**To:**

**Ministry of Finance of the Republic of North Macedonia**

**The Minister of Finance**

**Gordana Dimitrieska-Kochoska, M.A.**

and

**Sector for Budget and Funds**

**Subject:** Proposal-initiative for systemic improvement of youth budgeting through the introduction of a "Youth Marker/ separate budget program"

## 1. INTRODUCTION AND CONTEXT

With the adoption of the **Law on Youth Participation and Youth Policies (LYPYP), Official Gazette No. 10/2020** and the **National Youth Strategy (2023–2027)**, the Republic of North Macedonia clearly defined the support of young people as a state priority. However, the current budgeting model at the central and local level does not allow precise monitoring of the allocated funds/investments in this sector.

## 2. ANALYSIS OF THE SITUATION AT THE NATIONAL LEVEL

Although the legal obligation under Article 21 of the Law on Youth Participation and Youth Policies (LYPYP) Official Gazette No. 10/2020), requires municipalities to allocate a minimum of **0.1%** of the budget for youth, in practice we face the following challenges:

- **Statistical invisibility:** Youth expenditures are "hidden" in sub-programs for education, sports or culture and other sub-programs, which prevents state monitoring of the implementation of the National Strategy.
- **Non-fulfillment of an obligation under the LYPYP:** Municipalities cannot show the fulfillment of the obligation under Article 21 of the LYPYP to allocate funds from the local budget in the amount of 0.1% separately for youth, i.e. they have difficulties defining youth items within the existing Rulebook on the Classification of Expenditures.
- **Lack of data:** The state does not have cumulative data on the total investments in the youth standard at the central and local level.

## 3. PROPOSAL FOR AMENDMENTS AND SUPPLEMENTATIONS

In order to overcome these gaps, we propose that the Ministry of Finance take two key steps:

**A. Amendment of the Rulebook on the Classification of Expenditures:** Introduction of a specific **"Youth Marker" (Youth Marker)** in the treasury system. This marker would be added to every transaction or item that is directly or indirectly intended for young people (15–29 years), i.e. to be taken into account through the application of the IFMIS system. This is in accordance with the recommendations of the **OECD** and the practices of the **EU** for monitoring human capital.

**B. Creation of a unified program/sub-program "Youth":** In the functional classification of the budgets of the LSGUs, a mandatory new program should be introduced that would unite all funds intended for the Local Youth Councils and Youth Centers.

We request the Ministry of Finance to include these changes in the next Circular Letter on the preparation of budgets at the local level for 2027, in accordance with Article 27 paragraph (2) of the Law on Financing of Local Self-Government Units (Official Gazette of the Republic of Macedonia, No. 61/04, 96/04, 67/07, 156/09, 47/11, 192/15, 209/18, 244/19, 53/21, 77/21, 150/21, 173/22, 170/24, and 37/25), and within the framework of the functional classification of the budget in accordance with the Law on Budgets (Official Gazette of the Republic of North Macedonia, No. 203/22, 76/24, 272/24, and 258/2025) and the Rulebook on Program Classification (Official Gazette of the Republic of North Macedonia, No. 270/2024 and 277/2024), Rulebook amending and supplementing the Rulebook on Classification of Expenditures (Official Gazette of the Republic of North Macedonia No. 75/2021, and 253/2024).

## 4. BENEFITS FOR THE STATE

- **Precise statistics:** The Ministry will obtain a tool for generating reports on the exact amount of funds invested in young people at the level of the entire country.
- **Increased accountability:** Municipalities will have a clear framework for how to fulfill the legal minimum of 0.1% for youth.
- **International rating:** The Republic of North Macedonia will become a leader in the region by introducing an innovative model of youth-responsive budgeting.

## 5. CONCLUSION

This initiative, prompted by the needs of all municipalities in the country due to the legal obligation introduced in 2020 with the adoption of the LYPYP, and submitted by the 9 municipalities of the Pelagonia region (Bitola, Prilep, Novaci, Mogila, Resen, Demir Hisar, Dolneni, Kruševo and Krivogaštani), offers a **systemic solution** applicable to all 81 local self-government units.

**Supported by:**

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|---|---|
| Municipality of Bitola | Toni Konjanovski, Mayor of Bitola |
| Municipality of Prilep | Dejan Prodanoski, Mayor of Prilep |
| Municipality of Novaci | Stevce Stevanovski, Mayor of Novaci |
| Municipality of Resen | Jovan Tozievski, Mayor of Resen |
| Municipality of Mogila | Dragancho Sabotkovski, Mayor of Mogila |
| Municipality of Demir Hisar | Nikola Najdovski, Mayor of Demir Hisar |
| Municipality of Krivogaštani | Igor Karaviloski, Mayor of Krivogaštani |
| Municipality of Kruševo | Nikola Coneski, Mayor of Kruševo |
| Municipality of Dolneni | Blerim Isljani, Mayor of Dolneni |

The initiative is submitted within the framework of the work of the REGIONAL YOUTH PLATFORM of the Pelagonia region.

Date: 13.05.2026
Place: Bitola

With respect,
Secretariat of the RYP

Chairman,
Emilia Gjeroska