How to Use this Guide

This Human Rights and Business Country Guide contains information regarding the potential and actual human rights impacts of businesses. The information in this Guide is gathered from publicly available sources, and is intended to help companies respect human rights and contribute to development in their own operations and those of their suppliers and business partners.

About the Human Rights and Business Country Guide

The Human Rights and Business Country Guide provides country-specific guidance to help companies respect human rights and contribute to development.

For companies to manage their potential human rights impacts, they must have comprehensive information about the local human rights context in which they operate. The Country Guide provides a systematic overview of the human rights issues that companies should be particularly aware of. For each issue, it provides guidance for companies on how to ensure respect for human rights in their operations or in collaboration with suppliers and other business partners.

This Guide was produced through a systematic survey carried out by INTER PARTES Skopje and the Danish Institute for Human Rights. The aim of this Guide is to improve the human rights practices of companies, including through facts-based dialogue regarding the issues presented here.

How the Human Rights and Business Country Guide can be used by companies

- Develop company policies and procedures related to human rights issues in the local environment.
- Assess and track the potential human rights impacts of your own operations or in suppliers, business partners and investments.
- Raise awareness among staff, suppliers and other business partners.
- Engage with workers, potentially affected communities, consumers and other stakeholders whose human rights might be affected by your operations.
- Engage with civil society organisations, government bodies or international organisations on human rights-related issues.
- Provide background information for auditors.
- Establish or collaborate with mechanisms for workers, communities and other whose human rights might be affected by your operations.
- Contribute to development initiatives that align with human development needs and priorities in the local context.

How the Human Rights and Business Country Guide can be used by governments

- Review and reform public policy and legislation relevant to the human rights impacts of business, including in the areas of labour, environment, land, equal treatment, anti-corruption, taxation, consumer protection or corporate reporting.
- Ensure respect for human rights in the state’s own business affairs such as state-owned companies, sovereign wealth funds and other investments, public procurement, development assistance, export credit and other activities.
How to Use this Guide

- Build awareness and capacity on human rights and business issues within relevant areas of public administration.
- Provide targeted advice to domestic companies.
- Inform the development of trade policy, trade and investment agreements and trade and investment promotion.
- Improve effective access to judicial and non-judicial remedies for victims of business-related human rights abuses.
- Enhance the contribution of the private sector in national and regional development programmes relevant to human rights.

How the Human Rights and Business Country Guide can be used by civil society organisations

- Inform human rights research and monitoring related to business operations.
- Work with affected workers and communities to define human rights and human development priorities related to the role of business.
- Provide capacity-building to government, business and civil society stakeholders on human rights and business.
- Work with local stakeholders to provide recommendations to business and government.
- Facilitate dialogue and engagement with, including multi-stakeholder forums, with state agencies and businesses.

The Country Guide aims to work with all stakeholders to promote, monitor and expand the activities described above. We request that all stakeholders who use the findings of the Country Guide in their work notify the Country Guide team of their activities and lessons learned. These experiences will be included in the Country Guide website, HRBCountryGuide.org.

Country Guide Content

The Country Guide contains the following information:

Areas for Attention

Each section of the Country Guide identifies areas for particular attention by businesses. The Country Guide identifies these areas through an analysis of the country’s legal framework for human rights protection; enjoyment of human rights in practice; and the proximity of third-party human rights violations to company operations.

The headline and risk description describe the relevance of each issue for businesses. The text that follows the risk description presents the quantitative and qualitative information upon which this determination was based.

- **Background & Context** gives an overview of economic, political and demographic characteristics.
- **Rights Holders at Risk** identifies groups that may be vulnerable to workplace discrimination or community impacts.
- **Labour Standards** identifies areas for attention related to employees and working conditions. This section includes child labour, forced labour, trade unions, occupational health & safety and working conditions.
- **Community Impacts** identifies areas for attention related to communities whose human rights may be affected by company operations. This section includes impacts related to environment, land & property, revenue transparency & management and security & conflict.
• **Access to Remedy** identifies judicial, state-based and non-state-based non-judicial grievance mechanisms, informal as well as regional and international avenues of redress for victims of corporate human rights abuse. Where possible, this also includes practice information about the effectiveness of such bodies, and the number of cases they have heard and redressed.

• **Sector Profiles** identifies human rights and business impacts related to a particular industry sector, such as extractive operations, manufacturing or agriculture.

**Cases**

Each rights issue includes cases from media and law where the rights issue in question has been allegedly violated. These cases are drawn from the Business and Human Rights Resource Centre, international and local NGOs and stakeholder consultations. The cases presented here should not be considered comprehensive.

**Human Rights Guidance for Businesses**

This section includes guidance for businesses to prevent and mitigate their adverse human rights impacts. This guidance is drawn from the Danish Institute for Human Right’s (DIHR) existing library of human rights due diligence recommendations, as well as international frameworks, principles and guidelines. Where available, this section includes recommendations issued by local NGOs and directed specifically at companies operating in the country.

This section also includes examples of initiatives carried out by companies to mitigate their human rights impacts. These are organized into Due Diligence Initiatives—activities that aim to meet the company’s responsibility not to violate human rights—and Beyond Compliance Initiatives—activities that aim to contribute to development beyond this baseline obligation.

**About DIHR**

The Danish Institute for Human Rights is a National Human Rights Institution accredited under the UN Paris Principles, and carries out human rights and development programmes in Denmark and around the world. Since 1999, the Danish Institute has worked closely with the business and human rights communities to develop tools and standards for better business practice.

*For more information, see humanrights.dk.*

**About the law firm INTER PARTES Skopje**

The law firm INTER PARTES Skopje has a vast experience in representing individuals and legal entities in front of national and international courts and organs. It provides legal assistance in all areas of law, especially in corporate law, IPR law, criminal and civil law, and international human rights law. INTER PARTES Skopje is also regularly participating in negotiations and offering services in the area of business protocol.

*For more information, see www.interpartes.mk*
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Background & Context

Overview of political and socio-economic conditions in which businesses operate. This information is designed to inform businesses of the broader political and development trends in the country.

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<thead>
<tr>
<th>Demographics &amp; Economy</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Population</td>
<td>2,069,172 (latest census, 2002); 2.078 million (World Bank, 2015)</td>
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<td>Ethnic Groups</td>
<td>Latest census in 2002: Macedonian (64.2 percent), Albanian (25.2 percent), Turkish (3.9 percent), Romani (2.7 percent), Serbian (1.8 percent), Bosniak (0.8 percent), Vlach (0.5 percent) and other ethnic groups (1 percent)</td>
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<td>Religious Groups</td>
<td>Latest census in 2002: Orthodox Christian (65 percent) and Muslim (33 percent), Catholics, various Protestant denominations and Jews (less than five percent)</td>
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<td>Languages</td>
<td>Latest census in 2002: Macedonian (64.2 percent), Albanian (25.2 percent), Turkish (3.9 percent), Romani (2.7 percent), Serbian (1.8 percent), Bosniak (0.8 percent), Vlach (0.5 percent) and other languages of other ethnic groups (1 percent)</td>
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## Political, Economic & Development Statistics

**Quantitative indicators and country rankings**

|----------------------------|------|------|------|------|
| Reporters Without Borders: Press Freedom Index  
*Where 1 indicates the highest degree of freedom* | 116  | 123  | 117  | 118  |
| Freedom House: Map of Freedom - Political Rights  
*On a scale of 1 through 7, where 1 indicates the highest level of freedom* | 3    | 3    | 4    | 4    |
| Freedom House: Map of Freedom - Civil Liberties  
*On a scale of 1 through 7, where 1 indicates the highest level of freedom* | 3    | 3    | 3    | 3    |
| Form of government  
| Most recent general election  
| Current head of state  
| Ruling party  
| Other major parties  
• Social Democratic Union of Macedonia or SDSM [Zoran Zaev]  
• Democratic Union for Integration or BDI [Ali Ahmeti] |
### Development Indicators & Trends

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<th>2013</th>
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<td>GDP growth (annual %)</td>
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<td>Worldbank.org</td>
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<tr>
<td>GDP growth in region /</td>
<td>2.57</td>
<td>1.83</td>
<td>0.726</td>
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<td>neighbouring countries</td>
<td>1.28</td>
<td>1.55</td>
<td>2.97</td>
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<td>Serbia</td>
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<td>2.56</td>
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<tr>
<td>Bulgaria</td>
<td>3.2</td>
<td>0.654</td>
<td>0.232</td>
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<td>Albania</td>
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<tr>
<td>Greece</td>
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<td>GDP per capita (PPP) (annual %)</td>
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<td>Human Development Index rank</td>
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<td>Regional Average</td>
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<td>HDI discounted for inequality</td>
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<tr>
<td>Gini coefficient</td>
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<tr>
<td>Percentage of population below</td>
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<tr>
<td>national poverty rate</td>
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<tr>
<td>Percentage of population below</td>
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</tr>
<tr>
<td>absolute poverty rate ($1.25 per day)</td>
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</table>
Political Context

Governance structures and political developments

The Republic of Macedonia is a parliamentary democracy, with a popularly elected president as head of state and commander in chief of the armed forces.

Since independence in 1991, power has alternated between center-left and center-right governments. The center-right Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity (VMRO-DPMNE) has won every parliamentary election since 2006, ruling in coalition with several parties representing ethnic minorities. The left-leaning Social Democratic Union of Macedonia (SDSM) held power through much of the 1990s and early 2000s, and is currently the leading opposition party. ¹

Ethnic Albanians comprise 25 percent of the population. ² In 2001 there was an armed conflict between the Albanian and Macedonian forces which ended with the signing of the Ohrid Framework Agreement by all political parties. ³ The Agreement led to amendments to the Constitution confirming the rights of all ethnic groups and requiring that certain types of legislation must pass by a majority of legislators from both main ethnic groups in the Assembly. ⁴ Violence between ethnic Macedonians and ethnic Albanians continued to erupt periodically. ⁵

The Republic of Macedonia is a potential candidate for European Union membership, with EU accession negotiations began in October 2009. ⁶ Its early diplomatic recognition was hampered by a dispute with Greece over the name of the country, which continued to block the country EU accession prospects. ⁷

Following the parliamentary elections in April 2014, the leading majority ruling coalition is led by the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity VMRO-DPMNE and the Democratic Union for Integration (DUI). The Organization for Security and Cooperation in Europe’s Office for Democratic Institutions and Human Rights (OSCE/ODIHR) stated that the 2014 elections were efficiently administered but noted that the period preceding the elections failed to meet important OSCE commitments for a democratic electoral process. ⁸ OSCE/ODIHR noted that the elements of the campaign indicated an inadequate separation between party and state activities, allegations of voter intimidation, the public broadcaster did not provide balanced and equal coverage to all candidates and parties, which all challenged the 1990 OSCE Copenhagen Document.

Claiming electoral fraud by the ruling coalition, the opposition party Social Democratic Union of Macedonia (SDSM) did not accept the results of the April 2014 elections and boycotted the Parliament until September 2015. From February to June 2015 SDSM claimed that the government unlawfully wiretapped more than 20,000 citizens through the Counterintelligence Directorate over a four-year period and released recordings that implicated high-level government officials suggesting breaches of fundamental rights, interference with judicial independence, media freedom and elections, as well as politicization and corruption. ⁹

Under the mediation of the European Commission and Members of the European Parliament the four main political parties on 2 June and 15 July signed, accordingly, an agreement and additional protocol (the Pržino Agreement). ¹⁰ The leaders of the parties committed, inter alia, to a set of emergency reforms and a transitional government, which will prepare early parliamentary elections in December 2016. ¹¹ The leaders also committed to implement all of the Commission’s recommendations on systemic rule of law issues related to communication interception enlisted in the Priebe report of June 2015.

Implementation of the recommendations has slowly been started, and much more needs to be done, according to the European Commission. ¹²
In September 2015, a Law on Public Prosecution and related Offences arising from the Content of the Illegal Interception of Communications was adopted and Ms. Katica Janeva was appointed as a Special Prosecutor.

In a 2015 EU Progress Report, the European Commission reported shortcomings in the area of rule of law (particularly in the functioning of the judiciary), anti-corruption, public administration reform, media freedom, prison reform, Roma integration, rights of the child and persons with disabilities.

In 2016, Freedom House reported that Macedonia was considered as a not free country in terms of media freedoms due to revelations indicating large-scale and illegal government wiretapping of journalists, corrupt ties between officials and media owners, and an increase in threats and attacks on media workers. The organization noted in the 2016 Nations in Transit report that except in the civil society, where there was an improvement, scores in other categories (electoral process, independent media, national democratic governance, local democratic governance, judicial framework and independence and corruption) declined from previous year. 4.29 was the democracy score in 2016 which is lower by 0.18 compared to the one in 2015, with 1 representing the highest level of democratic progress and 7 the lowest.

118 out of 180 countries was the world ranking of the Republic of Macedonia in the 2016 World Press Freedom Index, with 1 representing the highest level of press freedom.

Socio-Economic Context

According to the World Bank, the Republic of Macedonia is an open economy with a sound track record of macroeconomic stability.

The World Bank (2016) and the European Commission (2015) reported that the government has implemented key reforms to improve the business climate and completeness, strengthening the registration and permit systems, property registration procedures, investor protection, and tax collection. Structural reforms that supported the industrial zones helped promote the country as a foreign direct investment destination. The 2016 Doing Business Survey by the World Bank ranked the country 12th out of 189 economies on the ease of doing business.

The 2016 Index of Economic Freedom by the Heritage Foundation described the Macedonian economy as moderately free with an economic freedom score of 67.5 making its economy the 47th most free in the Index.

As noted by the World Bank (2016) Macedonia’s real per capita growth was among the strongest in the South-Eastern Europe region as the result of growing foreign direct investments-financed exports and a pickup in domestic demand, particularly public investments. Between 2009 and 2014, Macedonia’s GDP per capita in purchasing power parity terms increased from 35 percent to 36.6 percent. Overall unemployment remained high at 24.6 percent, particularly affecting women and youth. The organization identified multiple challenges for job creation in the country, including constraints in terms of the business environment, skills, disincentives from the tax and social protection systems, barriers linked to geographic mobility, access to productive inputs, regulations, access to services such as childcare, and others.

The country had a comprehensive social protection system that included both contributory and non-contributory programs and provided support to a substantial part of the population. The spending on social assistance was 1.2 percent of GDP in 2014, which was considered as below South-Eastern Europe
(SEE), Europe and Central Asia, and OECD averages. Amendments to legislation on social protection introduced subsidies for private sector employers hiring workers from vulnerable groups.  

The UN Committee on Economic, Social and Cultural rights in its Concluding observations on the combined second to fourth periodic reports noted that some private health service providers charged fees for the services that should be provided free of charge. It urged the country to end this practice and to monitor the compliance of private health service providers with the licensing agreements under which they operate.

As reported in a 2016 World Bank snapshot, gains in the education sector have been noticeable over the past few years, especially with regard to increased enrolment at the secondary education level and improvements in the physical and learning environment in primary schools. Despite these improvements, according to the organization the quality of primary and secondary education has not improved significantly during that period as measured by international tests. The Secondary Technical Vocational Education and Training system has remained predominantly supply driven rather than market oriented and was characterized by early diversification at 14 years old, excessive specialization, obsolete program content, and a lack of collaboration between schools and employers.
## International Legal Commitments

*Accession and ratification of international human rights instruments*

<table>
<thead>
<tr>
<th>UN Conventions</th>
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<tbody>
<tr>
<td>International Covenant on Economic, Social and Cultural Rights</td>
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<tr>
<td>International Covenant on Civil and Political Rights</td>
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<tr>
<td>Second Optional Protocol to the International Covenant on Civil and Political Rights aiming at the Abolition of the Death Penalty</td>
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<tr>
<td>Convention Against Corruption</td>
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<tr>
<td>Convention Against Torture</td>
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<td>Convention on the Elimination of All Forms of Racial Discrimination</td>
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<td>Convention on the Elimination of All Forms of Discrimination Against Women</td>
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<tr>
<td>Convention on the non-applicability of statutory limitations to war crimes and crimes against humanity (1968)</td>
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<tr>
<td>Convention on the Prevention and Punishment of the Crime of Genocide (1948)</td>
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<tr>
<td>Convention on the Rights of Persons with Disabilities</td>
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<tr>
<td>Convention on the Rights of the Child</td>
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<tr>
<td>Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict</td>
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<td>Optional Protocol on the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography</td>
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<tr>
<td>Convention Against Transnational Organized Crime Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the UN Convention against Transnational Organised Crime</td>
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<tr>
<td>Regional Instruments&lt;sup&gt;28&lt;/sup&gt;</td>
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<td>--------------------------------------------------------------------------------------------------</td>
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<tr>
<td>Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols</td>
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<td>European Cultural Convention</td>
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<td>European Convention on the Adoption of Children (revised)</td>
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<td>European Convention on the Children born out of Wedlock</td>
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<tr>
<td>European Social Charter (revised)</td>
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<tr>
<td>Additional Protocol to the European Social Charter</td>
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<td>Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse</td>
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<tr>
<td>Council of Europe Convention on Action against Trafficking in Human Beings</td>
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<td>Criminal Law Convention on Corruption and its Protocol</td>
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<td>Civil Law Convention on Corruption</td>
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<tr>
<td>European Convention on the Exercise on Children’s Rights</td>
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<td>European Convention on Mutual Assistance in Criminal Matters and its Protocol</td>
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<td>European Convention on the Transfer of Proceedings in Criminal Matters</td>
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<td>Council of Europe Convention on preventing and combating violence against women and domestic violence</td>
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<table>
<thead>
<tr>
<th>International Labour Organization Conventions</th>
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<tr>
<td>ILO Hours of Work (Industry) Convention (C1, 1919)</td>
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<td>ILO Forced Labour Convention (C29, 1930)</td>
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<td>ILO Hours of Work (Commerce and Offices) Convention (C30, 1930)</td>
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<td>ILO Night Work of Young Persons (Non-Industrial Occupations) Convention (C79, 1946)</td>
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<td>ILO Labour Inspection Convention (C81, 1947)</td>
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<td>ILO Labour Inspection (Agriculture) Convention (C129, 1969)</td>
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<td>ILO Labour Administration Convention (C150, 1978)</td>
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<td>ILO Freedom of Association and Protection of the Right to Organise Convention (C87, 1948)</td>
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<td>ILO Night Work of Young Persons Employed in Industry Convention (C90, 1948)</td>
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<td>ILO Protection of Wages Convention (C95, 1949)</td>
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<td>ILO Right to Organise and Collective Bargaining Convention (C98, 1949)</td>
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<td>ILO Equal Remuneration Convention (C100, 1951)</td>
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<td>ILO Social Security (Minimum Standards) Convention (C102, 1952)</td>
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<td>ILO Abolition of Forced Labour Convention (C105, 1957)</td>
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<td>ILO Discrimination (Employment and Occupation) Convention (C111, 1958)</td>
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<td>ILO Social Policy (Basic Aims and Standards) Convention (C117, 1962)</td>
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<td>ILO Equality of Treatment (Social Security) Convention (C118, 1962)</td>
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<td>ILO Employment Policy Convention (C122, 1964)</td>
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<td>ILO Minimum Age (Underground Work) Convention (C123, 1965)</td>
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<td>ILO Medical Care and Sickness Benefits Convention (C130, 1969)</td>
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<td>ILO Minimum Wage Fixing Convention (C131, 1970)</td>
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<td>ILO Working Environment (Air Pollution, Noise and Vibration) Convention (C148, 1977)</td>
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<td>ILO Asbestos Convention (C162, 1986)</td>
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<td>ILO Termination of Employment Convention (C158, 1982)</td>
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**Background & Context**

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<td>ILO Prevention of Major Industrial Accidents Convention (C174, 1993)</td>
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<td>ILO Worst Forms of Child Labour Convention (C182, 1999)</td>
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<td>ILO Maternity Protection Convention (C183, 2000)</td>
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<td>ILO Employment Service Convention (C88, 1948)</td>
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<td>Labour Clauses (Public Contracts) Convention (C94, 1949)</td>
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<td>Human Resources Development Convention (C142, 1975)</td>
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<tr>
<td>Vocational Rehabilitation and Employment (Disabled Persons) Convention (C.159, 1893)</td>
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<td>Employment Injury Benefits Convention (C121, 1964)</td>
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**Environmental Instruments**

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<td>United Nations Framework Convention on Climate Change</td>
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<td>Montreal Protocol on Substances that Deplete the Ozone Layer, 1987</td>
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**Other International Instruments**

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<td>UNESCO Convention concerning the Protection of the World Cultural and Natural Heritage (1972)</td>
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Rights Holders at Risk

Societal groups particularly vulnerable to employment-related discrimination or poor development outcomes

Country Context

*Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.*

The Constitution prohibits discrimination on limited discrimination grounds, those being age, gender, race, disability, language, and ethnic, social and political affiliation.²⁹

The Law on Prevention and Protection against Discrimination is the general anti-discrimination law that contains an open list of discrimination grounds.³⁰ It prohibits all forms of discrimination, including direct and indirect discrimination, harassment, discrimination of persons with mental and physical impediment, call for and incitement to discrimination and victimization by physical or private person in the public or private life.

A Commission for Protection against Discrimination was established under the Anti-discrimination law. The Commission found in its 2015 report that the percentage of discrimination in job announcements was bigger in the private sector (27 percent) compared to the public sector (8.5 percent).³¹

The Law on Labour Relations bans discrimination against the candidates or the employees on an open list of discriminatory grounds.

In 2014, a working group on hate crime was set up by the Ministry of Justice in cooperation with the OSCE Mission in Skopje.³² In 2015, the Ministry of Interior established a Red Button reporting scheme through which complaints about online hate speech could be lodged via the internet.

The 2016 alternative report by the Ombudsman to the UN Committee on Economic, Social and Cultural Rights stated that there is a comprehensive legislative framework on anti-discrimination in the country, but in practice discriminatory behaviour could still be detected, especially in areas of social life.³³ Prejudices and stereotypes about certain communities or individuals were the main causes of discrimination. Of the 4,249 complaints of discrimination received by the Ombudsman in 2015 the most common were on grounds of ethnicity, discrimination at the workplace, implementation of the affirmative principle for fair and equal representation, and mobbing at the workplace.

Ethnic Minorities

Albanians are the largest minority group, representing 25.2 percent of the population as reported in the latest census in 2002.³⁴ They are mainly Muslim, but there are some followers of the Bektashi dervish religion, Roman Catholics and Orthodox Albanians.³⁵ They speak Albanian, and live predominately in western Macedonia. Other minorities include Turks, Roma, Serbs and Vlachs.

As a result of the Ohrid Framework Agreement, important guarantees have been provided for ethnic Albanians, particularly as regards language use and participation in public life, including public-sector employment.³⁶ The Albanian-language University of Tetovo has been recognized by Macedonian authorities in 2004.³⁷
The law provides for primary and secondary education in the language of the communities the individual belongs to. The number of minority students who received secondary education in their native language continued to increase, especially after secondary education became mandatory.

As reported by Freedom House (2015) minority groups said that the ongoing Skopje 2014 urban development plan ignored their heritage, claiming that it presented a mono-ethnic image of the country.

The European Commission against Racism and Intolerance (2015) reported that ethnic tensions between the Macedonian and Albanian communities remained high and racist hate speech was a widespread problem that remained unchecked and created an atmosphere for racist violence to occur.

As noted in the 2015 Macedonia Human Rights Report by the US Department of State, ethnic Albanians complained of unequal representation in government ministries and public enterprises. Ethnic Turks complained of discrimination, with main concerns being the slow progress in achieving equitable representation in government institutions and the inadequacy of Turkish-language education and media.

In its country strategy for 2015-2018 the World Bank reported that labour force participation among ethnic minorities was often significantly lower than among ethnic Macedonians, with activity rates among ethnic minorities being two or three times lower among women than among men.

**Roma**

Most Roma speak Romani as their first language and practice Islam. Some Roma speak Albanian. Roma are dispersed, with a large concentration in Shuto Orizari in Skopje.

The government funded implementation of the National Strategy for Roma under its commitment to the 2005-15 Decade of Roma Inclusion, providing assistance with education, housing, employment, and infrastructure development. The Helsinki Committee for Human Rights of the Republic of Macedonia in its 2014 analysis noted that with the exception of education, the funds were not sufficient to produce significant results, especially in healthcare.

The Government adopted the 2014-2020 Roma Strategy, which focuses on five areas: employment, education, housing, health and culture. Twelve Roma information centres facilitated access to education and social services. Mobile legal offices in Skopje provide free legal aid and advice to Roma.

According to a 2015 report by the European Commission against Racism and Intolerance, Roma faced a number of problems like social marginalisation, prejudice and discrimination in the private housing market, unequal access to medical care, low primary school attendance. The 2015 Ombudsman’s research on the inclusion of Roma in primary education stated that the number of Roma at the beginning and end of the school year was not the same due to departure abroad, seasonal work of the parents, moving as well as lack of interest of the parents for permanent school attendance of their children.

The UN Committee on Economic, Social and Cultural rights noted in its 2016 concluding observations that there was a lack of effective measures to provide social housing for Roma families, living in informal settlements in poor living conditions under constant threat of eviction due to the lack of legal security of tenure.

According to reports by the European Commission against Racism and Intolerance (2016) and the EU (2015) employers often denied Roma job opportunities and some Roma complained of lack of access to public welfare funds.

As reported by international bodies and the Ombudsman, many Roma lacked personal documentation, which was necessary to obtain government services such as education, welfare, and
healthcare, although the EU, UN High Commissioner for Refugees, and several NGOs worked to provide identity documents to all Roma.

Religious Minorities

Most Muslims live in the northern and western parts of the country, while the majority of Orthodox Christians live in the central and south eastern regions. According to a 2014 International Religious Freedom Report by the US Department of State there was a correlation between religious and political affiliation; political parties were divided along ethnic lines, and ethnicity was closely tied to religious affiliation.

The Constitution guarantees freedom of religion and states that all registered religious organizations are separate from the state and equal before the law. The Constitution specifically recognizes five religious communities: the Macedonian Orthodox Church – Ohrid Archbishopric, the Islamic Religious Community in Macedonia, the Catholic Church, the Evangelical Methodist Church, and the Jewish community. The law allows other religious organizations to apply for government recognition.

Information from relevant state institutions to date did not indicate that discrimination on the grounds of religion was an issue in announcements for employment, employment or other areas of society.

Migrant Workers

The work of foreigners is regulated by the Law on Foreigners with accompanying rulebooks. Foreigners can use a variety of forms of employment, such as being employed in Macedonian companies, self-employed, or founders and/or managers of a Macedonian company with foreign capital. Every foreigner must hold a working permit in order to work in the country.

The same rate of taxation applied to both resident and non-resident income earners, regardless of their nationality which according to a 2015 Conclusions of the European Social Committee (ESC) was in conformity with the European Social Charter. However, as family members of a migrant worker were not granted an independent right to remain after exercising their right to family reunion the ECS found this not to be in conformity with the European Social Charter.

Persons with Disabilities

The Law on Prevention and Protection against Discrimination prohibits discrimination against persons with physical, sensory, intellectual, and mental disabilities in employment, education, air travel and other transportation, access to health care, and the provision of other state services. The law allows persons who have experienced discrimination to submit complaints to the Commission for Protection against Discrimination.

As a measure for stimulating employment, the Law on Employment of Persons with Disabilities established the category of protected trade company, where employers need to employ at least 10 employees on unlimited contracts and at least 40 percent of the total number of employees need to be Persons with Disabilities. The protected companies enjoy a number of benefits, including not having to pay income taxes and having pension and disability insurance covered by the state. A 2015 holistic report by Open the Windows, a local NGO, warned that the employment of Persons with Disabilities in protected companies should not impact on the employment of these disabled people on the open labour market or in the public sector.

The Law on Employment of Persons with Disabilities regulates a special government fund for stimulating employment of Persons with Disabilities. The Employment Services Agency manages the fund with oversight by the Ministry of Labor and Social Policy. The law requires Persons with Disabilities to obtain
approval from a government medical commission in order to serve in supervisory positions in the private and public sectors.

The national legislation requires that public structures shall be accessible for Persons with Disabilities. However, as reported by Open the Windows (2015), a local NGO, Persons with Disabilities felt restricted in their opportunity to move on the public streets (61 percent), and in their access to public infrastructures (52 percent), toilets (65 percent) and access to services (74 percent). The Ministry of Education and Science made efforts to provide suitable support to enable children with disabilities to attend regular schools. It employed special educators, assigned either to individual selected schools or as "mobile" municipal special educators covering all schools in their municipality, to support teachers who had children with disabilities in their regular classes. According to UNICEF (2016) and US Department of State (2015) despite these efforts, a large number of students with disabilities continued to attend special schools and their educational needs could not be met because of a lack of constant special educators in schools which address the children’s’ needs.

As noted in a 2015 UNICEF research the civil society and private sector were becoming more involved in raising awareness and promoting inclusive services. Networking, dependence on foreign or private funds and an ability to involve Persons with Disability on the governing bodies of organisations advocating on behalf of disabled persons were reported as some of the weak points.

Persons Living with HIV/AIDS

296 persons were registered with HIV/AIDS for the period 1987-2016. As stated in a 2015 country programme document by the United Nations Population Fund the epidemic mostly affected injecting drug users, sex workers, men having sex with men and prisoners. Youth sexual and reproductive health needs were not prioritized in the health system and comprehensive sex education was insufficiently incorporated in school curricula.

According to a 2014 research by H.E.R.A., a local NGO, one third of the persons living with HIV reported that their rights had been violated in various areas, such as privacy, employment and access to health care.

Sexual Minorities

Same sex partnerships in the country cannot be registered. In January 2015, the Parliament adopted constitutional amendments which banned same-sex marriage.

In August 2015 Parliament rejected a draft amendment to the anti-discrimination legislation, which would have prohibited any form of direct or indirect discrimination on the grounds of sexual orientation and gender identity.

International monitoring bodies and NGOs report that Lesbian, gay, bisexual, transgender and intersex (LGBTI) persons suffered discrimination and homophobic media content, both online and offline. The LGBTI support centre has been attacked six times in total between its foundation in 2012 and October 2016. Despite calls by civil society organisations and the international community for the perpetrators to be prosecuted, none of the attacks has yet been fully investigated.

As stated in a 2015 EU Progress Report considerable efforts are still needed to raise awareness of and respect for diversity within society and to counter intolerance, through public campaigns and training of law enforcement bodies, prosecutors, judges and health workers.
Women

In accordance with the law, women and men must be provided with equal opportunities and equal treatment in all areas. The principle of equal treatment implies a ban on direct and/or indirect discrimination.


According to a 2015 UN Worlds Women report Macedonia has introduced strong equality and non-discrimination provisions in women’s political participation and representation rights, including through gender quotas. It belonged to the list of 10 countries which have reached or passed parity in the membership of the boards of central banks in (50 percent each), and where women represented the same or a higher share than men among Supreme Court judges.

The European Commission observed in its 2015 EU Progress Report that there was progress on developing local institutional capacity and increasing the number of municipalities when developing local action plans. However, differences persisted, with economic activity rates of women being considerably lower than those of men (56.8 percent compared to 84.5 percent for 2014). The organization noted that mechanisms to promote gender equality lacked visibility and there were limited opportunities for civil society organisations and external stakeholders to feed into decision-making processes.

The Law on Labour Relations guarantees the right to equal pay of men and women. Article 108 provides that the employer shall pay the same salary for work of equal value. If the employment contract, collective agreement or the General Act of the employer foresee provisions which determine different payment for men and women for equal work, they will be considered void.

However, as stated in an ILO econometric analysis (2015) across all occupations, females earned on average lower wages than males. The analysis specify that was the “unadjusted gap” which did not take into account the personal and labour market characteristics of the workers (such as education and work experience), but it might mean that within each occupation, males had better personal or labour market characteristics compared to females, but not higher returns for those characteristics, which would point to discrimination. According to the study, the gender wage difference was largest for low-skilled occupations, such as craft and related trades workers and plant and machine operators, where males earned 29 percent and 32 per cent higher wages than females, respectively. The gender wage difference generally declined with the level of education. In 2014 the unadjusted gap was 15.6 percent at the primary education level, and it declined to less than five per cent at the tertiary level and wanes at the post-tertiary level.

The ILO study also reported that mothers (defined as women aged 25-45, with a child aged up to six years) were paid equally to non-mothers (or mothers with children older than six) in 2011, and earned 6 percent more than women without children under the age of six in 2014. The results also suggest that mothers were paid 7.8 percent less than fathers.

According to Freedom House (2015) advocates reported that women who owned property and businesses were under-represented and felt some industry-specific gender discrimination. Romani women did not have equal opportunities for employment and education due to traditional or religious restrictions on their education and role in society. As reported by the organization in Albanian Muslim areas, many women were subject to proxy voting by male relatives.
Law on Prevention and Protection against Domestic Violence was adopted in 2014. The government ran capacity shelters, and several NGOs operated shelters for victims of domestic violence and hotline in both Macedonian and Albanian languages.

International monitoring bodies and NGOs reported that domestic violence, trafficking of women for forced labour and sex work remained a serious problem in the country. As noted by the United Nations Population Fund (2015) and the US Department of States (2015) traditions and stereotypes, and cultural norms, were one of the main reasons that discouraged women from reporting violence against them or filing criminal charges.

The Law on Labour Relations guarantees to women nine months paid maternity leave (one year in case of multiple births), where 100 percent of the regular salary is paid by the Health Insurance Fund of Macedonia. Pregnant women are guaranteed compulsory leave of 28 days before and 45 days after the birth. The law provides that nursing employees are entitled to nursing breaks of up to one and a half hour per day during their working time. Women are prohibited from performing night work, or work which would expose them to increased risks for their health or their child’s health during their pregnancy and for one year after the childbirth. According to a 2015 Conclusions by the European Social Committee these provisions are in line with the European Social Charter.

A 2016 research by Akademik, an online portal, revealed that women in the country were discriminated on the grounds of gender and maternity. The Macedonian Young Lawyer’s Association stated that women employed on limited employment contract very often stop working after the definite period had elapsed after they had announced their pregnancy to the employer. Even though the law allows this possibility to the employer, the Association pointed out that in a considerable number of cases it was obvious that the employer planned to engage the employee for a longer period of time (e.g. she has been given long term working tasks), but nevertheless her contract would not be prolonged the moment the employer was informed about her pregnancy.

**Cases**

*Reports of business-related human rights issues from NGOs, multilateral institutions and the media.*

- **2014, Helsinki Committee for Human Rights of the Republic of Macedonia:** On 23 October 2014, 60 persons were celebrating the second anniversary of the LGBTI support centre-Helsinki Committee for human rights in Café Damar when they were attacked by a mob of about 40 masked men who injured several guests with glasses and punches. As of October 2016, the case was being investigated by the Public Prosecutor’s Office.

- **2015, Commission for the Protection against Discrimination:** The Commission found discrimination based on sex in the area of employment against the complainant by her former employer. The applicant had claimed among others that when she announced her pregnancy to the employer, the former forced her to sign an annex to the employment agreement for transferring her to a working place in another town.

- **2016, Skopje Basic Court:** In a non-final decision the Basic Court Skopje found that the defendant, former employer of the plaintiff, had discriminated against the plaintiff on the grounds of her pregnancy by dismissing her upon being informed about her pregnancy. The court partly accepted the plaintiff’s claim for just satisfaction for non-monetary damages.
Company Initiatives

*Private-sector programmes that aim to ensure respect for human rights or contribute to development*

Company Due Diligence Initiatives

- **Farmahem**: Gender equality and non-discrimination on any basis are principles respected in the hiring process of the company. The top management has three women (General, Executive and Financial Manager) and among Heads of Departments has equal gender representation: two women and two men. In the structure of the employees there are persons from different nationalities (Macedonians, Serbs, Croats and Vlachs).

- **PCC Hydro** The company, which works on the development of small hydro power plant projects all over the country, implements a Grievance Mechanism (GM) for receiving complaints from affected stakeholders and communities. Grievances can be submitted verbally, or in writing. If the GM decides that immediate action is enough to satisfy the complaint it will inform the complainant of the corrective action, if not it will identify any long-term corrective action required and inform the complainant of any this corrective action or why no corrective action is required within 30 days. Where long term corrective action is required, the GM will implement a follow up of the corrective action.

- **Komercijalna banka AD Skopje**: The Bank has a policy of handling clients’ and other stakeholders’ complaints. In 2014, 59 complaints and suggestions from customers were noted and resolved.

Company Development Initiatives

- **Publicis Skopje**: Aiming at initiating discussion as to how children with autism are treated by the society, the company organised an event where children with autism took part in the April Fool’s Day National mask parade for the first time. The children wore masks of a small black sheep to show that they feel rejected, discriminated and ignored. Following the event, the Ombudsman started an initiative for legally binding inclusion of autistic children in the schools.

- **Komercijalna Banka AD Skopje**: In November 2014, in cooperation with the Macedonian Platform against Poverty and support by the Print Tim DOO Skopje, Komercijalna Banka AD Skopje issued the first Guidelines for group treatment of women who are victims of domestic violence. The Guidelines were a result of a two-year work of two psychotherapists, supported by Komercijalna Banka AD Skopje, who developed a specific methodology for treatment of female victims of domestic violence. The project was conducted in the Macedonian Women’s Rights Center – Shelter Center Skopje, in the period 2011-2013. The methodology should be used by educated professionals/psychotherapists working with vulnerable categories within the state institutions and non-governmental organizations.

- **EVN Macedonia**: In 2015 the company again supported the National SOS line for domestic violence run by the Crisis Center “Hope”, which functions 24/7, 365 days a year by donating a monthly sum to the center to cover telephone and internet costs.

- **Ernest Young Macedonia**: In January 2016 the company donated food to be used to train Persons with Disabilities to prepare food at the two daily centers of the national invalidity organization PORAKA.

- **Seavus-Skopje**: In 2016 the company donated table tennis tables for sport and recreational activities of Persons with Disabilities to the daily center Kapistec-Skopje of the national invalidity organization PORAKA.
• **OKTA AD Skopje:** OKTA women’s team represented by 17 volunteers from different age groups joined and supported “The Women’s Race”, organized for the purpose of raising the awareness about women’s health and preventive action against numerous diseases. By encouraging its employees to participate in the women’s race, OKTA, a fuel supplier company, emphasized the importance and the role of a company in moving the positive values to its employees and the community alike.

**Human Rights Guidance for Businesses**

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

**Due Diligence Library**

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

**Discrimination**

*Does the company ensure that employment-related decisions are based on relevant and objective criteria?*

- The company identifies different types of discrimination, including those rooted in formal structures and cultural traditions.
- It is company policy to ensure that decisions concerning hiring, wages, promotion, training, discipline, retirement and termination are based only on unbiased criteria, and are not linked to any of the discriminatory characteristics listed in the description for this question.
- Each job category in the company has a written description stating the salary level and the qualifications required for that job category.
- The company ensures that employment advertisements do not reference discriminatory criteria, such as race, gender or age (unless listed as part of a legal equal opportunities promotion).
- The company ensures that job applicants are not asked to give information about their marital status, pregnancy, intent to have children, number of dependents, or similar information that may lead to discriminatory hiring decisions.
- All hiring managers receive training regarding the company’s non-discrimination policies.
- The company has established a procedure, accessible and known to all workers, where workers can safely report incidents of workplace discrimination.
- The company takes reasonable steps to enable qualified persons with disabilities or health conditions to gain employment opportunities with the company, for example by providing wheelchair access, flexible working hours, longer breaks etc.

**Fair Treatment**

*Does the company protect workers from workplace harassment including physical, verbal, sexual or psychological harassment, abuse, or threats?*

- The company has a commitment to prevent workplace harassment.
• The company actively informs workers of their obligations to refrain from violent, threatening or abusive conduct.

• Managers receive training on how to identify and deal with instances of harassment in the workplace.

• The company investigates all complaints of workplace harassment and takes appropriate preventative and disciplinary action including reporting of criminal actions to the appropriate authorities.

Privacy

Does the company respect the privacy of its employees whenever it gathers private information or monitors the workplace?

• The company has a procedure stating which kinds of workplace monitoring are allowed; what kind of personal worker information is retained; where it is stored; who has access; and why the information is necessary.

• Workers are made aware of all workplace monitoring, including cameras and Internet or e-mail monitoring, and the specific purpose of the monitoring.

• The company obtains the worker’s prior written consent before gaining information from an individual with whom the worker has a privileged relationship, including a former employer, doctor or lawyer.

• Workers have access to all personal data collected about them, including data concerning disciplinary decisions and data obtained through monitoring, but excluding confidential management specific information related to performance evaluations, salary negotiations, promotions, rotation and similar employment decisions.

Community Engagement

Does the company engage with local communities on the actual or potential human rights impacts of its operations?

• The company has a commitment to engage openly with communities in and around its area of operations, prior to, during and after commencing activities that may negatively impact their access to resources (e.g. water, food, land) or livelihoods (e.g. fishing or hunting grounds).

• The company communicates and consults with local communities prior to, during and after commencing activities to prevent, reduce and mitigate impacts.

• The company takes steps to remedy the legitimate concerns of local communities regarding any negative impacts of the company’s operations on the access to resources or livelihoods.

Country Risk

Does the company seek to avoid involvement in human rights abuses owing to government or societal practices?

• If operating in a country or region with systematic human rights abuses, the company seeks to become aware of and avoid the risk of contributing to, endorsing or benefiting from such abuses.

• Where the company risks involvement in systematic human rights abuses owing to government or societal practices, the company seeks to identify solutions through dialogue with other businesses, civil society organisations, experts and other relevant stakeholders, including where possible with the authorities.
The company ensures that it does not endorse any state imposed discriminatory limitations on the right to vote, and does not pass along information concerning religious, racial, political affiliations or other characteristics of employees which could be used by the government as a reason to restrict the right to vote.

**Standards & Guidance**

*NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre*

- International Labour Organization Core Labour Standards on Non-discrimination and the ILO Bureau for Gender Equality: Non-discrimination comprises one of the four core areas of the ILO Declaration on Fundamental Principles and Rights at Work, which comprises the ILO core labour standards. The ILO integrates gender throughout its work, with the objective of achieving gender equality as an essential feature of decent work. This can include advisory services, research and information dissemination, training and capacity building.

- Oxfam Australia: Women, Communities and Mining: The Gender Impacts of Mining and the Role of Gender Impact Assessment (2009): This Guide is intended to inform mining company staff of potential gender impacts of mining projects and introduces some tools and approaches that can be used to conduct a gender impact assessment.

- Women’s Empowerment Principles (2010): Developed in collaboration between UN Women and the UN Global Compact, the Women’s Empowerment Principles are a set of principles for businesses offering guidance on how to empower women in the workplace, marketplace and community.

- The Forest Peoples Programme: Established in 1990, the Programme is dedicated to supporting Indigenous Forest Peoples protect their land rights and human rights. The Programme works directly with indigenous communities, assisting them in building their own capacities and exercising their human rights.

- IFC Performance Standard 7: Indigenous Peoples (2012): The IFC PS7 and its accompanying guidance offer directions on how private sector projects can respect the human rights of Indigenous Peoples through following the stated requirements.

- International Council on Mining and Metals Good Practice Guide: Indigenous Peoples and Mining (2010): The ICMM is the industry organisation for the mining and metals sector. The Guidance provides advice to companies on how they can build effective relationships with Indigenous Peoples, as well outlining ways in which companies can effectively engage throughout the lifecycle of a project.

- International Working Group for Indigenous Affairs (est. 1968): IWGIA is an international human rights organization specialising in Indigenous Peoples’ rights. IWGIA works to further the understanding, knowledge, and engagement with the rights of Indigenous Peoples through publications, advocacy programmes and support of local projects.

- The Manila Declaration of the International Conference on Extractive Industries and Indigenous Peoples (2009): The Declaration is a statement on behalf of Indigenous Peoples and support organisations from 35 countries that calls on different stakeholder groups, such as extractive companies, communities and civil society organisations, to respect and uphold the recognised rights of Indigenous Peoples.
Rights Holders at Risk

- Tebtebba Foundation (Indigenous Peoples’ International Centre for Policy Research and Education): The Foundation’s main purpose is to work for the respect, protection and fulfilment of Indigenous Peoples’ rights and the operationalisation of Indigenous Peoples’ self-determined sustainable development. The Foundation offers a number of relevant resources on issues such as traditional knowledge and traditional livelihoods, biodiversity and climate change.

- UN Permanent Forum on Indigenous Issues (est. 2000): The Forum was formed to advise the United Nations Economic and Social Council on a number of Indigenous Peoples’ rights issues, such as economic and social development, culture, education, environment, health and human rights.

- UN Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous peoples (est. 2001): The Special Rapporteur mandate is to advise on and monitor the human rights situation of Indigenous Peoples. This includes country reports, promoting good practice, addressing relevant human rights violations and contributing to thematic study on topics related to Indigenous Peoples.
Child Labour

Work that interferes with the health, development, education or family life of persons under 18

Country Context

Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

According to the Law on Labour Relations the minimum age for employment is 15, although children can begin work at 14 as apprentices or as participants in an official vocational education program.\textsuperscript{106} The law prohibits employing minors under 18 years in hard physical work, work carried out underground or underwater, work with sources of ionising radiation and other work that can have detrimental and increased influence on their health. The law also prohibits minors (children below 15 years of age) from working nights or for more than eight hours per day or 40 hours per week. These provisions are in line with international standards.

The government has adopted Rulebook on the minimal requirements for safety and health during work for young workers (between the ages of 15 and 18) which prescribes the minimum occupational safety and health requirements for employees younger than 18 years of age.\textsuperscript{107} The European Social Committee (ESC) found that the situation in country was in conformity with European Social Charter.\textsuperscript{108}

This ESC found that the situation in Macedonia was not in conformity with the European Social Charter on the ground that the daily and weekly working time for children under the age of 15, who may be involved in cultural, artistic, sport and marketing activities not more than four hours per day, was excessive and therefore cannot be qualified as light work.\textsuperscript{109}

The Ministry of Labor and Social Policy is responsible for enforcing laws regulating the employment of children. The police and the ministry, through centers for social work, shared responsibility for enforcing laws on forced begging and trafficking.

30 Centers for social work (CSW) operated in Macedonia.\textsuperscript{110} According to a 2014 report by UNICEF the staff of the CSWs were facing problems in implementation of the multiple protocols when working with child victims. For example, when a child is a victim of domestic violence, is neglected and sexually abused three different protocols can be referenced and staff from two units (domestic violence and sexual abuse) can create a dossier and manage the case.

Worst Forms of Child Labour

The Government instituted legislation to prohibit the use of children in illicit activities and amended the Family Law to facilitate children’s removal from situations of exploitative child labor in their homes.\textsuperscript{111} Additionally, the Department of Justice set up a fund for the compensation of victims of human trafficking, including child trafficking victims. The ministry funded a center that provided education, medical, and psychological services to children who were forced to beg on the street.

The Criminal Code mandates a prison sentence of at least eight years for persons who buy, sell, keep, or take minors for the purpose of exploitation.\textsuperscript{112} It also contains provisions for criminal responsibility of legal entities for human trafficking. However, children were subject to worst form of child labour, including child trafficking, sexual exploitation and begging.\textsuperscript{113}
As reported by the US Department of Labour (2014) the majority of children involved in child labour were engaged in street work such as begging and vending cigarettes and other small items in open markets, in the streets, and at bars and restaurants. According to the First Child Embassy in the World-Megasi more than 2,000 children were on the streets on a daily basis, in inhuman conditions and their labour was misused. While these children were from different nationalities and age groups, the majority were Roma.

Children, primarily Roma, were subjected to forced begging and sex trafficking through forced marriages. The majority of victims of child trafficking in Macedonia were girls 14 to 17 years old who had been trafficked domestically for commercial sexual exploitation and forced labour in bars and nightclubs. Girls in Eastern and Central Macedonia were identified as being at particularly high risk for human trafficking. Girls, particularly Roma girls, were also trafficked for forced marriages, which may result in both sexual and labour exploitation.

Education

The right to education of the child is prescribed in the Law on Elementary Education and Law on Secondary Education, under which the education is free and compulsory. The laws prohibit corporal punishment and psychological ill-treatment of students. Monitoring and inspection of schools is conducted by the Bureau for Educational Development and the State Education Inspectorate.

Some 83 percent of children in the general population have attended secondary school but only 38 percent of Roma children have. Among Roma children, 58 percent did not attend secondary school at all, and their access to information was limited. The UN Committee on Economic, Social and Cultural Rights noted that a disproportionately high number of Roma children continued to be categorized as persons with psychological disabilities and were over-represented in special schools and special classes in mainstream schools.

A 2015 report by the ILO noted that about 72 percent of those leaving school prior to the age of 15 never transit to a stable job compared to 16 percent of youth who left education at a later age.

Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **2014, Ombudsman:** According to an Ombudsman’s study (2014) about the condition of street children, 233 street children were registered in 17 towns. The smallest were babies of some months and the oldest were 17 years old. Those children were begging, cleaning car windows, and collecting empty plastic bottles.
Company Initiatives
*Private-sector programmes that aim to ensure respect for human rights or contribute to development*

Company Due Diligence Initiatives
- **Makpetrol A.D.**: The company has a Human Rights Policy and Human Rights Statement with a “zero tolerance” attitude to child labour. Written rules forbid using child labour especially working with dangerous liquid and gases.
- **ProCredit Bank**: The bank has publicly issued a list of activities which will not be credited by the bank according to their corporate ethics. In this line, the bank refuses to give credit to physical or private entities tied to activities which include the exploitation of children.

Company Development Initiatives
- **Donia DOO Prilep**: From 2013 Donia, a food production company, has been cooperating with the Economic high school Prilep on a number of projects. For example, in 2013, with the assistance of Donia students they produced a marketing plan for which they won the first award at a national contest. In 2014, a project “virtual company” was realized through which 32 students had the possibility to acquaint themselves with all business processes.
- **one.Vlp**: The telecommunication company and its employees have made donations to a number of projects on children’s rights, including donating books to school libraries, a sensory room for children with autism to the special primary school Zlatan Sremac, and donating a playground to SOS Children’s Village.

Human Rights Guidance for Businesses
*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Due Diligence Library
*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

- The company does not employ workers under 15 years of age for full-time work, 13 years of age for light work and 18 years of age for hazardous work (please see the question description for exceptions).
- If the company employs minors below the age of 18, the company has a list of job functions that can safely be performed by minors.
- The company is aware of local age-levels for completion of compulsory education and does not employ workers under that age for work that may interfere with such education.
- The company has a reliable procedure to check the age of young job candidates by birth certificate, other official forms of identification, or by alternative means such as physical appearance or knowledge of historic events.
• Company apprenticeship programmes do not constitute the main portion of the workforce, are limited in duration, are performed in conjunction with a school programme (or supervised by Labour Ministers or Labour Organisations), and do not interfere with the child’s compulsory education.

• If the company becomes aware that it is employing young workers below minimum age, it ensures that they are enrolled in education programme, and that their dependents are compensated for the resulting loss of income.

Standards & Guidance

NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

• Business and Human Rights Resource Centre, Business & Children Portal: The Portal is an information hub developed to give practical assistance to people from all business sectors in their work and decision-making, leading to better protection of the rights and welfare of children. The Portal has sections on: issues, positive initiatives, alleged abuses, lawsuits and guidance.

• Children’s Rights and Business Principles (2012): Developed by UNICEF, UN Global Compact and Save the Children, these Principles are the first comprehensive set of principles to guide companies on the full range of actions that they can take in the workplace, marketplace and community to respect and support children’s rights.

• ILO Programme on the Elimination of Child Labour (est. 1992): The Programme has the overall goal of the progressive elimination of child labour, to be achieved through strengthening the capacity of countries to address it and promoting a worldwide movement to combat child labour.

• UN Committee on the Rights of the Child General Comment No.16 on State obligations regarding the impact of the business sector on children’s rights (2013): The Committee is the body of independent experts that monitors the implementation of the Convention on the Rights of the Child and the Optional Protocols. In April 2013, the Committee issued a general comment on business and children’s rights. The objective of General Comment No.16 is to provide States parties with a framework for implementing the CRC, particularly with regard to the business sector.

• Children’s Rights in Impact Assessment – A Tool For Companies (2013): Developed by UNICEF and the Danish Institute for Human Rights, this checklist is a practical tool intended to help companies to identify and manage their impact on children’s rights. The checklist contains a set of questions and indicators covering the 10 Children’s Rights and Business Principles, addressing different aspects of company policies and operations and the impact on children’s rights.

Forced Labour

Debt bondage, human trafficking or other coercion that makes workers unable to freely leave employment

Country Context

Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

The Constitutions prohibits all forms of forced or compulsory labour.126

The Criminal Code in Article 418(a) and (d) prohibits all forms of trafficking, including forced begging and forced criminality, with a minimum penalty of 4 years’ imprisonment for trafficking adults and 12 years’ imprisonment for trafficking children.127

Labour inspectors are entitled to enter business premises at any moment to examine all rooms and check if the persons present have contracts.128 All economic sectors can be inspected, including agriculture, cleaning services, forestry and construction. However, as reported by Group of Experts on Action against Trafficking in Human Beings GRETA (2014) the labour inspectors have no powers to check non-registered businesses and private homes, and GRETA noted cases of human trafficking for labour exploitation in seasonal work.129

The law permits foreign victims a two months’ reflection period to decide whether to testify against their traffickers followed by a six months’ temporary residence permit, regardless of whether they testify.130 Foreign victims do not have the right to obtain employment in the country until granted a temporary residence permit.

The government has adopted a Strategy and National Plan for Combatting Human Trafficking and Illegal Migration (2013-2016).131 As observed by GRETA (2014) both documents are comprehensive policies for combatting human trafficking with coordinated acting of all relevant institutions and organizations.

The National Committee to Combat Human Trafficking and Illegal Migration has operated since 2001 as an inter-ministerial body coordinating various activities.132 Since 2003 it has included a sub-group on the trafficking of children. A National Reporter on Human Trafficking was appointed by the government in 2009. The Office of the National Referral Mechanism operates within the Ministry of Labour and Social Policy and provides coordinated assistance and protection to victims of human trafficking.

Women and girls were subjected to sex trafficking and forced labour within the country in restaurants, bars, and nightclubs.133 Foreign victims subjected to sex trafficking in Macedonia typically originated from Albania, Bosnia and Herzegovina, Kosovo, Romania, Serbia, and Ukraine. Migrants and refugees traveling through the country were vulnerable to trafficking, particularly women and unaccompanied minors.
Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **2014, Open Gate Association for action against violence and trafficking in human beings**: In the course of 2013 Open Gate, with the cooperation of the Ministry of Labour and Social Policy, represented six victims of human trafficking. Four final judicial decisions have been brought accepting four requests for just satisfactions in the amount of around €6,500 for each of the victims.134

- **2015, European Commission**: According to a 2015 EU Progress report 37 criminal proceedings involving 52 accused persons ended in convictions of human trafficking in 2014.135 In total eight victims were identified, six were minors. Four cases of forced marriage including both sexual and labour exploitation, three cases of sexual exploitation and one case of forced begging were detected.

Company Initiatives

Private-sector programmes that aim to ensure respect for human rights or contribute to development

Company Due Diligence Initiatives

- **Pivara A.D. Skopje**: Pivara, a beer and non-alcoholic beverages production company, commits itself to upholding human rights standards, including that none of its employees shall be subject to physical, sexual, racial, psychological, verbal or any other form of abuse; not employing persons below the legal age limits and no persons younger than 15 years old under any condition; prohibition of forced or unfree labour.136

Company Development Initiatives

- **PayNet Macedonia**: Via the PAY Fast terminals, all consumers of the company’s products will be in the possibility to donate to activities at the Crisis Center “Hope” focused on combatting domestic violence.137

Human Rights Guidance for Businesses

Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context

Due Diligence Library

The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies

Human Rights and Business Country Guide Republic of Macedonia 32
• Workers can give notice and leave employment within a reasonable length of time. This is clearly communicated to workers prior to starting employment.

• The company (or its recruitment agencies) ensures that it does not withhold wages or bonuses and that it pays them in a timely and regular manner.

• The company ensures it does not make deductions from wages for disciplinary measures or other deductions not authorised by national law.

• Within normal working hours workers are able to earn a living wage sufficient to meet the basic needs of themselves and their closest dependents.

• Overtime work is paid, voluntary and not compelled through threat of pay deductions, termination or other sanctions.

• The company (or its recruitment agencies) ensures that it does not retain identity cards, passports, travel documents or other personal items without which workers cannot leave employment. If letters of release or other documents are needed for the worker to leave employment, such letters are issued without delay.

• All workers are allowed to leave company premises during breaks and at the end of their shifts, and workers in company housing may freely enter and exit their accommodation at any time.

• The company (or its recruiting agencies) ensures that it does not require workers to pay recruitment fees or lodge money deposits.

• Loans or salary advancements to workers are based on fair terms that are clearly explained to the worker, are not granted to cover basic living expenses, are limited in size, and do not require the worker to remain with the company until repayment is completed.

• If the company uses prison labour it ensures that all prison workers have been convicted by a court of law, and that the work is voluntary and supervised by a public authority.

• The company ensures that it does not use labour from agencies or firms involved in human trafficking or other forms of bonded labour.
Occupational Health & Safety

Unsafe or unhealthy working conditions that expose workers to the risk of accidents or occupational illnesses

Country Context

Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Article 32 of the Constitution guarantees to every citizen of the Republic of Macedonia to have the "...right to work, free employment opportunity, occupational safety and health (protection at work) and material security during the time of temporary unemployment." 138

The Law on Safety and Occupational Health, adopted in 2007, is the general law regulating occupational health and safety issues. 139 Every employer is obliged to assess the risk for each job, to prepare statements of security for each employee and to elaborate on safety and security on the basis of previous measurements of chemical and physical hazards. Also, employers with more than 10 employees must designate a licensed expert for security and safety, which will advise the employer on the choice of equipment at work premises and means of work, prepare technical basis for the declaration of security and keep a record for protection.

Employers have the obligation to report all serious injuries at work, collective accidents and cases of death at work directly to the Labour Inspection. Companies have the obligation to keep records of every injury at work, disease and accidents.


Numerous rulebooks as well as the Programme and Strategy 2015-2019 for Occupational Health and Safety 140 have been adopted to harmonize national legislation with EU legislation.

The Macedonian Occupational Safety and Health Association recorded 144 accidents at work in 2015 of which 39 were fatal. The rate of deaths at work in Macedonia was 5.44 i.e. five-six deaths per 100,000 employees. The rate of deaths at work slightly dropped compared with 2014, when it was 6.03. 141

Accidents are classified according to the National Classification of Activities. In 2015, most accidents were in the field of "public administration and defence, compulsory social insurance", while the highest number of accidents resulting in death were in "activities of households as employers; activities of households that produce different goods and perform various services for their own needs", where some construction work was performed. 142 Three accidents and four death cases due to accidents at work were registered in the construction sector.

Every insured employee has a right of salary compensation in the cases of his/her incapability to work due to illness or injury for a period of up to 30 days, and if the absence lasts more than 30 days, the salary compensation is being paid by the health insurance. 143 In 2015, the Health Insurance Fund of
Macedonia paid salary compensation to 657 employees on this bases, most of whom were from the Skopje region.\textsuperscript{144}

**Cases**

*Reports of business-related human rights issues from NGOs, multilateral institutions and the media.*

- **2013, Supreme Court:** The Supreme Court has found that the accused is guilty for initiating “heavy crimes against the public security” because though he was not an employee in the legal entity, by providing advices concerning the foundation and work of the legal entity he incited the other accused, as a responsible person, to start working before an enactment of a decision that the norms and standards on protection at work have been met.\textsuperscript{145}

**Company Initiatives**

*Private-sector programmes that aim to ensure respect for human rights or contribute to development*

**Company Due Diligence Initiatives**

- **FENI Industries.** By upgrading the communication with designated persons responsible for safety and health at work by the contractors has resulted with less number of incidents and accidents at work, being three in 2015 compared to seven in 2013.\textsuperscript{146}

- **EVM Macedonia:** The company is using the most advance equipment for protection of employees and is continuously educating and training its employees about health and safety at work, which contributed to the decrease of the number of accidents at work.\textsuperscript{147} For this practice it received the national award for good practice in the area of occupational health and safety for 2014 by the Macedonian Association for protection at work.

- **Vitaminka Prilep:** The company has developed a project which aims at reaching out to 0 injuries at the work place, decrease sick leave and developing employees’ awareness of the need of hygiene at and out of the working place.\textsuperscript{148} In 2015 the company has received an award for corporate social responsibility for this project by the Ministry of Economy and the Coordinative body for corporate social responsibility.

**Company Development Initiatives**

- **Pivara A.D. Skopje:** Starting from 2011, the company has been implementing the Occupational Health and Safety Week.\textsuperscript{149} In 2015, the company worked with the Macedonian Red Cross on jointly developing a series of educational occupational injuries first aid materials. The company distributed educational materials through all internal communication channels to all employees. Employees got the opportunity to identify and recognize life-threatening symptoms and have been instructed how to react in such critical moments.

- **ArcelorMittal Skopje:** In 2014 more than 200.000 employees and engaged persons marked the World day of occupational health and safety by participating in various events such as sport contests, mountain climbing, teaching on health and safety etc., focusing on the theme “Stop, think and act safely-in practice”.\textsuperscript{150}
Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

**Due Diligence Library**

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

**Does the company ensure that its workers are provided safe, suitable and sanitary work facilities?**

- Responsibilities for health and safety tasks are clearly defined.
- The company routinely monitors its production processes, machinery and equipment to ensure that they are safe and in good working order.
- Workers and managers are trained to respond to workplace emergencies; first aid kits and fire extinguishers are readily available; and escape exits are clearly marked and free from obstruction.
- The workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation and lighting; suitable washing and sanitation areas appropriate for both genders.
- Residential or overnight facilities are safe and sanitary and meet the basic needs of workers including with regard to safety, space, temperature, lighting, ventilation, food, water, sanitary facilities, privacy, and affordability.
- The company provides safe drinking water for workers and facilities for clean and sanitary food storage and eating.
- Where relevant the company has put in place special health and safety precautions for pregnant women, employees with disabilities, night workers, young workers and other vulnerable groups.

**Does the company ensure that workers are provided with the protective equipment and training necessary to perform their tasks safely?**

- The company has a procedure to ensure that all workers are provided, free of charge or deposits, with the protective equipment necessary to safely perform their job functions.
- The company is committed to ensuring that workers use the protective equipment provided and understand why it is necessary to use the equipment.
- The company ensures that all workers have the necessary training to safely perform their job functions and keeps workers fully informed, in a language and form understandable to them, of the health and safety procedures.
- An accurate record is kept of who has been trained and for what tasks.
- On a regular basis and when assigned to new tasks, workers receive training in the safe use of equipment and processes.
- A company function or member of staff is responsible for keeping informed of scientific and technological developments regarding health and safety risks and protective equipment.

**Does the company actively involve workers in health and safety work?**
• The company consults employees on health and safety issues either directly or through a freely elected safety representative(s) for relevant groups of employees.

• A health and safety committee has been established including employee safety representatives and representatives from management.

• Health and safety accidents are reported and investigated including involving the relevant worker(s), and actions are taken to prevent recurrences.

• Health and safety near-misses (accidents not resulting in injury) are reported and investigated to help improve safety.

• Health and safety accidents are monitored including hours lost as a result of injury or illness and e.g. compared to total hours worked (lost time injury frequency).

Standards & Guidance

*NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre*

• IFC Performance Standard 2: Labour and Working Conditions (2012): FC PS2 is guided by the international labour standards as outlined by the ILO and covers health and safety.

• Portal for Responsible Supply Chain Management: The Portal is designed to support companies in improving the social and environmental conditions within their supply chain. The Portal offers tools and guidance on a number of supply chain issues, such as child labour, corruption and discrimination. In addition, the Portal also details sector specific resource material and pertaining legislation.

• Ethical Trading Initiative Base Code (2012) and ETI Principles of Implementation (2009): The Ethical Trading Initiative is an alliance of business stakeholders promoting the implementation of corporate codes of practice that cover supply chain working conditions. The alliance consists of companies, NGOs and trade union organisations. The ETI Base Code has been developed as a code of labour practice, targeted generally for supply chains, and is in line with the key international labour standards. The accompanying ETI Principles of Implementation outline the requirements needed by corporate members to implement the ETI Base Code in their supply chains, including the necessary commitments, management practices and behaviours.
Trade Unions

Restrictions on the right of workers to collectively represent their interests

Country Context

Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

The Law on Labour Relations provides for the right of workers to form and join independent unions, bargain collectively, and conduct legal strikes. The law requires unions to register with the Ministry of Labour. There are no nationality restrictions on membership in trade unions, though foreign nationals must have a valid work permit for Macedonia and be employed by the company or government body listed on the permit.

According to a 2015 EU Progress report the role of the Economic and Social Council as the lead institution for tripartite social dialogue was strengthened. A tripartite social dialogue was established in 12 municipalities.

Collective Bargaining

The Law on Labour Relations defines that the general collective agreements are applicable to all employees and employers, regardless as to whether they are parties to the agreement or not. The branch collective agreements are applicable only to the parties’ signatories to the agreement, whereas individual collective agreements are applicable only to the workers of a particular employer. Collective bargaining is restricted to trade unions which represent at least 20 percent of the employees at the level at which the agreement is concluded (company, sector, or country).

The National program for decent work 2015-2018 noted that in the private sector, the low number of syndicates together with the lack of operational employers’ infrastructure hindered the collective bargaining on the branch level. There was no official data about the density of trade unions and signatories of collective agreements, which made it difficult to assess how many employees were covered by collective agreements.

Strikes

Trade unions are required to specify the length of a strike in advance. During a strike the law allows an employer to "exclude" or temporarily release up to two percent of workers who are potentially violent or engaged in "undemocratic activity" or who are obstructing negotiations between the workers and the employer. Employers must pay the workers' benefits during the exclusion period and allow them to return to work after the strike. If authorities declare a strike illegal, employers may dismiss participants or sue them for damages.

According to a 2015 report by the US Department of State workers exercised the right to strike, but unions maintained that the law's "exclusionary" provision allowed employers to bar union leaders from collective bargaining negotiations during a strike.
The UN Committee on Economic, Social and Cultural Rights was concerned at the restrictions on the right to strike in the Law on Labour Relations and other labour laws of the country, including provisions that provide for a dismissal of a striking worker in response to a strike that was already under way.\textsuperscript{157}

**Anti-Union Discrimination**

The law prohibits anti-union discrimination and provides for reinstatement of workers fired for union activities.\textsuperscript{158}

According to a 2015 report by the Freedom House workers may organize and bargain collectively, though trade unions lacked stable financing and skilled managers. Journalists had reportedly been fired over their union activities.\textsuperscript{159}

This research did not come across information suggesting that anti-union discrimination was an issue in the Republic of Macedonia.\textsuperscript{160}

**Cases**

*Reports of business-related human rights issues from NGOs, multilateral institutions and the media.*

- **May 2012, Supreme Court of the Republic of Macedonia:** The Supreme Court issued a Conclusion stating that, the employee who organized and participated in strike, that is not organized in conformity with the law and collective agreement, can be dismissed, if the employee continued with the strike after having received the final judicial decision with which the strike is forbidden as being contrary to the law and collective agreement.\textsuperscript{161}

- **May 2016, Workers’ Union of Administration, Judiciary and Peoples Assemblies:** Starting from 18.05.2016 the trade union organized strike asking for increase of salaries of the judicial administration in the country. From 15 June, the strike was temporarily suspended because of annual judicial holidays, and as of 15 August the suspension continued.\textsuperscript{162}

**Company Initiatives**

*Private-sector programmes that aim to ensure respect for human rights or contribute to development*

**Company Due Diligence Initiatives**

- **Agrotehnika, Setec, Neptun and Tehomarket:** The companies, working in the sector of electrical gadgetry, concluded contracts for business and technical cooperation with the Trade Union of Public and State Administration of Macedonia.\textsuperscript{163} Based on these contracts the members of the trade union can use discounts and postponed payment in instalments through withholding of salary when buying the companies’ products.

**Company Development Initiatives**

- **Trade Union of Makedonski Telekom A.D.- Skopje:** The Trade union decided to approve a subvention for school material for all members of the trade union who have students in primary and high schools, upon a demand and following a concrete procedure.\textsuperscript{164}
Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

**Due Diligence Library**

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

**Does the company recognise the rights of its workers to freedom of association and to bargain collectively?**

- The company has a commitment to recognise the rights of its workers to freedom of association and collective bargaining, including the right to freely form and/or join independent trade unions, and this commitment is clearly communicated to all employees.
- The company recognises workers’ organisations for collective bargaining purposes and has procedures in place to ensure regular collective bargaining with authorised worker representatives concerning all workplace related issues.
- The company allows worker representatives access to collective bargaining agreements, company premises, employees and other relevant documentation needed to fulfil their duties.
- The company prohibits discrimination or adverse actions against worker representatives or employees for participating or refraining to participate in lawful trade union activities.
- The company has agreed with workers’ representatives about the requirements of a fair hearing to be followed in relation to all disciplinary cases and employee grievances.
- The company has a committee, with participation of employee-elected representatives, which is responsible for hearing, processing, and settling disciplinary cases and employee grievances.

**If independent trade unions are either discouraged or restricted, does the company enable workers to gather independently to discuss work-related problems?**

- The company allows employees to engage in regular employee-only meetings within normal working hours, where employees can discuss concerns regarding working conditions.
- Where allowed by local legislation, and if independent trade unions are not present, the company informs employees of their right to form independent collective representation at the workplace.
- Where allowed by local legislation, the company informs workers of their right to engage in regular collective bargaining concerning all workplace issues.
- Company management meets regularly with worker representatives to discuss work-related problems and any concerns/complaints employees may wish to raise.
Working Conditions

Employment status, wages, working hours and social security

Country Context

Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Employment issues are mainly governed by the Constitution and the Law on Labour Relations, and depending on the labour area, there are specific employment regulations.\textsuperscript{165}

The employment of the employees working in the public sector is governed by the Law of Administrative officers and the Law for Employees of the Public Sector.

The employer is prohibited from putting the applicant for a job or a worker in an unequal position because of racial or ethnic origin, colour, sex, age, health condition or disability, religious, political or other beliefs, union membership, national or social origin, family status, economic status, sexual orientation or other personal circumstances.

The UN Committee on Economic, Social and Cultural Rights Committee (2016) and ILO (2015) reported that despite the decrease in recent years, unemployment remained high, particularly among youth, women, Roma and Persons with Disabilities.\textsuperscript{166} The majority of work opportunities was in the informal economy.

According to a 2016 report by the State Statistical Office for the period 2005-2015, the lowest level of unemployment of 26.1 was registered in 2015. In the period 2013-2015 the sectors manufacturing industry, agriculture, forestry and fishing had the biggest participation in the overall employment in the country.\textsuperscript{167}

Wages

The average monthly net wage in the country in May 2016 was 22,324 denari (€362).\textsuperscript{168}

In 2011, the government, after a consultative process with the social partner within the Economic and Social Council, proposed a minimum wage law, setting a single, nationwide minimum wage at 39.6 percent of the average gross wage in the previous year.\textsuperscript{169} According to the law, which had number of amendments, in 2016 the minimum net wage was 10,080 denari (€164) per month, except in the textiles, garment and leather industry, where the minimum wage was 9,000 denari (€146) per month.\textsuperscript{170}

The UN Committee on Economic, Social and Cultural Rights (2016) expressed its concern that since women were overrepresented in the textile, garment and leather industries, where the minimum wage was lower than in the other industries, it concluded that this led to indirect discrimination against women.\textsuperscript{171} Also the Committee was concerned that the amount of minimum wages was not sufficient to ensure a decent living for workers and their families. It expressed concern that the principle of equal remuneration for equal work with equal responsibilities in the same job was not fully in line with the UN Covenant on Economic, Social and Cultural Rights.
Working Hours

The Law on Labour Relations establishes a 40-hour workweek with a minimum 24-hour rest period, paid vacation of 20 to 26 workdays, and sick leave benefits. Employees may not legally work more than an average of 8 hours of overtime per week or 190 hours per year. The law also entitles employees who work more than 150 hours of overtime per year to a bonus of one month's salary.

According to a 2015 report by US Department of State small retail businesses often required employees to work well beyond legal hourly limits.172 As noted by a 2015 ILO study family responsibilities of women had an impact on working hours. For instance, 77.9 percent of women had reduced their working hours because of childcare (22.1 percent of men).173

Social Security

The public welfare regime offered monthly cash payments, subvention for personal care, one-off cash payments and in commodities, and cash payments for childcare, foster care and home care, mostly to families with minimum income.174 As reported by Bertelsmann Foundation, notwithstanding one-off donations and fundraising events, there was no systematic private welfare regime.175 According the Bertelsmann Transformation Index 2016, pensions constituted the second most important income in family budget. In 2014, the government provided one-off debt payments for people living in poverty, which included bank credits, utility bills and other miscellaneous debts. Private companies and banks were offered tax exemptions to forego standing debts of people living in poverty.

The European Social Committee in its 2015 Conclusions noted that the situation in the country was not in conformity with Article 16 of the European Social Charter on the grounds that family benefits did not cover a significant number of families.176 Also that Committee concluded that there was no equal treatment of foreign nationals with regard to child benefit because the length of residence requirement (three years) was excessive.

The UN Committee on Economic, Social and Cultural Rights (2016) expressed concern that the social security system of the country did not cover the most disadvantaged and marginalized individuals.177 It noted that these individuals have limited access to social benefits owing to the complicated procedure and eligibility criteria and at the insufficient level of these benefits. It also raised concern as to the retroactive application of the amendments to the Rulebook on including wire-transferred funds in the calculation of income for means-tested benefits, which resulted in a large number of beneficiaries being unable to reimburse the previous benefits and, as a result, losing their entitlement to future benefits.

Informal Sector

The Federation of Trade Unions in Macedonia, the biggest and most representative assembly of trade unions in the country, at the end of 2015 started a campaign entitled "Join and say STOP to the grey economy, say STOP to the non-registered work. According to an analysis of the Federation, the informal economy accounted for 22.5 percent of total economic activity.178 The Berne Declaration (2016) reported that the footwear industry was one of the sectors where unregistered employments was most common, next to tourism, hospitality, construction, media, craftsmanship etc.179 According to a World Women Report 2015 the proportion of men engaged in informal employment was higher than that of women.180
Cases
Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **2014, Supreme Court of the Republic of Macedonia**: The Supreme Court stated that the dismissal decision by an employer based on corporate reasons is null and void if it lacks an explanation about the grounds and the procedure for dismissing the employee, and if it does not show how the employer assessed that there are corporate reasons for dismissing the employee.\(^1\)

Company Initiatives
Private-sector programmes that aim to ensure respect for human rights or contribute to development

Company Due Diligence Initiatives

- **FENI Industries**: Aiming at minimizing the subjective influence of the committee and securing equal treatment for all interested candidates, the procedure for recruiting new staff includes tests, interviews and practical part of the examination with the implementation of double codes in the overall procedure.\(^2\)

- **INET**: The company practices equal treatment for each employee both in terms of gaining access to employment and in the treatment of employees once they are at work.\(^3\) Each employee is equally treated to the terms and conditions of the employment such as: equal remuneration, hours of work and rest, paid holidays, maternity leave, security of tenure, advancement, social security, and occupational safety and health.

- **Nextsense Ltd**: In order to determine the possibility for development, the employees’ needs and concerns, employees fill in questionnaires assessing him/herself, their superior, their level of satisfaction in working at the company, and their remuneration.\(^4\) This is followed by an interview with the employee, the superior and a human resources representative where the aims for advancement of the employee are set, his/her needs for education and the needs of the company.

Human Rights Guidance for Businesses
Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context

Due Diligence Library
The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies

Working hours
Does the company ensure that the workweek is limited to 48 hours; that overtime is infrequent and limited; and that workers are given reasonable breaks and rest periods?
• Normal company working hours are limited to 48 per week by both company policy and practice, or fewer if provided by national law, collective agreement or industry standards.

• Overtime is infrequent, remunerated at premium rate, and does not exceed 12 hours in any one week, or 36 hours per month.

• The company has a system to plan, record and monitor hours worked by each employee, and regularly evaluates whether the number of workers is sufficient to meet production targets without resorting to overtime.

• Where overtime per worker systematically exceeds 12 hours per week, the company increases its workforce to correspond to production targets, or puts in place measures to increase worker productivity and reduce overtime.

• Workers are allowed at least 24 consecutive hours of rest (or more if provided by national law or industry standards) in every seven-day period.

• The company ensures that workers have no less than a 30-minute break for every 4 hours of work (or more if provided by national law or industry standards) and that workers are allowed to use toilet facilities whenever necessary and not just during designated breaks.

Wages

Does the company provide a living wage that enables workers to meet the basic needs of themselves and their dependents?

• It is company policy to provide workers with a living wage sufficient to meet basic food, clothing and housing needs and provide some discretionary income for themselves and their dependents.

• The company is aware of whether the legal minimum wage in the country of operation meets the requirement for a living wage.

• If no national minimum wage is established, or if national minimum wage standards are insufficient to meet the basic needs of workers and their dependents, the company calculates a living wage based on the cost of living in its area of operation.

• Part-time workers receive wages and benefits that are proportionate to those of full-time workers, and receive overtime compensation at a minimum of 1.25 times their hourly salary.

• The company pays wages at regular intervals and does not take deductions from wages for disciplinary measures or other deductions not authorised by national law.

• Bonus and piece-rate payment systems are monitored to ensure that the total salary paid meets living wage requirements without resort to overtime.

Leave

Does the company ensure that workers are paid holiday leave, sick leave, and parental leave in accordance with international minimum standards?

• Workers are granted at least three weeks of paid holiday leave per year or more if required by national law or collective agreements. Part-time and short-term workers are provided with paid holiday leave proportionate to the number of hours worked, at a rate equal to that of permanent full time employees.

• Workers are entitled to paid sick leave in accordance with the applicable national law. If sick leave is not provided for in national law, the company consults with union or worker representatives to establish alternative means of protection in case of illness or injury.
• The company ensures that sick leave is not deducted from workers’ vacation time.
• Female workers are entitled to no less than fourteen weeks of paid maternity leave per child.
• The company grants compassionate or parental leave to workers who have recently adopted a child or children, or have taken on the responsibility to care for foster children or other dependent children.

Employment status
Does the company ensure that all workers have an official employment status?

• The company ensures that all employees receive employment contracts prior to starting work for the company, and that contracts are understood by each employee.
• Contracts detail each employee’s rights and obligations of employment, including clear job description, bonus and salary systems, and reasonable notice periods.
• Reference to company handbooks or other relevant documents on employment terms are integrated into the contract.
• The company ensures that contractors provide workers operating within company premises with an official employment status in line with company standards.

Standards & Guidance
NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

• Ethical Trading Initiative Base Code (2012) and ETI Principles of Implementation (2009): The Ethical Trading Initiative is an alliance of different business stakeholders promoting the implementation of corporate codes of practice that cover supply chain working conditions. The alliance consists of companies, NGOs and trade union organisations. The ETI Base Code has been developed as a code of labour practice, targeted generally for supply chains, and is in line with the key international labour standards. The accompanying ETI Principles of Implementation outline the requirements needed by corporate members to implement the ETI Base Code in their supply chains, including the necessary commitments, management practices and behaviours.
• Institute for Human Rights and Business and Global Business Initiative on Human Rights, State of Play: The Corporate Responsibility to Respect Human Rights in Business Relationships (2012): The Report examines how the UN Guiding Principles can contribute and guide the complex network of business relationships that now exist in a global economy. It explores how companies of all sizes are now beginning to implement human rights considerations and the UN Guiding Principles into both traditional and contemporary business relationships.
• Portal for Responsible Supply Chain Management (est. 2008): The Portal is designed to support companies in improving the social and environmental conditions within their supply chain. The Portal offers tools and guidance on a number of supply chain issues, such as child labour, corruption and discrimination. In addition, the Portal also details sector specific resource material and pertaining legislation.
• IFC Performance Standard 2: Labour and Working Conditions (2012): IFC PS2 is guided by the international labour standards as outlined by the ILO and covers a range of aspects, including: terms and conditions of employment, non-discrimination, health and safety, and forced labour. The Standard addresses employees, contracted workers and supply chain workers.
• International Labour Organization: The International Labour Organization (ILO) is the UN agency responsible for preparing and overseeing international labour standards. The mission and objectives of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

• OECD Guidelines for Multinational Enterprises (2011): The OECD Guidelines are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. Chapter 5 is on employment and industrial relations, aligning with the international labour standards of the ILO.
Environment

Company impacts on the environment that affect the health or livelihoods of local communities

Country Context

Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

The country submitted its First Biennial Update Report to the United Nations Framework Convention on Climate Change. The country adopted its intended nationally determined contribution as an input to the 2015 Paris Climate Agreement. Nevertheless, according to a 2015 EU Progress report the country was at the early stages of transposing and implementing EU climate acquis and recommended to develop a comprehensive policy and strategy on climate action, consistent with the EU 2030 framework.

In 2016, Macedonia ranked 50th out of 180 countries on Yale University’s Environmental Performance Index, in the 11th position out of 18 countries of Eastern Europe and Central Asia.

Participation & Access to Information

The Law on Environment (2005) is the general law which regulates Environmental Impact Assessment of certain projects, though other sector specific regulations also refer to the EIA requirement. The projects subject to EIA include public and private activities. Specific provisions exist for foreign projects with transboundary impact in Macedonia and vice versa.

The Law on Nature Protection (2004) requires a Nature Impact Assessment for specified plans and programmes. The Ministry for Environment and Physical Planning (MoEPP) is responsible for implementation of the Environmental Law, including the EIA procedure. It also has specific responsibilities in screening, scoping, and review of the EIA report.

Public participation in the process of deciding about issues relation to environment are regulated in Chapters X and XI of the Law on Environment. Public participation in topics repeated to the protection and preservation of the environment is also guaranteed by the Law on Free Access to Public Information and other accompanying decrees.

As noted in the Commission for protection of the right to free access to public information, 940 complaints have been submitted to the commission by individuals and physical entities, none of which was from a company. More than one third of the complaints were accepted by the Commission and the holder of public information was obliged to provide the particular information to the complainant. The complainants showed dissatisfaction in receiving information from public holders about, among others, reports for state aid to companies in technological industrial zones; general contracts for construction of museums; list of companies receiving concessions; status of the process of adopting urban plans etc.

Beside the national regulation on public participation and access to information on environmental topics, the Regional Environmental Center observed number of impediments in these processes, such as a large amount of projects and plans that had not been presented to the public; lack of organized process of public participation, low level of awareness among Macedonian citizens about their right to
participation in the public discussions, lack of knowledge among the public administration about the best practice on public participation in the decision making process.\textsuperscript{193}

### Air Pollution

According to a 2015 report by the Institute of Public Health air quality standards were breached at an alarmingly high level in 2015, with an increased concentration of harmful particles in the air.\textsuperscript{194} In addition, research suggested that more than 90 percent of the harmful particles came from heavy industry and metallurgy, the usage of coal in the production of electricity, the dense traffic in the bigger urban and industrial centers, as well as heating household with wood.\textsuperscript{195}

As noted by the State Statistical Office (2015) the biggest emission of air pollutants was found in the sector of combustion processes, in the magnitude of around 58 percent of the total harmful particles, followed by emissions from the transport sector (around 20 percent on average), emissions from production processes (around 35 percent) and emissions of pollutants from other sectors (waste, agriculture and fugitive emissions contribute around 5 percent).\textsuperscript{196}

The Ombudsman in its 2015 report stated that the big industrial capacities in in the country, by not respecting the ecological working standards, considerably contributed to the poor air quality.\textsuperscript{197} While businesses need to confirm that the production process in the industrial capacities is safe and in accordance with the norms for protecting the environment, the Ombudsman (2015)\textsuperscript{198} and EU (2015)\textsuperscript{199} noted that the long procedure for acquiring integrative ecological permits for impeding and controlling of pollution posed an obstacle and needed to be accelerated.

### Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **2015, Ombudsman:** In 2015 the Ombudsman received complaints regarding environmental, increased noise by the catering venues located near populated areas, environment pollution by waste and other municipal waste in illegal landfills located near their homes, as well as prolongation of administrative procedure by inspection organs.\textsuperscript{200} The Ombudsman contacted the environment inspectors on local and central level so that they take measures to protect citizen’s rights.

- **2015, Institute for Public Health:** During inspections of catering venues and touristic locations as well as in premises in the production area, the Institute found that in most of the premises the water was not disinfected, and if so that was not done continuously.\textsuperscript{201} Lack of qualified personal to maintain the water supply premises was observed, which led to numerous sanitary-technical defects.

### Company Initiatives

Private-sector programmes that aim to ensure respect for human rights or contribute to development

### Company Due Diligence Initiatives

- **INET:** The company has direct vendor relations with world-known brands which are involved in environmental protection. It distributed computer components declared by their manufacturers to
be in conformance with the environmental performance standard for electronic products - IEEE 1680-2006.202

- **Private General Hospital PZU Re-Medika**: In 2015, the hospital finished the annex building using an energy-efficient valve facade, first of this sort in the country.203

- **Alkaloid AD Skopje**: In order to provide monitoring of the level of ground water and rational utilization of well water for technological purposes at the “Avtokomanda” and “Gjorche Petrov” sites, piezometers and well water meters were been installed by the company, which allowed monitoring the amount of ground water drawn from the well.204

**Company Development Initiatives**

- **Sparkasse bank**: In cooperation with Pakomak, a company for management of packing and storage of disposals, the bank launched the initiative “Recycling-Say Yes”, directed at students from primary schools in order to teach them about recycling as a process, but also how to turn recycling into a constant income for their schools.205

- **Gorska Koding DOOEL Skopje**: With the aim of increasing the ecological spirit of the consumers of water and juices, in 2015 the company organised an ecology contest for all participants who had ideas to give “a new life” to already used bottles.206 The contest was not focussing on a concrete topic, so the used bottles could be reused for creating decorations, jewellery and accessories, sculptures etc.

- **one.VIP**: On March 28th 2015 in the period from 20.30 to 21.30 in supporting global volunteering action “Earth Hour” for environment protection and climate changes, Vip, a private telecommunications operator, switched off the lightening in all working premises, as well as the window lights in all Vip centers throughout Macedonia and in the headquarter premises in Skopje.207 Employees and their families had an active part in the action

**Human Rights Guidance for Businesses**

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

**Due Diligence Library**

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**Precautionary Approach**

*Does the company support a precautionary approach to environmental issues?*

- The company provides information to stakeholders about uncertainties and potential risks to workers, consumers, the public and the environment of the company’s products and processes.

- The company identifies any soil and water contamination at its site or sites, assesses the environmental impacts and remedies any significant contamination.

- The company tries to avoid environmental damage by regular maintenance of production processes and environmental protection systems (air pollution control, waste water treatment systems etc.).
The company conducts systematic risk assessments of materials used, products and processes to apply the precautionary approach.

The company ensures transparency and engages in regular stakeholder dialogue with neighbours, civil society organisations and others with an interest in the company on critical environmental issues.

If relevant, the company supports scientific research on environmental issues relating to the company’s products and processes.

**Emergency Response**  
*Does the company have emergency procedures in place to prevent and address accidents affecting the environment and human health?*

- The company has identified the hazardous operations and the potential consequences on human health and the environment if an accident occurs.
- The company has detailed procedures, plans, equipment and training programmes to prevent accidents and emergencies.
- The company has detailed procedures, plans and equipment to effectively respond to accidents and emergencies if they occur.
- The company trains workers to respond to accidents and emergencies, including carrying out emergency drills at least once a year involving all workers.
- Where there is significant risk of impacts on local communities, the company has a procedure that enables it to immediately notify affected local communities about industrial emergencies, and informs about emergency response, evacuation plans and medical response.

**Energy Consumption and Climate Change**  
*Does the company take measures to reduce energy consumption and emissions of greenhouse gasses?*

- The company complies with regulation regarding use of energy resources and emissions of greenhouse gases.
- The company has a climate strategy that identifies opportunities to reduce the company’s energy consumption and/or emissions of greenhouse gases.
- The company has initiated practical activities to reduce energy consumption and/or greenhouse gas emissions.
- The company provides information and trains employees to implement energy reduction measures.
- The company monitors its energy consumption and/or emissions of greenhouse gases.
- The company has defined a baseline for its greenhouse gas emissions, which includes a definition of the business operations and activities, and the greenhouse gases that are accounted for e.g. as described in the Greenhouse Gas Protocol.
- The company has targets for reducing its energy consumption and/or emissions of greenhouse gases.
- The company engages with the government and civil society organisations to develop policies and measures that provide a framework for the business sector to contribute to building a low carbon economy.

**Water and Waste Water**  
*Does the company take measures to reduce water consumption and treat waste water?*

- The company has the necessary permits to extract water or obtain water from the public water supply and for any waste water discharges.
• The company treats waste water before discharge to reduce adverse environmental impacts. If waste water treatment takes place outside the company’s premises, the company is aware of the effectiveness of the treatment.

• The company monitors waste water discharges, including types, limit values and quantities of pollutants in the waste water.

• The company has targets for reducing water consumption and/or increasing the amount of water reused or recycled in different business operations and activities.

• The company provides information and trains workers to implement measures to reduce water consumption and reduce the need for waste water treatment.

• The company’s use of water and its waste water discharges do not negatively affect the sustainability of water resources, the natural environment or the availability of water for drinking and sanitation purposes.

• The company engages with national, regional and local public authorities, and civil society organisations to address water sustainability issues related to affected water resources.

Waste Management

Does the company take measures to prevent and reduce the production of waste and ensure responsible waste management?

• The company has the necessary permits for the handling, storage, recycling and disposal of waste, and, if relevant, complies with requirements for transporting hazardous waste across borders.

• The company has a strategy to manage waste responsibly and continuously attempts to prevent and reduce the production of waste.

• The company ensures that waste relevant for recycling is sorted and handed over to a recycling company.

• The company monitors the types and quantities of waste produced, including where and how waste is recycled, treated or disposed of.

• The company has targets for reducing waste production and/or increasing waste reused/recycled and measures its progress against these targets.

• The company provides information and trains workers on the safe handling, storage, transport and disposal of hazardous and special waste types.

• The company marks areas used for storage of waste, and properly labels all containers for storing waste, including a relevant symbol of danger for hazardous waste.

• The company requests recycling/treatment/disposal receipts from transport contractors.

• The company uses licensed contractors for the transport, recycling, treatment and disposal of hazardous waste.

Air Emissions

Does the company prevent, reduce and treat air emissions?

• The company has the necessary permits for emissions to air, and complies with legal requirements (e.g. air pollution standards and limit values).

• The company provides information and trains workers on how to manage air emissions.

• The company monitors the types and quantities of relevant emissions to air.

• The company treats relevant pollutants before they are emitted to the atmosphere (e.g. by using filters).

• The company continuously attempts to prevent and reduce air emissions.
Noise, Odour, Light and Vibrations
*Does the company prevent and reduce impacts on the surrounding environment from noise, odour, light and vibrations?*

- The company has the necessary permits for levels of noise, odour, light and vibrations, and complies with legal requirements (e.g. standards or procedures).
- The company provides information and trains workers to manage noise, odour, light and vibrations.
- The company monitors levels of noise, odour, light and vibrations on the surrounding environment.
- The company treats/minimises impacts to ensure that there are no significant levels of noise, odour, light and vibrations.
- The company continuously attempts to prevent and minimise the levels of noise, odour and light (e.g. enclosed production, shielding, etc.).

Chemicals and Other Dangerous Substances
*Does the company minimise the use and ensure safe handling and storage of chemicals and other dangerous substances?*

- The company has the necessary permits and complies with legal requirements for the handling, use and storage of chemicals and other dangerous substances.
- The company does not manufacture, trade and/or use chemicals and other dangerous substances subject to national or international bans or phase-outs.
- The company provides information and trains workers on the safe handling and use of chemicals and other dangerous substances.
- The company monitors the quantities of all chemicals and other dangerous substances used in production and maintenance.
- The company marks areas used for storage of chemical substances and products.
- The company properly labels all chemical substances and products including name of the chemical and a relevant symbol of danger.
- The company considers substitution important and continuously tries to use less harmful chemicals and substances.

Biodiversity
*Does the company prevent, minimise and remedy significant impacts on biodiversity?*

- The company has the necessary permits to operate in or alter the natural environment, and complies with legal requirements.
- The company is committed to operating within the framework of international conventions addressing biodiversity (e.g. the Convention on Biological Diversity, Cartagena Protocol on Biosafety and the CITES Convention).
- The company has assessed important positive and negative impacts of its operations and activities on the natural environment and biodiversity (e.g. IUCN’s Red List of Threatened Species and no alien invasive species).
- The company has previously and/or is currently taking measures to prevent and reduce the impacts of its operations and activities on biodiversity.
- The company clearly labels products containing GMOs and indicates if GMOs have been used in the production process.
- The company ensures that it has not had any unintended releases of GMOs.
- The company documents that workers have been adequately trained to handle GMOs.
Natural Resources

Does the company ensure that natural resources are used in a sustainable manner?

- The company has the necessary permits and complies with legal requirements regarding the cultivation, harvest, extraction and/or use of natural resources (e.g. wood, fish, metals, oil, coal etc.).
- The company complies with legal requirements regarding the cultivation, harvest, extraction and/or use of natural resources (e.g. wood, fish, metals, oil, coal etc.).
- The company ensures that workers are trained in the sustainable cultivation, harvesting, extraction and/or use of natural resources.
- The company continuously attempts to prevent, minimise and remedy significant impacts on natural resources through environmentally friendly methods and alternative resource use.
- The company ensures that its use of renewable resources does not negatively affect the sustainability of the resource (i.e. the resource’s ability to regenerate).
- The company demonstrates efforts to substitute non-renewable resources used in production with renewable resources.
- The company works with local and national public authorities as well as with international institutions to address sustainability issues related to natural resources (e.g. wood, water, fish, metals, oil etc.).

Environmentally Friendly Technologies

Does the company encourage the development and use of environmentally friendly technologies?

- The company uses environmentally friendly technology.
- The company regularly evaluates its processes and technologies to see if there are more environmentally friendly alternatives.
- When developing new technologies and products, the company focuses on developing environmentally friendly technology e.g. by using life cycle assessments (LCA), design for sustainability or a cradle-to-cradle approach.
- When planning new investments in technology, the company considers the best available technology and stipulates minimum environmental criteria.
- When investing in new buildings, the company implements environmentally responsible and resource-efficient materials and/or technologies.
- The company makes information describing the environmental performance and benefits of using environmentally friendly technologies available to stakeholders.

Standards & Guidance

NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

- **CEO Water Mandate (2011):** Launched as a collaborative initiative of the UN, UN Global Compact, the Government of Sweden and a dedicated group of companies, the CEO Water Mandate is a public-private initiative designed to assist companies with the development, implementation and disclosure of policies and practices relating to water sustainability. It covers six core elements: direct operations, supply chain and watershed management, collective action, public policy, community engagement and transparency.
- **IFC Performance Standards on Environmental and Social Sustainability (2012):** The IFC Performance Standards provide directions to businesses on due diligence on environmental and social matters. Several of the standards are pertinent to environment, including: Assessment and Management of Environmental and Social Risks and Impacts (PS1), Resource Efficiency and Pollution Prevention (PS3), Community Health, Safety, and Security (PS4), and Biodiversity Conservation and Sustainable Management of Living Natural Resources (PS6).

- **Institute for Human Rights and Business, Business, Human Rights & the Right to Water—Challenges, Dilemmas and Opportunities:** This report summarises the views of various stakeholders on issues pertaining to the right to water, including consideration of the scope of a company’s responsibility to respect the human right to water; the applicability of the human rights-based approach to management of water-related issues; and the business case for engaging with water-related issues.

- **ISO 14000 Standards on Environmental Management Systems:** Developed by the International Organisation for Standardisation, the ISO 14000 Standards provide businesses and organisations with a number of tools to assist in their environmental management systems. The key objective of the standards is to encourage different actors to reduce the negative impact that their activities may have on natural resources such as air, water or land.

- **United Nations Special Rapporteur on the Human Right To Safe Drinking Water and Sanitation (est. 2008):** Amongst a range of issues, the mandate of the Special Rapporteur includes consideration of the regulation of the private sector in the context of private provision of safe drinking water and sanitation.

- **Global Water Tool (2007):** Developed by the World Business Council for Sustainable Development, this tool is designed for companies and organisations to map their water use, including risks associated with water use in global supply chains.
Land & Property

Human rights impacts related to company acquisition, use and management of land

Country Context

Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.

Land Administration

The agricultural land, which includes cultivable land and pastures, accounts for 56.2 percent of the total area. About 43.8 percent of the total area of the country is covered by forest. Since 2008, foreign nationals have been permitted to own land in Macedonia, and may invest in or own fixed assets and real estate.

The Ministry of Agriculture, Forestry and Water Economy is responsible for the land administration. The Agency for real Estate Cadastre is responsible, among others, for the establishment and maintenance of real estate cadaster and registration of real estate rights.

As noted in the Doing Business 2016 report by the World Bank the country stood at 50 in the ranking of 189 economies on the ease of registering property. According to the report the administrative procedures for dealing with construction permits were efficient: completing the formalities to build a warehouse takes 74 days. All documents required in construction permitting were specified and accessible online—along with the list of agencies to visit, the fees to pay and the preapprovals to obtain.

According to an Investment Climate Statement 2016 by US Department of State legal protection of property rights were satisfactory but inconsistently implemented. A lack of coordinated zoning plans at local and regional levels and the centralised control over government-owned land for construction reportedly posed obstacles to private investors. Investors’ potential utilization of land was inhibited by the large number of lingering property ownership disputes as a legacy of the break-up of Yugoslavia. However, the Statement notes that over the past few years, there have been significant improvements to the cadaster system which have helped to increase the security and speed of real-estate transactions.

Land Acquisition

The Constitution prohibits deprivation of individual property or of the rights deriving from it, except in cases concerning public interest as determined by the law. The state can expropriate a property as long as compensation no lower than the market value of the property is guaranteed. The owner of expropriated property is also entitled to compensation for crops, seeds, forests on the land and fruits, if they were not incorporated in the market value of the land. However, he or she will not be entitled to compensation for investments made after the date of submission of the proposal for expropriation.

The landowners who are not satisfied by the awarded compensation, like in the Arsovski case, who was awarded 880 Euros for compensation in the interest of a private company, can compliant in front of the national courts and the European Court of Human Rights (ECHR). In this case, even though the European Court found a violation of their right to property, the family could not repeat the procedure in front of the national courts because, five years have elapsed after the date the Macedonian decision became legally valid. In analyzing the consequences of this case upon the effective enjoyment of
property rights, the Helsinki Committee for Human Rights noted that the term for filing a request for repletion of the national procedure should be counted from the day the judgement of the ECHR becomes legally valid.215

According to a 2016 assessment by Transparency International Macedonia the law on the sale of agricultural land in state ownership ensured that existing tenants have an advantageous position and the method of sale in the law mainly excluded open competition to purchase the land.216

As noted by Transparency International Macedonia (2016)217 and Heritage Foundation (2016)218 despite the existence of a legal basis for the protection of property rights, enforcement remained problematic.

As reported by the European Roma Rights Centre most of the Romani population in the country continued to live in segregated settlements characterised by substandard housing conditions and without proper access to services. Residents often did not have property papers for their houses or land where they live, making them an easy target for forced evictions. The Centre was not aware of any case where Roma living in informal settlements have been able to legalise their properties, or of any cases of infrastructure improvements in Roma settlements or neighbourhoods.

Cases
Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- **2012, Supreme Court of the Republic of Macedonia**: The Court found that the owners of the location for construction and the investor who builds the object on the land without construction permission, are solidary responsible for damage made to third parties because of the demolishing of the illegally build object by competent organ.219

- **2014, European Court of Human Rights**: In the case Vikentijevik the Court found that there was no violation of Article 1 (protection of property) of Protocol No. 1 to the European Convention on Human Rights.220 In the case the applicant brought restitution proceedings in 2000 in respect of property belonging to a company of which his late grandfather had been a shareholder and which had been confiscated after the Second World War. In September 2000, the Restitution Commission of the Ministry of Finance accepted his claims and decided to restore his possession. Following a request by the Solicitor General, the restitution order was quashed by the Commission and remitted the case for re-examination. The renewed restitution proceedings were still pending.

- **2014, Supreme Court of the Republic of Macedonia**: The Court found that an unlawful exploitation of mineral resources has not be committed by the accused when they undertook actions for digging a channel in order to install pipeline, and afterwards they encumbered the channel and took sand and jackal at the premises of the legal entity.221

Company Initiatives
Private-sector programmes that aim to ensure respect for human rights or contribute to development

Company Due Diligence Initiatives
Community Impacts

• **ProCredit Bank:** The bank has publicly issued a list of activities which will not be credited by the bank according to their corporate ethics. In this line, the bank refuses to give credit to physical or private entities for production or activities which endanger the land and property of local inhabitants or concerning land subject to legal dispute, such as agricultural land and water used for raising stock, hunting and fishing, without complete documented agreement from these inhabitants.

Company Development Initiatives

• **Adora Engineering Skopje-LLC:** In November 2014, the company, together with the Red Cross and participation of tenants of all constructed residential buildings, organized a humanitarian action for collecting and donating second hand furniture under the motto “Share your new beginning, give someone a new home.”

Human Rights Guidance for Businesses

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

Due Diligence Library

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Before buying, renting, acquiring or otherwise accessing land or property, does the company ensure that all affected owners and users of the land or property, have been adequately consulted and compensated?

- Prior to buying, renting, acquiring or otherwise accessing land or property, whether directly or through a third party, the company identifies all existing owners and users of the land or property, including information land users and customary owners.
- The company investigates the past usage and ownership of the land or property to ensure that past users and owners have not been wrongfully removed, and that any expropriations by the authorities have been conducted in accordance with international law.
- The company consults with affected users and owners of the land or property (including women, tenants, settlers, minorities and other vulnerable groups including indigenous peoples) and seeks their free, prior and informed consent before continuing to acquire or access the land or property.
- The company ensures that its lease or purchase of residential property and sourcing of food commodities does not considerably make housing and food scarce or too expensive for the local people.
- The company ensures that affected owners and users of the land or property are adequately compensated to help them restore their standards of living or livelihoods to the same or higher than before, and that the compensation standards are transparent and applied consistently to all communities and persons affected.

Standards & Guidance
NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

- **FAO Voluntary Guidelines on the Responsible Governance of Tenure (2012):** Developed by the Food and Agriculture Organisation of the UN (FAO), the Guidelines promote responsible governance of tenure of land, fisheries and forests by outlining the principles and internationally accepted standards for the responsible governance of tenure. The Guidelines inform States and non-government actors on relevant policies, strategies and activities.


- **Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources (2010):** A joint initiative of UNCTAD, FAO, IFAD and the World Bank, these seven principles cover all types of investment in agriculture, including between principal investors and contract farmers. The Principles provide a framework for national regulations, international investment agreements, global corporate social responsibility initiatives, and individual investor contracts.
Revenue Transparency & Management

*Human rights impacts related to transparency of government revenues received from business and the distribution of such revenues*

Country Context

*Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.*

Corruption

Active and passive bribery, extortion, bribing of a foreign public official, attempted corruption, trading in influence and money laundering are prohibited by law. Anti-corruption provisions apply to all, and companies can be held criminally liable for corruption offences committed by their representatives. Facilitation payments are prohibited, and gifts may be considered illegal depending on their value, intent or benefit.

The anticorruption law requires appointed and elected officials and their close family to disclose their income and assets and provides penalties for non-compliance. The public has access to the disclosure declarations on the website of the State Commission for the Prevention of Corruption. As reported by a 2015 report by the US Department of State, the absence of a registry of elected and appointed officials hampered effective control of assets and monitoring of conflicts of interest.

The Law of Employees in the Public Sector, that came into force in February 2015, introduced a protection of employees who report crimes or unlawful actions that endanger the public interest, security or defence.

On November 2015, the Law on protection of whistle-blowers was adopted which regulates the protection and compensation of internal and external whistle-blowers, and sets out the competences of the stakeholders responsible for whistle-blowing cases.

Several codes of conduct have been adopted by the government, including a code of ethics for members of the government and holders of public office appointed by the government, public servants and civil servants.

Although Macedonia’s legal framework for fighting corruption is of a high international standard, according to reports by EU (2015) and Freedom House (2016) its strength remained impeded by insufficient implementation and the lack of inter-organisational coordination.

As reported by the Committee on Economic, Social and Cultural Rights (2016), EU (2015) and Freedom House (2016) corruption remained widespread due to a lack of political will and political interference in the work of the relevant bodies, which was hampering their ability to act proactively and non-selectively, especially in high-level cases.
According to a 2016 report by Freedom House Macedonia scored 4.50 which is 0.25 higher than the previous year, on a scale of 1 to 7, with 1 representing the highest and 7 the lowest level of democratic progress.237

The Business Anti-Corruption Portal reported that although cumbersome regulatory procedures had been reduced over the past decade, bureaucratic red tape remained a problem throughout the public administration.238 Public procurement, the customs administration, and the building and construction sectors were areas where corruption and bribery were most prevalent.

The U.S. Department of State (2016) noted that investors complained of political interference in court cases and cited slow and inefficient legal proceedings, as well as unclear division of responsibilities within and between public institutions as constraints to business.239 According to a 2015-2016 World Economic Forum report companies perceived the judiciary’s effectiveness in settling disputes to be modest, but when it comes to challenging government regulations, the institution was noted as weak.240

Public Procurement

The Law on Public Procurement contains criminal penalties, including imprisonment for violations of tender procedures, and exclusion from future procurement for abuses including bribery and corruption. The Public Procurement Council has been functioning as an oversight body since 2014.241

The country’s public procurement market made up 12 percent of GDP and 34 percent of the state budget in 2013 including the ‘Skopje 2014’ public infrastructure project.242

Public procurement is managed through e-government, where it is compulsory to publish electronically tender documents free of charge. According to U.S. State Department (2015)243 and EU (2015),244 the e-government has increased transparency within the sector and decreased opportunities for corruption.

Revenue Transparency

The law provides for public access to government information and an Open Government Partnership Action Plan was adopted by the government in 2014-2015. According to a 2015 report by US Department of State, citizens’ and the media’s access to the government’s financial and public procurement dealings remained limited.245 Members of civil society and media outlets complained that some state organs ignored requests for information under the freedom of information law.246

Macedonia’s score of 35 on the 2015 Open Budget Index has remained the same as its score in 2012. Its score for public participation – 6 out of 100 - was lower than the global average score of 25.247

According to a 2015 Open Budget Survey by International Budget Partnership, the country has increased the availability of budget information since 2012 by improving the comprehensiveness of the Year-End Report.248 However, it has failed to make progress because it produced a Mid-Year Review without making it public, did not produce a Pre-Budget Statement and a Citizens Budget and published In-Year Reports with minimal budget information.

As noted in a 2015 EU Progress report budget transparency was not ensured as comprehensive, and timely and reliable budgetary information were not publicly available.249 The 2015-2017 fiscal strategy and the 2015 budget were adopted without adequate parliamentary discussion.

The supreme audit institution provides budget oversight and has full discretion to undertake audits as it sees fit. The head of the supreme audit institution cannot be removed without legislative or judicial approval, which according to a 2015 Open Budget Survey bolstered its independence.250 The institution was provided with sufficient resources to fulfil its mandate and had an adequate quality assurance system in place.
Revenue Sharing

The Business Anti-Corruption Portal noted that corruption in Macedonia's tax administration was not reported to be a significant obstacle for doing business.\textsuperscript{251} Corporate income tax, VAT and mandatory social security contributions can be filed online, decreasing the risk of corruption, was noted in Doing Business report 2016.\textsuperscript{252} The report demonstrated that the average time and cost required to deal with paying taxes is much lower than the regional average.

A 2015 EU Progress report noted that the administrative infrastructure aimed at fighting tax fraud, evasion, and at reducing the size of the informal economy (customs, taxation, statistics, financial control) was improving.

Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- \textit{2015, MCMBS}: The business research of the NGOs showed that 38 percent of the Macedonian companies (“more likely” than “likely”) would give money in cash to a public servant in order to successfully solve a problem. 55.7 percent (“more likely” than “likely”) would give a gift to a public servant, and 48.7 (“more likely” than “likely”) would make a favour in order to successfully solve a problem in the company.\textsuperscript{253}

- \textit{2015, The State Commission for Prevention of Corruption (SCPC)}: In 2016, SCPC referred two cases to the Public Prosecution Office for misuse of public funds. In one case, the SCPC initiated a procedure for removal of a public official.\textsuperscript{254} The SCPC received and checked 437 cases of conflict of interest statements by public officials and determined that a conflict of interest existed in 39 cases. The resolution of these cases remained pending at year’s end.

- \textit{2015, European Court of Human Rights}: In the case Doñčev and Burgov the Court found that there were no violations of the right to a fair trial and right to obtain attendance and examination of witnesses concerning the applications by former police officers, who were convicted of accepting a bribe from a driver they had stopped for speeding.\textsuperscript{255}

Company Initiatives

Private-sector programmes that aim to ensure respect for human rights or contribute to development

Company Due Diligence Initiatives

- \textit{Stopanska Banka A.D. Skopje}: According to the company’s Code of Ethics every employee in the bank must refuse every offered gift, unless the gift is publicly given, has a symbolic value, and it is apparent that it was given out of kindness in the context of local custom and does not compromise the employee’s moral integrity and role.\textsuperscript{256}

- \textit{Makedonski Telekom AD-Skopje}: In 2007, e-learning programs have been launched on business ethics and anti-corruption compliance.\textsuperscript{257} The business ethics programme is mandatory for all employees of the Group; employees are selected and invited to the anti-corruption e-Learning course after a risk based assessment. Suppliers are required to register themselves on the
Makedonski Telekom Procurement site thereby acknowledging the Group’s Code of Conduct and anti-corruption clause.

- **Pivara A.D. Skopje**: In its Corruption Policy, the company is prescribing the process of due diligence when employing or hiring third parties. It is prescribed that cautiousness is need by the person evaluating potential employees or third parties, which could act on behalf of the company, especially if such person is expected to deal with civil servants. Before hiring any third party which is expected to deal with civil servants on Company’s behalf, the recruiter must get prior written approval from the competent Legal Counsel if there are reasonable reasons to believe that the third person might offer a bribe.258

- **PRG DOOEL Skopje**: In its Anti-Bribery and Corruption Policy, PRG states that PRG will consider a full range of remedial measures should evidence of corrupt practices be uncovered, including but not limited to: (a) voluntary restoration of damages or loss caused by the offence; (b) recovery of ill-gotten gains (e.g. proceeds of the corrupt act); (c) acceptance of an external compliance monitor; or (d) corrective organisational actions (e.g. removal or other disciplinary measures against responsible employees).259

**Human Rights Guidance for Businesses**

*Actions and priorities suggested by local and international stakeholders as well as company initiatives to ensure company respect for human rights and contribute to human development in the local context*

**Due Diligence Library**

*The following recommendations have been developed by The Danish Institute for Human Rights through research and engagement with companies*

**Signalling a Non-Corrupt Environment**

*Does the company take a clear stand against corruption?*

- The company’s CEO, director or president has declared that the company will not engage in corruption at any time or in any form.

- The company has a policy rejecting corruption and requiring all directors, managers and workers worldwide to behave ethically and in conformity with the law.

- The company anti-corruption policy includes how to handle requests for facilitation payments, giving and receiving gifts, engaging in sponsorships, giving political contributions, and how to conduct responsible lobbying.

- The company has defined benchmarks and indicators regarding its anti-corruption initiatives and reports these to the public (e.g. in its annual CSR report)

**Anti-Corruption Risk Assessment**

*Does the company assess the risk of corruption when doing business?*

- The company evaluates the potential areas of corruption including factors such as type of transaction, countries of operation, industries, and customers or business partners involved.

- The company evaluates the risk of corruption when workers, agents, intermediaries or consultants deal with public officials (including workers of state owned companies).
- The company evaluates the risk of internal and external conflicts of interest in relation to business partners.
- The company has developed an action plan to address the risk of corruption, and has defined responsibilities for each task, as a minimum for high-risk areas.
- The company has identified internal functions with the highest risk of corruption within the company and seeks to address these weaknesses.

Awareness Raising

*Does the company ensure that relevant workers are properly trained?*

- The company informs all workers about its anti-corruption commitment.
- The company provides regular anti-corruption training for all relevant workers within the organisation e.g. procurement and sales staff.
- Information on disciplinary procedures for violations of company anti-corruption policies is available to workers.
- The company actively seeks worker feedback and dialogue on its anti-corruption initiatives.
- The company has and promotes a function by which workers can safely report suspicion of corruption related cases (e.g. hotline or mailbox) and allocates resources to systematically address the issues that are identified.

Anti-Corruption Procedures

*Do the company’s internal procedures support its anti-corruption commitment?*

- The company has assigned different individuals or departments to be responsible for handling contracts, placing orders, receiving goods, processing invoices and making payments.
- The company mentions ‘anti-corruption’ and/or ‘ethical behaviour’ in its contracts with business partners.
- The company prohibits informal employment and any ‘off the books’ record-keeping.
- The company performs internal audits and has checks in place in connection with all anti-corruption commitments.
- The company’s procurement, financial and internal audit personnel have clear instructions to look for and to identify alarms, report them to management, and follow-up counter measures.
- The company requests external auditors to maintain a critical eye and follow all alarms and irregularities.
- Any alarm or irregularity reported by external auditors is systematically addressed by management.
- The company monitors compliance and continuously identifies strengths and weaknesses in the anti-corruption initiatives to remain effective and up-to-date in addressing changing risks.

Agents and Other Associates

*Does the company’s anti-corruption initiative cover agents, intermediaries and consultants?*

- The company conducts an inquiry and/or attentiveness (e.g. financial, legal, labour, tax, IT, environment, market/commercial) on all agents, intermediaries and consultants.
Community Impacts

Revenue Transparency & Management

- All agreements with agents, intermediaries and consultants are fully documented in written, signed contracts.

- The selection and terms of reference of agents, intermediaries or consultants are approved at the senior management level or at a level above that of the management involved in the operations for which the intermediary is hired.

- Contracts with agents, intermediaries and consultants include a section on anti-corruption and that the contract-holder must comply with all applicable laws and regulations.

- Agents, intermediaries and consultants are provided with information on the company’s anti-corruption commitment, anti-corruption policies, training material on anti-corruption behaviour and information on disciplinary procedures for violations of company anti-corruption policies.

- The company ensures that payment to agents, intermediaries and consultants are in line with standard payments for other service providers of similar ranking.

- The company only makes payments by bank transfer or check – never in cash – in the country of the agent, intermediary and consultant and never to a third party without prior examination.

Communicate

Does the company communicate progress on the Global Compact principles with stakeholders?

- The company identifies stakeholders who affect or can be affected by the company’s activities, products and services e.g. a person, group, organisation, authority.

- The company communicates progress openly about how issues covered by the Global Compact principles are managed, including performance results as well as forward-looking information on strategy and management approach, challenges, and dilemmas.

- The company regularly engages in dialogue with stakeholders to keep up-to-date with stakeholder expectations.

- The company communicates openly about how issues covered by the Global Compact principles are managed including challenges, dilemmas, success and failures.

- The company’s communication on progress and other performance reporting on issues covered by the Global Compact principles is publically available and communicated to external stakeholders e.g. via the company’s and Global Compact website.

Joint Actions

Does the company take joint actions with others to engage in and promote anti-corruption initiatives?

- The company shares experience, procedures and challenges of corruption with other organizations i.e. the local business community, sector initiatives, networks etc.

- The company has initiated or joined initiatives with other companies in the same sector for the purpose of promoting a fair business environment.

- The company stimulates multi-stakeholder dialogue on challenges of corruption.

- The company encourages the local business community and business partners to initiate cooperation to fight corruption.
Standards & Guidance

NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre

- Transparency International Business Principles for Countering Bribery provide a checklist for companies to identify and reduce bribes and facilitation payments in their operations.

- The OECD Guidelines for Multinational Enterprises, applicable to enterprises in OECD Member States (and some others), require companies to respect human rights, including through due diligence. The OECD Guidelines constitute recommendations by OECD member states to multinational enterprises operating in or from adhering countries. The OECD Guidelines include competition, fiscal systems and anti-corruption.
Security & Conflict

*Human rights impacts related to company interaction with public and private security providers and related to the impact of business on societal conflict.*

Country Context

*Human rights issues of relevance to businesses. The information in this section is gathered from publicly available sources and stakeholder consultations.*

According to the 2015 Fragile State Index by the Fund for Peace the country was on the 118th position of 178 nations in order of fragility and risk.260

Public Security Forces

The army is responsible for external security and reports to the Ministry of Defense. The national police maintain internal security, including migration and border enforcement, and report to the Ministry of the Interior.

In addition to investigating alleged police mistreatment, the Interior Ministry’s professional standards unit conducted all internal investigations into allegations of other forms of police misconduct. The unit has authority to impose administrative sanctions, such as temporary suspension from work, during the course of its investigations, but cannot take disciplinary measures, which require a ruling from a disciplinary commission. The unit also cannot impose more serious criminal sanctions, which require court action.

As noted by US Department of State (2015) there were reports of impunity involving the police forces during 2015. International observers, embassies, and local NGOs cited corruption, lack of transparency, and political pressure within the ministry as hindering efforts to fight crime, particularly organized crime.261 During the first half of 2015, the Interior Ministry’s professional standards unit initiated disciplinary action against 104 police personnel and filed seven criminal charges against 14 Interior Ministry employees for criminal acts, including “abuse of official position” and “falsifying passports.”

As reported by the UN Committee against Torture (2015), despite the reports of the Ombudsman and the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment that assault or violence in prison was common, no persons were charged under article 142 of the Criminal Code during several years covered by the reporting period, and there were no prosecutions brought or resulting convictions and sentences for the crime of torture.262

Private Security Forces

The Law on Private Security defines “private security” as protection of persons and property by legal entities which have permissions for private security. Private security agencies have legal law enforcement powers including the right to detain and search people, and to use force and bear firearms.263 All trainings for the workers are organized by the Chamber of Republic of Macedonia for private security, and are conducted by the Ministry of Interior.
Around 4,000 workers work in the private security sector. 264 293 permissions for working on physical security and 40 permissions for technical security have been issued by the Ministry of internal affairs as of October 2015. Ninety-one private persons are giving private security as services according to the Law on private security.

As of August 2016, 45 private security agencies were members of Chamber of Republic of Macedonia for private security. 265

According to a 2013 Governmental decision certain legal entities working must have private security such as those: working with radioactive substances or other substances which pose danger to the people and the environment; working with objects of especial cultural and historical importance; legal entities working in the energy sector, water supply, protection of the environment etc. 266

Private security forces were most typically involved in securing buildings, securing persons and property, securing sport games and other cultural events, securing banks and financial institutions, securing schools and universities, hospitals and clinical centers, municipalities and infrastructure, securing companies, including banks, as well as escorting money distribution, convoys and foreign diplomats’ security. 267

Research of primary and secondary sources showed that issues with the use of excessive force or killings by workers of private security sources was not reported to be an issue in the country. 268

Armed Conflict

As reported by the World Bank (2014) the country avoided inter-ethnic violence following the break-up of Yugoslavia in the early 1990s, yet it experienced inter-ethnic unrest a decade after independence. 269 The 2011 Ohrid agreement and subsequent amendments to the Constitution confirmed the rights of all ethnic groups.

Cases

Reports of business-related human rights issues from NGOs, multilateral institutions and the media.

- 2015, European Court of Human Rights: In the Asllani case the Court found a violation of Article 3 of the Convention because the applicant was taken out of local bakery, where he was an employee, together with the bakery owner and taken to a police station where he was ill-treated. 270 The Court also found the investigation into his allegations had been ineffective.

Company Initiatives

Private-sector programmes that aim to ensure respect for human rights or contribute to development

Company Due Diligence Initiatives

- PRG DOOEL Skopje: In its Human Rights Policy, this mineral exploration, extraction, and processing company is committed to ensuring that any public or private security firms engaged in maintaining the safety and security of mining operations adhere to strict operational constraints in keeping with the recommendations on the Voluntary Principles on Security and Human Rights. 271 As such,
individuals credibly implicated in human rights abuses will not be engaged to provide security services for PRG.

Human Rights Guidance for Businesses

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**Due Diligence Library**

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*Does the company take steps to ensure that company security arrangements are in accordance with international principles for law enforcement and the use of force?*

- The company regularly conducts security risk assessments, and ensures that company security arrangements, including the deployment of private guards or public security personnel, are proportionate to the security risk.

- Company security risk assessments include the risk of human rights abuses by private and public security personnel.

- The company selects private security firms based on information about professional ability, level of staff training, quality of equipment, past involvement in human rights abuses, links with political factions or organisations and other relevant criteria.

- Contracts with private security firms include requirements related to international human rights standards for law enforcement and use of force; require the investigation and discipline of any unlawful or abusive conduct by security guards; and allow for termination of the contract in case of such conduct.

- There is a manual defining the duties of security personnel, and all security personnel receive training on rules of conduct based on international human rights standards for law enforcement and the use of force.

- Where public security personnel are assigned to company facilities, the company seeks to ensure transparency concerning its interactions with public security agencies, and the company communicates to the relevant public security agencies its desire that security functions be conducted in accordance with international human rights standards for law enforcement and the use of force.

- The company has a procedure for recording security-related incidents, including a mechanism for handling complaints from staff or local communities related to the conduct of security personnel, and forwards credible allegations of human rights abuses to the relevant authorities.

- The company has a procedure for monitoring and evaluating its security arrangements, including the proportionality of the security arrangement; impact on local communities; impact on existing local tensions or conflicts; security incidents recorded; and credible allegations of human rights abuses by company security personnel. Representatives from the local community are consulted as part of the monitoring.
Standards & Guidance

NGO and institutional resources to enhance human rights due diligence efforts by businesses. These resources are drawn from the Business & Human Rights Resource Centre.

- International Alert, Conflict Sensitive Business Practices: Guidance for Extractive Industries (2005): International Alert is a peace-building NGO working with civilians and other affected stakeholders in conflict areas. This Guidance is intended for companies in the extractive industries sector, providing advice on conflict-sensitive business practices and the ways in which they can contribute to peace-building.

- International Alert and Fafo Institute, Red Flags: Liability Risks for Companies Operating in High-Risk Zones (2008): The Red Flags address illicit business activities under international and national law. The initiative’s objective is to clearly define what types of activities, when committed or aided by businesses, represent breaches of international humanitarian law and international criminal law.


- The Dodd-Frank Wall Street Reform and Consumer Protection Act (2010): Section 1502 of the Act requires public and private companies to disclose the use of any conflict minerals in their products. This promotes greater transparency and dissuades companies from engaging in trade that may support regional conflicts.

- International Committee of the Red Cross, Business and International Humanitarian Law (2006): The Guidance explains the obligations of businesses under international humanitarian law, including noting relevant distinctions between international human rights law and international humanitarian law.
Access to Remedy

Bodies to which victims of corporate human rights abuses can file grievances and seek redress.

Judicial Mechanisms

According to a 2015 Rule of Law Index by the World Justice Project Macedonia scored 0.55 (with 1 indicating strongest adherence to the rule of law), ranking 44th out of 102 countries.\(^\text{272}\)

Individuals may file human rights cases in the criminal, civil or administrative courts, depending on the type of human rights violation and the perpetrator of the alleged violation. Individuals also may appeal adverse decisions. The law provides the right to timely adjudication of cases and a legal basis for appealing excessive judicial delays to the Supreme Court.

Constitutional Court

Any person can bring claims in relation to freedom of conviction, conscience, thought and public expression of thought, political association and activity as well as to the prohibition of discrimination to the Constitutional Court.\(^\text{273}\)

According to a 2015 report by Helsinki Committee for Human Rights of the Republic of Macedonia, the Court has this far only made one decision in favour of the applicant in a human rights protection, on the basis of which an administrative act was declared as null and void.\(^\text{274}\)

Criminal procedure

The victim can issue a criminal charge to the public prosecutor, or private criminal charge to the court if that is prescribed by the law. In July 2015, a new law took effect that contains updated sentencing guidelines designed to address inconsistent sentencing among different courts.\(^\text{275}\) The country does not use juries, but for certain criminal and civil cases, judicial panels of three to five individuals, led by a professional judge, are used.

Section 15 of the Penal Code criminalizes 25 acts as crimes against human rights and freedoms. Victims can bring criminal charges against legal entities, who can be wrongdoer of most of the crimes, independently of the responsibility of the responsible person in the legal entity.\(^\text{276}\)

A responsible person in the legal entity is a person who, though formally is not registered as a manager, acts and undertakes legal actions in the relations with third parties, is signatory of the bank account, is submitter of the annual reports, is organizing the full business operations and is enforcing the decisions in the management, as a consequence of which he or she has an obligation to take care of the legality of the business operations of the company.\(^\text{277}\)

As reported by the US State Department (2015)\(^\text{278}\) and local NGOs\(^\text{279}\) number of shortcomings were noticed in the criminal procedures: the authorities did not always respect the right of the defendant right to be informed promptly and in detail about the charges; trials were subject to frequent delays; defense attorneys alleged they did not receive the prosecution's evidence in a timely manner. Defense attorneys and human rights activists claimed that closing significant portions of high-profile trials to the public to protect witness confidentiality reduced transparency and contributed to declining public confidence in the courts, especially among the ethnic Albanian population.
Civil procedure

Unless otherwise stated, the Law on Civil Procedure applies for the determination of personal or family relations, especially work, trade, property and other legal civil disputes. The civil actions start with a claim by individual or legal entity to civil courts. In the area of social protection and health and pension insurance the Law on Extrajudicial Procedure is implemented.

Mediation is mandatory before commencing a civil procedure for disputes among legal entities where the value of the claim is not higher than 1,000,000 denari (€16,229).

The Law on Protection of Workplace Harassment came into force in 2013. The law contains provisions for preventive measures and provides a procedure for protection against harassment in the workplace. The employee has an option to submit a complaint before the competent court, but not before submitting a written request for protection against harassment directly to the employer.

State Labour Inspectorate acts upon oral and written complaints of workers and citizens. The inspector can initiate misdemeanour proceedings against employer or employee when they fail to apply required health and safety regulations.

According to the Law on Courts, the Supreme Court of the Republic of Macedonia has jurisdiction to decide upon a claim of the parties for violation of a right of fair trial in due time in national proceedings, in accordance with the European Convention of Human Rights and the European Court of Human Rights' practice.

Discrimination lawsuits can be filed with civil courts, with the request that the court determines violations of the right to equal treatment of the plaintiff; prohibits the undertaking of activities which violate or may violate the right of the plaintiff to equal treatment; compensates the material and non-material damage caused by violation of the rights and announces the verdict publicly.

As reported by the Macedonian Young Lawyers Association (2016), from all judicial and non-judicial mechanisms, the civil courts provided to victims the most efficient mechanisms for protection against discrimination. However, the nonexistence of unified judicial practices for same or similar cases at the basic and appeal courts and the non-application of international anti-discrimination conventions were some of the drawbacks that impedes the effective protection in this areas, as noted in the report. The Association observed that the citizens who recognize that they are victims of discrimination most often asked for legal advice or filed a complaint, but do not continue with the judicial procedure, mostly because of financial reasons and the distrust in the judicial system.

According to the Ombudsman’s report (2015), the second greatest number of received complaints (19.3 percent) concerned the judicial system. The report indicated that court decisions were sometimes considerably delayed due to administrative deficiencies.

Non-Judicial Mechanisms

Ombudsman

The Ombudsman, a national human rights institution, protects the constitutional and legal rights of citizens when violated by bodies of state administration and other bodies and organizations with public authorities. It undertakes actions and measures for protection of the principle of non-discrimination and equitable representation of community members in state administrative bodies, local self-government units and public institutions and services. The procedure is initiated in writing or orally, then recorded in minutes.
Where the Ombudsman ascertains that a complaint is founded, he/she may: give recommendations on the manner of elimination of the determined violations; propose to re-conduct certain procedure; raise an initiative for initiation of a disciplinary procedure against an official, and file a motion with the public prosecutor for initiation of a procedure. The Ombudsman can also initiate a procedure on its own initiative in order to protect the rights of citizens.

The Ombudsman’s decisions are not legally binding, but the organs are obliged to act upon the directions and recommendations of the Ombudsman and to notify him/her of the action taken within 30 days as of the day of receipt of decision.

The International Coordinating Committee accredited the Ombudsman with status B for four years. The reasons for not being accredited with status A include that formally the Ombudsman’s mandate does not include promotion of human rights, the lack of sufficient funding to implement the Optional Protocol to the UN Convention Against Torture’s mandate and certain concerns about the appointment, composition and pluralism.

The UN Human Rights Committee (2015) and Senior experts (2015) reported concern about the limited follow-up to and implementation of the Ombudsman’s recommendations by the state organs. The Law on the Ombudsman should be amended in order to comply with the Paris Principles and the state should provide the Office of the Ombudsman with the human and financial resources necessary to ensure that it can effectively and independently implement its mandate.

The European Commission against Racism and Intolerance (2016) noted that 17 positions have been vacant in the office of the Ombudsman for several years and recommended that the state should fill these positions in order to enable the Ombudsman to carry out its work in proportion to its workload.

**Commission for the Protection against Discrimination**

Cases of discrimination are dealt with by the Commission for the Protection against Discrimination and the civil courts. The seven-member Commission has a mandate to review discrimination complaints, issue opinions regarding complaints within 90 days, and promote the implementation of antidiscrimination law. The Commission does not have the power to punish offenders, but can initiate a procedure with a competent body for the purpose of determining liability.

Unlike the Ombudsman, the Commission reviews complaints from both the public and private sectors. Citizens not satisfied with the outcome of complaints may seek redress in court, which may accept the written opinion of the commission as evidence.

The Ombudsman (2016) and the US Department of State (2015) reported that the Commission was not having adequate conditions, professional staff, and was inaccessible to persons with physical disabilities.

**Labour Dispute System**

The Law on Amicable Settlement of Labour Disputes regulates the manner and procedure for amicable settlement of collective and particular individual labour disputes. A conciliator, as neutral party, mediates between two opposing parties with the aim of reaching amicable settlement of collective labour dispute. If the parties in the dispute accept the recommendations of the Board of Conciliation, they shall conclude a Settlement Agreement.

An arbitrator participates in the amicable settlement of individual labour dispute in order to reach a binding and enforceable solution for the dispute’s subject matter. Remuneration of the conciliators and arbitrators is covered by the Ministry of Labour. It is prescribed that the procedure is discrete, informal (no need for written evidence) and voluntary.
International Mechanisms

UN Human Rights Council
The Human Rights Council has set Special Procedures that are independent human rights experts with mandate to report on human rights from a thematic or country-specific perspective. They can act upon information received on alleged violations of human rights and send communications to States and non-State actors asking for clarification and action. Among the mandated Special Procedures is the Working Group on the issue of human rights and transnational corporations and other business enterprises. As of 24.08.2016 no complaints have been submitted by Macedonian citizens or entities in front of the UN Treaty Bodies.

Independent Inspection Panel - The World Bank
The World Bank has set up an independent Inspection Panel that has the mandate to receive complaints from communities who believe they have been or are likely to be affected by a World Bank-financed project. As of 24.08.2016 no requests for review have been submitted by Macedonian citizens or entities to the World Bank Inspection Panel.

Project Complaint Mechanism - The European Bank for Reconstruction and Development
The Bank’s accountability mechanism is called the Project Complaint Mechanism, which assesses and reviews complaints about Bank-financed projects. It provides individual(s) and local groups that may be directly or adversely affected by an EBRD project, as well as civil society organisations, a means of raising complaints or grievances with the Bank, independently from banking operations. As of 2016, there were no recorded complaints for the Republic of Macedonia.

Compliance Advisor Ombudsman – International Finance Corporation
Adverse impacts related to projects financed by the IFC or Multilateral Investment Guarantee Agency of the World Bank can be mediated and/or investigated by the Compliance Advisor Ombudsman (CAO). CAO’s mission is to address complaints by people affected by IFC/MIGA projects, and to enhance the social and environmental accountability of both institutions. The CAO has indeed both a dispute resolution function and an investigatory one. As of 24.08.2016 no requests for review or complaints have been submitted by Macedonian citizens or entities to the Compliance and Advisory Ombudsman of the International Finance Corporation.

NCP of the OECD Guidelines for Multinational Enterprises
Although Macedonia is not an OECD member and currently has no OECD National Contact Point (NCP), complaints about breaches of the OECD Guidelines for Multinational Enterprises by companies registered in OECD countries can be filed to the NCP of that country. The NCP mediates among parties to find a conciliatory solution to the dispute. Should mediation fail, the NCP can make an assessment of the alleged violations in its final statement.
The Guidelines are recommendations addressed by governments to multinational enterprises and they provide voluntary principles and standards for responsible business conduct. The Guidelines include chapters on the following topics: Human Rights (Chapter IV); Employment and Industrial Relations (Chapter V); Environment (Chapter VI); Combating bribery, bribe solicitation and extortion (Chapter VII); Consumers Interests (Chapter VIII); Science and Technology (Chapter IX); Competition (Chapter X); and Taxation (Chapter XI).  

As of 24.08.2016 no requests for review have been submitted by Macedonian citizens or entities to the OECD National Contact Points.  

### European Court of Human Rights  

The European Court of Human Rights (ECHR and ECtHR) was established in 1959. The Court has 47 judges, one from each Member State. The object of the Court is to ensure observance of the European Convention on Human Rights (ECHR) by members of the Council of Europe. The Court examines applications from both individual citizens and states alleging human rights violations. In recent years, the Court has passed less than 1,000 judgments annually.  

In 2015 the European Court of Human Rights (ECHR) dealt with 340 applications against the country, 328 being declared as inadmissible or struck from the Court’s list. Twelve judgments have been handed down, of which the Court found at least one violation of ECHR of the applicants in 11 cases.  

The Mitovi case (no. 53565/13) concerned the right to effective remedy. The Court found violation of Article 8 (right to respect for family life) and Article 13 (right to an effective remedy) taken together with Article 8 because the national authorities had failed to enforce the social care centre’s decisions on their right to have contact with the applicant’s child and grand-child and that they had had no effective remedy in respect of that complaint.  

### International Labour Organization  

Trade unions and employers’ organisations can submit complaints to the International Labour Organization’s Committee on Freedom of Association. As of 2016, all cases presented to the Committee were closed.
Sector Profiles

Industry-specific human rights risks

Industry/Manufacturing

According to the State Statistical Office (2016) in economic terms, industry/manufacturing is the second largest sector after services. In 2014, 22 percent was the contribution in GDP of the sector mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities; and construction.

As reported by the World Bank (2016) manufacturing exports are expected to continue supporting growth, especially in foreign direct investments-recipient sectors, such as the automobile and electrical machinery industries.

Areas for Attention

Employment status

The biggest number of employees could be found in manufacturing in business entities in 2015. The footwear industry was one of the sectors where unregistered employments could be found the most next to tourism, hospitality, construction, media, craftsmanship, etc.

Textile industry

The textile industry, which absorbs more than 35 percent of the employees, was confronting with a departure of the staff from the Macedonian companies to companies with foreign investments, as well as lack of educated personnel in the secondary education and technological faculties who can address the needs of the textile industries.

In order to address these issues, the Trade-textile association in Macedonia was asking investments in modernization and better access to resources (from which 50 percent as grants) from the Fond for innovations and technology developments and other funds. State support in order to switch from “LOAN” system (orders from foreign fashion houses) to classical production i.e. creating individual brand for export was one of the recommendations by the Economic Chamber of Macedonia in order to have positive tendencies of the Macedonian textile industry.

In Contemporary Southeastern Europe (2014), interdisciplinary journal, was reported that gender discrimination was apparent in the textile sector since workers were 85% women and wages were around one third of wages in other industrial sectors. Women often relied on subsistence agriculture to supplement their low wages, which increased their working hours.
Agriculture

As reported by the World Bank (2014)\(^{322}\) and the State Statistical Office (2016)\(^{323}\) agriculture is not only a significant contributor to the country’s GDP, but a major employer and contributor to foreign trade and public and private consumption. In economic terms, it is the third largest sector after services and industry. The sector of agriculture, forestry and fishing contribution to GDP was 10.1 percent in 2014, which according to World Bank 2014 report would be higher than the average in Europe and Asian Countries.

According to the World Bank agricultural products, in particular high value-added products such as wine, lamb, fruits and vegetables, constituted 15-17 percent of the country’s total exports. The agricultural sector employed 20 percent of the workforce, which is twice the Europe and Asian Countries’ average.

The World Bank has been supporting reforms in the agriculture sector through analytic and advisory activities as well as through lending, such as the recently closed Agriculture Strengthening and Accession Project and the Competitiveness DPL series.\(^{324}\) As reported by the institution the government was advancing on creating conditions for more efficient land use with the enactment of the Law for the Sale of State-Owned Agriculture Land in mid-2013 and subsequent implementation of the first Annual Program for the Sale of State-Owned Agricultural Land.

With the assistance of the Food and Agriculture Organization a strategy for agriculture and rural development for 2014-2020 and an Operational plan (2014-2020) were adopted in December 2015.\(^{325}\) The strategy serves as the basis for programming the national budget on agriculture and rural development.

As stated in a 2015 EU Progress report the administrative capacity of the Agency for Financial Support in Agriculture and Rural Development was strengthened and progress was made towards accreditation with the new Instrument for Pre-accession Assistance in Rural Development (IPARD) measures.\(^{326}\) Marketing of organic products and protection of their quality improved and preparations were made to register two products under the Protected Geographical Indication label.

Areas for Attention

Informal sector

According to the World Bank informal and traditional transactions were rarely recorded.\(^{327}\) Almost half of all agricultural workers were unpaid as they were members of agricultural households. In addition, products were often sold at traditional markets, and water withdrawals for irrigation are often unrecorded.

Fragmented production and lack of mechanisation

The World Bank (2014)\(^{328}\) and Food and Agriculture Organization (2015)\(^{329}\) noted that land fragmentation was a significant barrier for increased productivity. The sector was fragmented, poorly equipped and with obsolete technology with negative implications for the growth and shared prosperity, since rural population was overrepresented in the bottom 40 percent.

As reported by the Food and Agriculture Organization on average, farms were fragmented into 4-5 parcels, with some farmers having as many as 10. With small family farms averaging 1.6 hectares, the
limited size of the parcels restricted the use of mechanization and contributed to a trend of farmland being abandoned.

The World Bank recommended some measures to be undertaken for the sector’s greater competitiveness such as more efficient allocation of agricultural subsidies, spending more resources on irrigation, progress on land consolidation and development of a functioning land market.

In a 2015 EU Progress report the European Commission recommended that closer economic cooperation between farmers was needed for value chains to work more effectively. Also improving quality and marketing in strategic sub-sectors such as fresh vegetables, fruit and milk was a priority.

Changing Climate

The World Bank (2014) noted that water scarcity and water demand for irrigation were predicted to rise. Irrigation was already insufficient and poorly designed for the small farms. Many farms depended on local wells and unsustainably extracted groundwater, which were neither regulated nor priced.
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