and 100 civil society organizations.



This extensive approach went beyond conventional boundaries by actively including 14,000 citizens through more than 75 events. In the development process of North Macedonia's National Development Strategy (NDS), a strong emphasis was placed on integrating a gender perspective and social inclusion aspects. Over 50% of participants in all related events were women, and more than 10% represented marginalized groups. This inclusive approach aimed to address challenges and opportunities with sensitivity to gender and social inclusion issues, reflecting a commitment to a more equitable and sustainable future within the broader NDS framework.

2. Solid methodology base: The adoption of a robust methodology, based on the Doughnut Model, enabled the identification of risks, potentials, and resilience capabilities. This innovative approach promotes environmentally sustainable growth, long-term vision, systems thinking, and flexibility in addressing future challenges.

3. Evidence-Based Decision Making: The NDS development embraced an evidence-based approach, collaborating with international experts from the Pardee Center for International Futures and the State Statistical Office of North Macedonia. Interconnected projections across various domains facilitated informed decision-making and strategic planning.

4. Parliamentary Consensus: The active participation of MPs throughout the preparation of the NDS and the unanimous adoption of the NDS Law by all 62 MPs present signify a shared vision for inclusive governance. Their unanimous support, irrespective of party affiliations, signifies a shared vision for inclusive governance, providing a strong foundation for continued progress across future governments.

5. Operational Structure Strengthening: Initiatives to enhance the NDS Unit's capabilities, the establishment of the National Council for Development, and the Working Committee (based on the quadruple helix model) exemplify a strategic and collaborative operational structure. This structure ensures adaptability, innovation, and shared responsibility in the process of NDS implementation.

6. Outreach and Communication: The NDS digital platform, impactful videos, TV shows, and extensive news coverage have transformed the strategy from a document into a national conversation. With over 40,000 visits, the platform has become a dynamic hub for inclusive dialogue.



Looking Ahead:

As we move forward, the next steps include establishing tools for robust monitoring and evaluation system, joint implementation of NDS through the Working Committee, strategic international collaborations, continued mentorship programs, sustained public engagement, and an adaptive governance approach. It is crucial to emphasize that this is just the beginning of the NDS journey, and the true realization of the NDS objectives necessitates the concerted efforts of all stakeholders. Joint forces are imperative for the successful implementation of the strategy, fostering an environment where diverse perspectives converge to drive positive change. This collaborative approach will not only strengthen the foundations laid by the Strategy but also ensure its impact on the prosperity and sustainability of the nation. Together, we embark on a shared path towards a brighter and more resilient future for North Macedonia."



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