



REPUBLIC OF NORTH MACEDONIA
MINISTRY OF FINANCE
CUSTOMS ADMINISTRATION

01.10.00.CT.041.01

STRATEGIC PLAN OF THE CUSTOMS ADMINISTRATION OF THE REPUBLIC OF NORTH MACEDONIA

2020-2022

March 2021





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Reference Documents	
Reference	Title of document
Convention of the World Customs Organisation, Manuals and Compendia	Kyoto, Arusha, SAFE, Columbus, Picard , AEO Compendium etc.
Revised Customs Blueprints of the EU	Revised Customs Blueprints of the EU – Pathways to better Customs
EU Customs 2020 Programme	Regulation (EU) No 1294/2013
Stabilization and Association Agreement	Progress Report
Government Strategy	Work Programme of the Government of the Republic of North Macedonia 2020-2024, Reform Priorities Plans, National Strategies
Financial Documents	
World Trade Organisation (WTO)	Trade Facilitation Agreement (TFA)
Law on the Customs Administration	Official Gazette of the Republic of Macedonia no. 46/2004, 81/2005, 107/2007, 103/2008, 64/2009, 105/2009, 48/2010, 158/2010 , 53/2011, 113/2012, 43/2014, 167/2014, 33/2015, 61/2015, 129/2015 ,



23/2016, 120/2018 and 248/2018

Abbreviations	
OEO	Authorised Economic Operator
CARNM	Customs Administration of the Republic of North Macedonia
CEFTA	Central European Free Trade Agreement
EU	European Union
ICT	Information and Communication Technology
IT	Information Technology



Pursuant Article 7, paragraph 4 of the Law on the Customs Administration ("Official Gazette of the Republic of Macedonia" no. 46/2004, 81/2005, 107/2007, 103/2008, 64/2009, 105/2009, 48/2010, 158/2010, 53/2011, 113/2012, 43/2014, 167/2014, 33/2015, 61/2015, 129/2015, 23/2016, 120/2018 and 248/2018), the Director General of the Customs Administration passed:

**STRATEGIC PLAN
OF THE CUSTOMS ADMINISTRATION
OF THE REPUBLIC OF NORTH MACEDONIA
2021-2023**

I. Introduction

1. The Customs Administration of the Republic of North Macedonia (CARNM) is a body within the Ministry of Finance. The Customs Administration performs the tasks in its competence pursuant the Law on the Customs Administration, the Customs Law, the Law on Customs Tariff, the Law on Excise Duties, the Law on Customs Measures for Protection of Intellectual Property Rights, The Law on Motor Vehicle Tax and other laws regulating the import, export and transit of goods and related to conducting other activities that fall in the competence of the Customs Administration, as stipulated under other laws.

The Customs Administration performs tasks in its competence through the Central Administration - Headquarters which coordinates and manages the customs competences on the entire territory of the Republic of North Macedonia and the Regional Customs Houses which coordinate and manage a region, performing customs operations in passenger and cargo traffic and customs surveillance measures, customs clearance, prevention of illegal import, customs administrative and customs misdemeanour proceedings, sale of customs goods and forced collection of customs duties through its organizational units - Customs Offices.

Principal areas of work of the CARNM are tasks related to customs and excise duties (calculation and collection of duties, surveillance, control, clearance of goods, investigation and intelligence, collection of fines) and other tasks laid down by law.

The Customs Administration performs its activities of its competence through:

- 1) Central Administration - Headquarters and
- 2) Regional Customs Houses

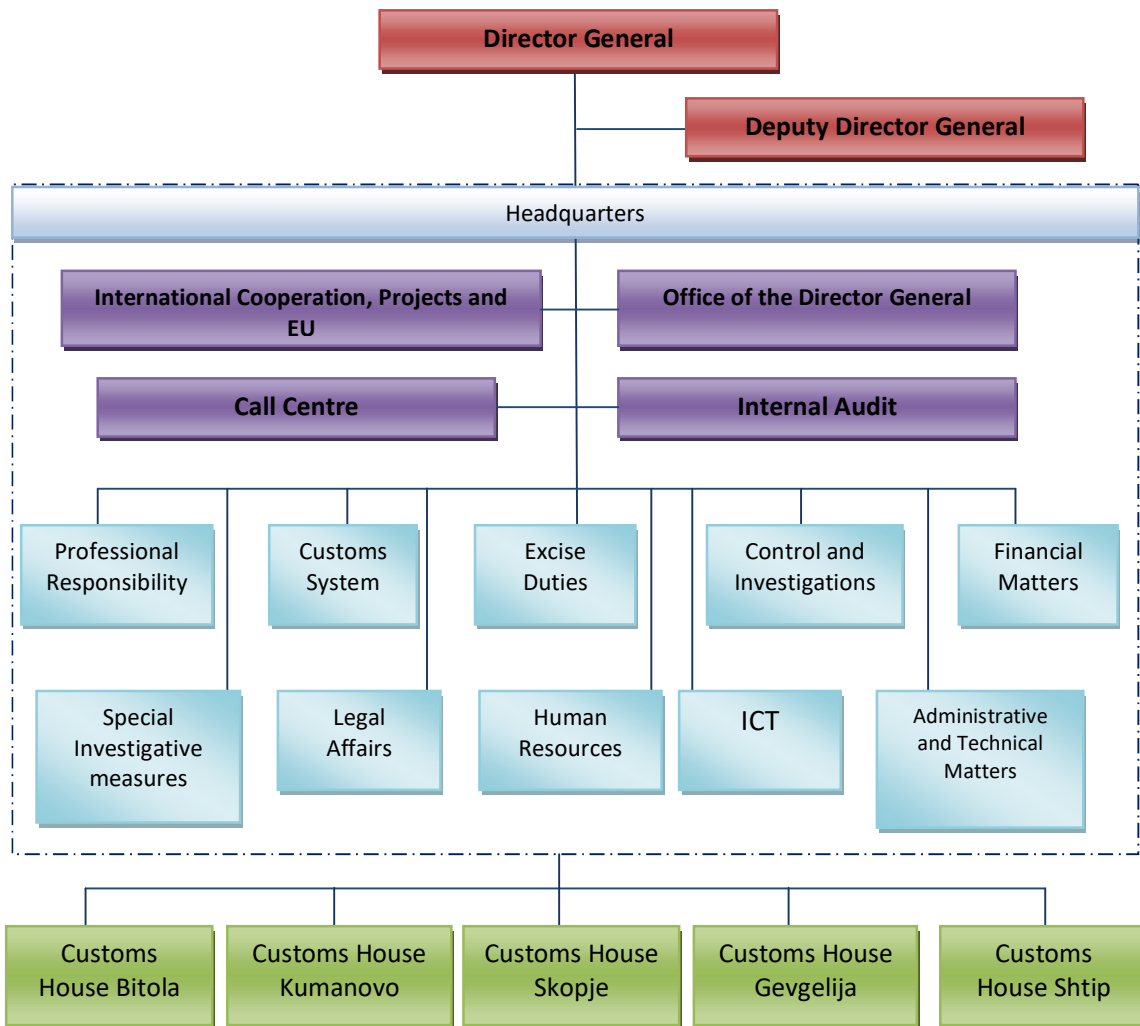


The work under the competence of the Customs Administration is performed by basic and internal organizational forms.

The basic organizational forms are: Sectors and Regional Customs Houses.

Internal organizational forms are: departments, units, customs offices and sections.

The organizational structure under the Rulebook on the organization and work of the Customs Administration:





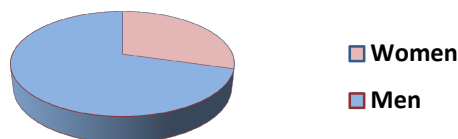
At the end of 2020, the CARNM had 1,167 employees.

The structure of customs officers classified in groups according to the Law on the Customs Administration is given in the table below:

Groups of officers	Number of employees
Managers	199
Expert officers	796
Assistant expert customs officers	85
Administrative officials	/
Workers	87

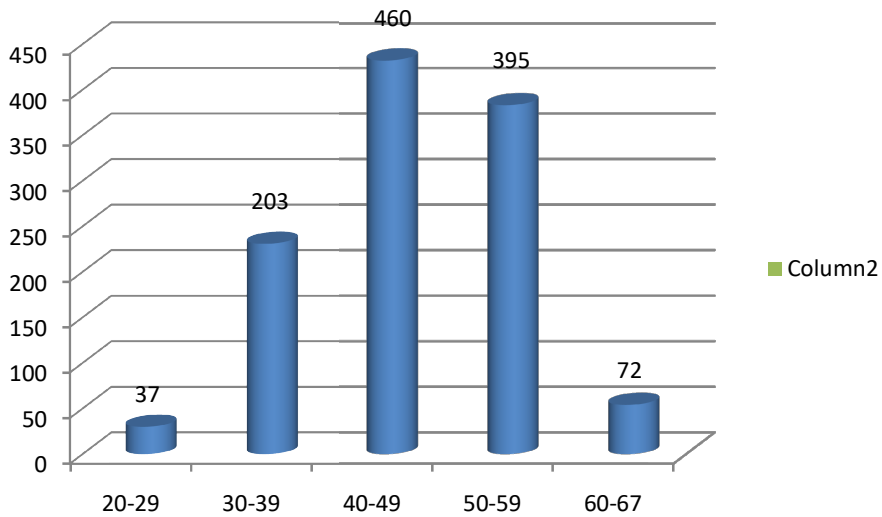
Of the total number of employees 333 are women or 29.44%.

Gender representation percentage



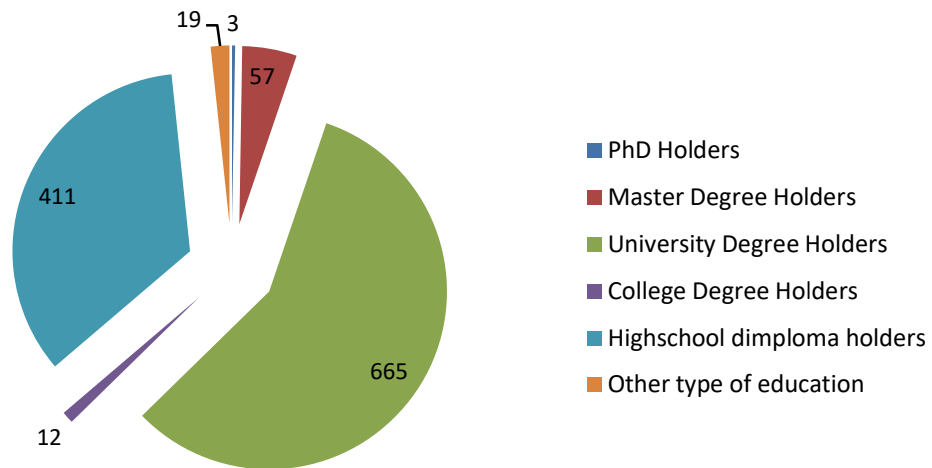


Age structure of CARNM workforce is as follows:



Level of education:

Number of employees, education wise





II. Vision

To be a leading Customs Administration in the region that will give strong support to the legal economy and which will be fully harmonized with the standards of the European Union.

III. Mission

To protect the financial interests and society, while supporting economic development through cooperation, facilitation and modernization

IV. Principles and Values

All employees of the Customs Administration play a significant role in achieving its goals and preserving its integrity.

The Customs Administration aims at achieving a high level of trust in the public and maintaining and developing the organizational culture based on the following principles:

- Rule of law, equality and fairness;
- Leadership, professionalism, accountability, honesty and transparency;
- Efficiency, effectiveness, availability and confidentiality.

In implementing laws and regulations, the Customs Administration shall apply high standards of integrity, behaviour and core values, especially with regard to:

- Quality service;
- Honesty and trust;
- Motivation and development of human potential and
- Teamwork and corporate spirit.

All employees and management staff are personally responsible for applying these values in their daily work, and their behavior affects the reputation of the Customs Administration.

The above mentioned principles will be ensured through the application of the ethical code of conduct, annual priorities and plans, financial management and control, information security



management, control of operations and assessment, internal audit and disciplinary and other procedures.

One of the top priorities of the Customs Administration for the period 2020-2023 is complete introduction of digital, thus contributing in two directions: trade facilitation and strengthening and enhancing border security. Customs will continue digitize the import, export and transit procedures, which in 2020 should become completely paperless. This will significantly improve the services rendered to economic operators involved in foreign trade operations and will reduce the costs for customs operations..

The Customs Administration has a specific role and mandate considering its position at border crossings where it needs to play a dominant role along the entire international supply chain, and to provide a sustainable, secure and inclusive future for all. In 2020, the Customs Administration will continue its work on meeting the global imperatives to address economic, environmental, health and social challenges, while increasing its existing efforts to more efficiently tackle problems through proactive procedures.

The CARNM will be committed to serving the citizens by building a strong and secure society. Customs plays a key role in enforcing the laws governing the major social and economic challenges our country is facing, such as the fight against transnational organized crime and terrorism, human trafficking, weapons, narcotics and the money laundering.

The CARNM will focus on ensuring prosperity - by simplifying customs procedures, Customs will contribute to reducing the time and cost for moving goods across the border and encouraging trade, increasing revenues and employment, and further promoting domestic and foreign investment. By taking even stronger measures to combat trade fraud and tax evasion, Customs needs to ensure that the state has the necessary resources to finance public infrastructure and services, and will also contribute to strengthening the rule of law and stability.



V. Strategic priorities

The strategic priorities of the CARNM are in line with the strategic priorities of the Government of the Republic of North Macedonia and the Ministry of Finance. The EU and other international standards and best practices related to Customs were also taken into account.

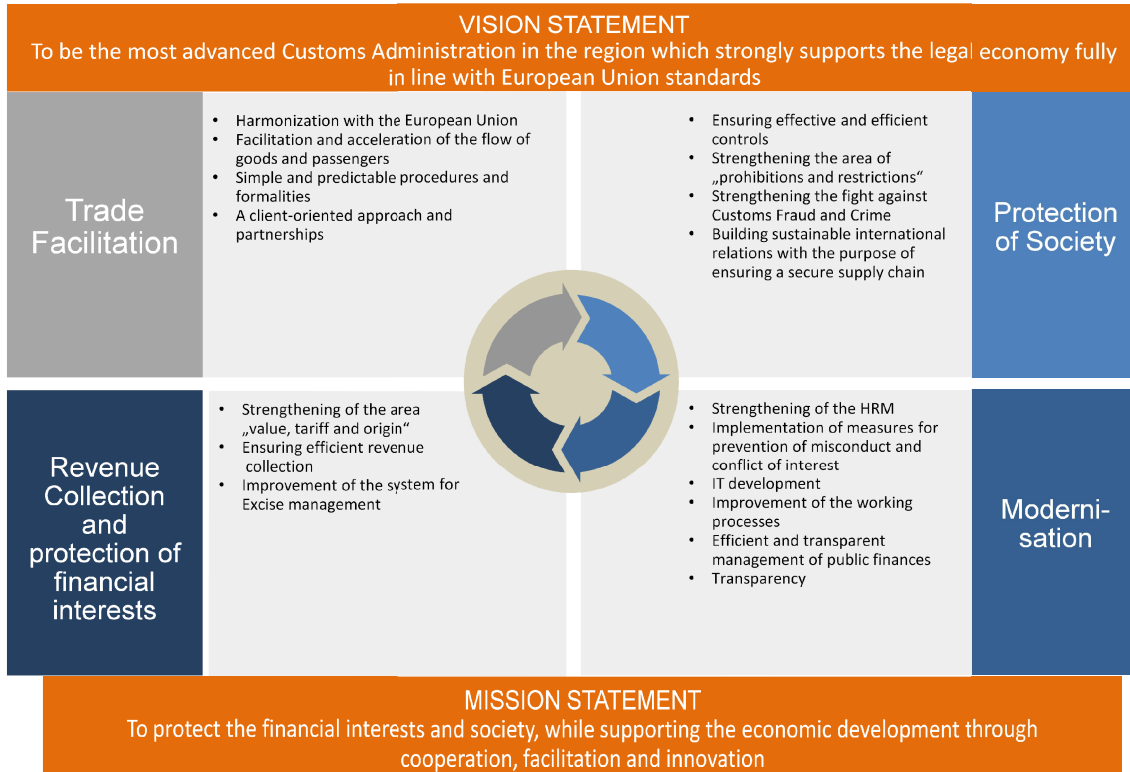
Traditionally, the most important role of the CARNM is the **collection of import and other duties and taxes**. Equally important and growing is the role of Customs in the area of **safety and security**. **Protection of the health** and safety of citizens and society remains high on the agenda. The CARNM is on the first line of defense **against illegal and prohibited activities**. The CARNM shall remain committed to its broader social goal - to provide **sustainable economic growth** by increasing competitiveness and investments, to improve the business environment and create equal opportunities for economic growth and development of all participants in the economic processes. This will be supported through **facilitation, simple and transparent procedures** and in close cooperation with business and trade.

The CARNM is aware that equally important for reaching the vision is the **modernization** of the administration which includes IT and human resource development, improvement of the working conditions, while sustaining high integrity standards of its employees.

The objectives and measures for implementation of the CARNM Strategy are incorporated into the following four strategic priorities and they, together with the objectives are presented below on the strategic map:

- **Trade facilitation**
- **Protection of the society**
- **Revenue collection and protection of the financial interests**
- **Modernization**

STRATEGY MAP OF CUSTOMS ADMINISTRATION OF THE REPUBLIC OF NORTH MACEDONIA



5.1 Strategic priority “Trade Facilitation”

The CARNM shall remain committed to the process of accession of the Republic of North Macedonia to the EU and to the fulfilment of European standards and practices. At the same time Customs will remain a reliable partner in ensuring competitive environment for the Macedonian business and trade. This shall be done by facilitating legal flow of goods and passengers and assuring simple, transparent and predictive procedures and formalities.

In the developing global economy, e-commerce is increasingly becoming a necessary component of the business strategy and operations of economic entities and is a strong catalyst for economic development. E-commerce plays a key role in the growth of small and medium size enterprises in the Republic of North Macedonia. At the same time, Customs remains committed to facilitating the small parcel import procedures in the cross-border e-commerce system, but also the export procedure, in other words how to help companies sell and export their products on the foreign markets.



Strategic objectives:

5.1.1. Further harmonization of the national customs legislation and procedures with the legislation of the European Union

- Further harmonization of the customs rules by amending the customs laws, by-laws and guidelines on their implementation;
- Introduction of a paperless environment in the customs procedure through the implementation of electronic systems from the eCustoms program, compatible with the systems and procedures in the European Union;

5.1.2. Facilitation and acceleration of the flow of goods and passengers

- Enhancing selective control by applying analysis and risk assessment;
- Improving the quality of the services and the conditions for work of the economic operators and customs officers by building new and improving the existing infrastructure at the border crossings;
- Acceleration of the flow of vehicles at border crossings and customs terminals by improving cooperation and harmonization of controls with other state institutions competent in the implementation of the customs procedure;
- Introduction of joint controls of goods, passengers and means of transport, in one place with the border services of the neighboring countries;

5.1.3. Ensuring simple and predictable procedures and formalities

- Establishing an information trade facilitation body that will be responsible for providing information to economic operators on procedures and documents in cross-border trade;
- Further promotion of the Authorized Economic Operator (AEO) concept to the business sector and provision of support and assistance to interested economic operators in the procedure for obtaining the authorizations;
- Implementation of the provisions of the Additional Protocol 5 to the CEFTA Agreement;
- Improving the knowledge and skills of external users by introducing e-learning modules;
- Promotion of the e-commerce benefits to small and medium size enterprises.

5.1.4. Developing a client-oriented approach and partnerships

- Maintaining a partnership relations with the business community through further intensifying and improvement of the work of the Advisory Council, implementation of joint projects and participation in joint events (workshops, consultations, presentations, etc.);
- Improving the flow of information among all stakeholders in the activities related to the Customs Administration.



5.2 Strategic Priority "Protection of the Society"

The CARNM will further improve the efficiency of its controls and other activities related to suppression of illegal activities. Close and fruitful cooperation with national and international partners will be vital for success.

The growing threats of organised crime, terrorism, as well as the danger of diseases and new threats in the area of prohibitions and restrictions demand proper response from the CARM particularly concerning to protection of the health, safety and security of citizens and society.

Strategic objectives:

5.2.1. Ensuring effective and efficient controls

- Increasing the efficiency of controls through the advancement of electronic information exchange at national and international level;
- Improving the risk management system by anticipating, identifying, prioritizing, managing and monitoring all types of risk;
- Increasing customs revenues through strengthening the customs control system after customs clearance with economic operators.

5.2.2. Strengthening the area of „prohibitions and restrictions“

- Strengthening the protection of intellectual property rights through further harmonization of the national legislation with the European regulations;
- Advancement of information collection systems and updating of the strategic and action plan for intellectual property.

5.2.3. Strengthening the fight against customs fraud and crime

- Improvement of the capacities and systems for conducting customs investigations, efficiency of the special customs units, as well as customs control and control at the border, but also the inland territory.

5.2.4. Building sustainable international relations aimed at ensuring a secure supply chain

- Promotion of international cooperation in the area of information exchange, participation in international operations, projects, meetings, workshops, as well as in the area of best practices and trainings for customs officials related to the fight against organized crime and the protection of society.

5.3 Strategic priority "Revenue Collection and protection"



of the financial interests”

The CARNM is one of the main institutions responsible for revenue collection in the state – about 45% of North Macedonia budget revenues are collected by Customs (customs duties, VAT, excise duty, motor vehicle tax and other). In order to be successful in this role, the CARNM shall pay special intention to accurate calculation and efficient collection of duties, ensure timely collection of the revenues and in line with all relevant legislation, national and international standards.

Strategic objectives:

5.3.1 Ensuring efficient revenue collection

- Improving the electronic revenue collection by modernization of the revenue collection system;
- Improving the management of guarantees by modernization of the guarantee system;
- Harmonization of the national legislation and development of a system for introducing A and B accounts in accordance with EU regulations and systems;
- Improved forced collection of duties.

5.3.2 Improvement of the excise management system

- Development of policies, systems, procedures and instruments for efficient control and collection of excise duties through harmonization and enhancement of the legislation in accordance with the best national and European practices;
- Further development and advancement of the electronic paperless excise document management system to ensure faster and simpler excise procedures and better monitoring and control of excise goods;
- Increasing the efficiency of excise controls by introducing targeted controls of high risk excise goods;
- Intensification of the cooperation with the business sector, deepening the cooperation with the relevant agencies in the EU countries and international institutions.

5.3.3 Strengthening of the area “Value, tariff and origin”

Establishment of an accredited and modern Customs Laboratory in accordance with the ISO 17025 quality standard (General requirements for the competence to carry out tests and/or calibrations);

5.4 Strategic Priority “Modernization”



To be a modern and efficient Customs Administration ready to adapt to inevitable changes, the CARNM will raise the work performance quality and professionalism level of the customs officers, in accordance with the principles for simplification, fairness and efficiency. Customs tends to be "SMART" which is in line with the World Customs Organization policy, meaning: safe borders, automation, traceability and measurability, improved risk management, and above all following and application of the latest technologies.

Modern working conditions, including equipment and IT support, are key to achieving this priority.

Strategic objectives:

5.4.1 Strengthening Human Resources Management

- Improving the internal deployment system and training and professional advancement system;
- Introduction of customs competencies in the processes of human resources management;
- Improvement of the knowledge and skills of the customs officers;
- Strengthening performance management mechanisms and rewarding and career systems;
- Raising awareness and commitment of the employees.

5.4.2 Implementation of measures for prevention of misconduct and conflict of interest and development of systems for rules and control

- Implementation of national strategies and programmes for prevention of corruption and conflict of interest through the implementation of the Methodology for a relevant statistical system for monitoring the anticorruption policy, which enables coordinated and uniformed collection, processing and analysis of data on prevention and fight against corruption;
- Promoting the cooperation with the State Commission for Prevention of Corruption and other institutions involved in the fight against corruption;
- Improving the mechanism of professional accountability and integrity by using the best international practices by promoting the established systems of professional, legal and ethical conduct;
- Introducing measures for strengthening the integrity and affirmation of the positive conduct of the employees that promotes honest and ethical behavior in the performance of their official duties;
- Enhancement of internal controls and investigations;
- Raising public awareness for reporting corruption cases by organizing and conducting anti-corruption campaigns and conflicts of interest.



5.4.3 Improvement and further development of IT support systems

- Improving of the application of information technologies through the implementation of new and improving the existing ICT systems for supporting business processes in customs operations for establishing a paperless environment in customs procedures and interoperability and interconnectivity with the EU systems;
- Increasing the use of information technologies through the promotion and development of ICT systems for electronic data exchange and documents with the business community, other state institutions and customs services of the countries in the region;
- Consolidation and modernization of the hardware infrastructure for operation of the ICT systems of the Customs Administration;
- Establishment of a Disaster Recovery Center in the event of a crisis and ensuring continuity and stability in the operation of the ICT systems through modernization of the ICT infrastructure;
- Increasing the administrative capacity and improving the measures for ensuring continuity in the use of ICT systems to ensure continuity of operations.

5.4.4 Improvement of the working processes

- Strengthening strategic planning and measuring the organization's performance.

5.4.5. Strengthening the mid-term budgeting for efficient and transparent public finance management

- Increasing the efficiency and transparency of public finances; Improving the budgeting process from an input-based budgeting to results-based budgeting; Providing continuous support for improving the financial accountability and capacity of the persons authorized to undertake financial obligations as the main beneficiaries of the approved budget funds; Applying disciplined budget spending with an emphasis on restrictiveness and control of less productive costs at the expense of increasing investment in capital projects and improving infrastructure;
- Strengthening the system for public internal financial control in the Customs Administration.

5.4.6. Improvement of the transparency of the Customs Administration

- Promotion, transparency and accountability of customs operations to the public;
- Promotion of the public perception and other target groups regarding the Customs Administration.



VI. Key Success factors

For the successful implementation of this Strategic Plan and its objectives and measures, the Customs Administration will rely on political commitment and support, stable working conditions, adequate financial and human resources and implementation of organizational change and overcoming challenges at the national level.

VII. Final provisions

This Strategic Plan shall come into force on the day of its signing.

All organizational units are responsible for the implementation of the defined strategic objectives, in coordination with the Unit for Projects and Strategy and the relevant Working Group for Strategic Planning.

The realization of the strategic priorities of the Strategic Plan will be supported by the realization of Action Plan determining the activities with performance indicators, deadlines and necessary resources for their realization.

For the implementation of the activities in the Action Plan of the Customs Administration of the Republic of North Macedonia 2021-2023 defined for achieving the strategic goals of this document, will be regularly informed based on the established performance indicators.

With the adoption of this 01.10.00.CT.044.01 Strategic Plan of the Customs Administration of the Republic of North Macedonia 2021-2023, the Strategic Plan of the Customs Administration 2020-2022 no. 01-026134/20-0001 of 18.05.2020 shall cease to be valid.

VIII. Forms

-01.10.00.CT.044.01-05.01.01 Action Plan of the Customs Administration of the Republic of North Macedonia for the period 2021-2023

Acting Director General

Goran Sugareski MSc.

No. 01-015113/21-0001

Skopje,

Prepared by: Katerina Doneska



Approved by: Ilija Janoski



Strategic Plan prepared by: Unit for Projects and Strategy

Recipients: Director General,
Deputy Director General,
Advisors to the Director General
Directors of Sectors,
Heads of independent Departments,
Heads of Regional Customs Offices

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