
NORTH MACEDONIA CAN DO BETTER IN EDUCATION SECTOR BUDGET TRANSPARENCY

SKOPJE, April 29, 2020—The [International Budget Partnership](#) (IBP) for the first time launched in 2019 the health and education sector fiscal transparency pilot module. Findings from the related research on North Macedonia’s public budgeting show that the government can do better in prioritizing education funding.

As per the IBP: *“The main objective of the pilot sector module is to assess budget transparency in health and education and, by doing so, to support the Open Budget Survey (OBS) partners in obtaining the specific sector budget data that they need to analyze and advocate for improved health and education outcomes”*. Further, IBP hopes that the information gathered by the sector module serves as an instrument for partners to link more closely budget work with sector work and, therefore, encourage other civil society organizations to also join the call for greater budget transparency.

Education sector in North Macedonia

The primary and secondary education are transferred competencies to the local governments in North Macedonia with education and financial responsibilities shared between the local and central governments. Education sector in Macedonia in great deal is funded from the central budget. The presentation of this sector is presented in the central budget in the economic, functional, administrative and program budgeting classification and its fiscal transparency mirrors the overall OBS fiscal transparency measurement facts.

Findings from piloting the education sector fiscal transparency module in North Macedonia

Some countries have earmarked revenues for the education sector but North Macedonia has not. An example of earmarked revenues in North Macedonia for health sector are excises from tobacco and alcohol that are used in health programs.

Even though the donations in education are presented in the budget presentation, still the budget transparency for the education sector can improve if the donations are presented by individual donors.

The year-end-report should present the total intergovernmental transfers for the sector.

As per Marjan Nikolov the lead researcher of IBP for North Macedonia: *“Usually, there is a shallow and a too generic explanation in the Decentralization section that relates to the education*

sector in the executive-budget proposal. It only says that the transferred competencies in education, culture, child protection and elderly care taking will be done through block transfers. Proper narrative to set up and explain proper objectives in the education sector for the block transfers is missing”.

Why is it important to have sector module fiscal transparency analysis?

Lack of budget information limits the ability to conduct education sector work and advocacy on distribution of education to assess, for example, whether most vulnerable populations are seeing their right to access education fulfilled at statistical regions and/or local government level.

Furthermore, sector finances can be used for changing the behavior of citizens (users of public goods) through the provision of incentives and for achieving important policy goals for a beneficiary group. Because sector revenues are linked to specific expenditures for a specific beneficiary, they are sometimes referred to as benefit taxes. As such, the user charges fees fulfill the principle of fairness because beneficiaries pay only for the goods and services that they are using. User charges and fees are also economically efficient in a sense that they ensure that scarce resources are allocated to their most highly valued uses.

The Mission of CEA is to continuously research economic development and public policy in the Republic of North Macedonia and to offer recommendations, suggestions and measures to the government and non-governmental institutions. CEA members share a common vision of the Republic of Macedonia as a new emerging economy integrated with regional and world markets. They devote their time, efforts and knowledge to help make this vision become a reality.

To download the full report, visit: [Questionnaire](#), [IBP Report](#), [Executive Summary - North Macedonia](#), [Key Findings](#).

For more information, visit [International Budget Partnership](#).