

Appendix 3: Overview of conclusions and assessments in the political criteria 2011-2015

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
<i>1.1.1. Democracy and Rule of Law</i>					<p>2.1 Democracy</p> <p>This year the former Yugoslav Republic of Macedonia has faced its worst political crisis since 2001. In response, the Commission issued 'Urgent Reform Priorities' based partly on its previous recommendations and partly on recommendations provided by a group of independent senior rule of law experts brought in to analyse the situation. In response, the Commission issued 'Urgent Reform Priorities' based partly on its previous recommendations and partly on recommendations provided by a group of independent senior rule of law experts brought in to analyse the situation.</p> <p>the Commissioner, with the help of three members of the European Parliament, facilitated a political</p>

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
					agreement in June/ July. So far, not all elements of the agreement have been implemented and a number of deadlines have been missed. The leaders also committed to implement all of the Commission's recommendations on systemic rule of law issues (Urgent Reform Priorities); implementation of these has slowly been started, but without sufficient results to date.
<i>Constitution</i>			Constitution: - a need for further improvements in the quality of legislation -the Venice Commission raised potential concerns over, among other things, the initiation of lustration measures a long time after the start of the democratisation process, the misuse of political, ideological or party reasons as grounds	The package of amendments was prepared in a very short time and without the necessary implementing legislation. They need to be based on broad consensus. The EU is performing an additional analysis of its compatibility with the EU acquis There are also concerns in recent years that	Constitutional changes were proposed by the government in a broad range of areas, despite the absence of the main opposition party from parliament. Neither the proposed changes, nor related implementing legislation, have been adopted by parliament as the two-thirds majority could not be reached.

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
			for lustration measures and the application of lustration measures	affect the independence of the Constitutional Court.	
Elections	Progress in the conduct of elections. The elections were competitive, transparent, and well-administered throughout the country.	3 Delivered legislation in Parliament for consideration	3 The OSCE/ODIHR found that they were efficiently administered. The OSCE/ODIHR reported, however, that allegations of voter intimidation and misuse of state resources persisted throughout the election campaign. Following the local elections, work on the outstanding OSCE/ODIHR recommendations has continued in two working groups on the electoral legislation and the voters' lists.	OSCE/ODIHR media monitoring showed that the majority of monitored media, including the public broadcaster, was biased in favour of the ruling party, and that the media often failed to distinguish between the coverage of officials in their capacity as ministers and as candidates. The State Election Commission met almost all of its obligations and held regular sessions, but continued to be divided along party lines on contentious issues. Concerns were also raised	Shortcomings regarding elections, previously signalled by OSCE/ODIHR, and other suspicions, were reflected by the content of the intercepted communications. The relevant Urgent Reform Priorities need to be implemented.

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
				about the management and accuracy of the voters' list. During summer 2014, two working groups tasked with the implementation of recommendations of the OSCE/ODIHR resumed.	
Political dialogue	Some progress	2 ¹¹	12	It is the responsibility of both government and opposition to ensure that political debate takes place primarily in parliament and to contribute to creating the conditions for its proper functioning.	The breakdown in political dialogue and difficulties in arriving at consensus on issues highlighted once again the divisive political culture in the country.
Parliament	Some progress	2 Parliament's functioning	3 Parliament's functioning was affected by the	The functioning of Parliament continued to be	The ongoing crisis has underlined the need for parliament to substantially improve its

¹¹Не е посебно издвоен во овој дел во овој Извештај, политичкиот дијалог се третира во рамките на Собранието.

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		ng was affected by the political crisis which erupted on 24 December.	political crisis which erupted on 24 December. The work of the Committee of Inquiry into the events of 24 December 2012 highlighted the importance of achieving political consensus through constructive dialogue and compromise. Dialogue between the political parties in parliament needs to be improved.	hindered by the lack of constructive political dialogue and the ongoing deep divisions between the political parties. The absence of most opposition MPs from parliament hampered its work on adopting new reforms, and its ability to provide the necessary checks and balances on the activities of government.	performance as a forum for constructive political dialogue and representation, as well as its legislative and oversight functions. This needs to include credible functional oversight of the work of the intelligence services and the capacity to monitor the protection of human rights and fundamental freedoms in the country. The absence of the main opposition party for most of the reporting period diminished the quality of reforms and hindered the operation of checks and balances.
		The work of the Committee of Inquiry into the events of 24 December			<p>Governance</p> <p>The governance of the country was strained by the ongoing political crisis and called into question by revelations of unethical behaviour, illegal activities and even potential criminal offences. Only limited political responsibility was taken through the resignation of two</p>

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
		<p>r 2012 highlighted the importance of achieving political consensus through constructive dialogue and compromise. Dialogue between the political parties in parliament needs to be improved.</p>			<p>ministers and the head of the intelligence service. Failures of oversight by key bodies need to be addressed and all independent regulatory, supervisory and advisory bodies need to be able to carry out their functions proactively, effectively and free from political pressure. Interethnic tensions underlined the need to fully implement the Ohrid Framework Agreement.</p>

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015		
Government	The government coalition has overcome difficulties and strengthened its internal cooperation	Cooperation within the government coalition has continued and has been successful in putting the accession process at the centre of the political agenda. Maturity in dealing with inter-	3	The government has remained stable and has continued its commitment to EU-related reforms, which remain high on its agenda. There should be a more consensus-based approach to politics. A greater distinction is needed between political parties and state structures.	3	In general, the Macedonian government needs to function better as a unit in order to take proactive joint measures to increase trust between communities. With respect to EU integration activities and EU assistance, the office of the Deputy Prime Minister for European Affairs plays a key role. The use of administrative registries is being considered as an alternative methodology to a population census, which was not carried out in 2011 due to disagreements about	The government coalition of the VMRO-DPMNE5 and DUI6 remained stable, though severely strained by the crisis. In May it lost its two-thirds majority, required for key decisions, with the defection of an MP from the DOM7 party from the VMRO-DPMNE coalition due to political fall-out from the revelations. The decentralisation of government is of particular importance as it is a key element of the Ohrid Framework Agreement. One municipality (Plasnica) has still not completed the second phase of fiscal decentralisation. Some progress has been made with the adoption of the strategic decentralisation programme for 2015-2020 and its action plan. However, the decentralisation process needs to be improved.

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
		ethnic tensions		<p>the methodology for counting citizens abroad. The use of an alternative methodology would require broad cross-party consensus. The coalition government needs to work in a more integrated, coordinated and transparent manner, in order to take proactive measures on national, inter-community and EU-related issues. Actions should be taken to address OSCE/ODIHR concerns about the blurring of state and governing parties.</p>	
Civil society				An empowered civil society is a crucial component of any democratic system	Although some progress was made, civil society organisations (CSOs) have continued to express serious

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
				<p>and should be recognised and treated as such by the government. There have been formal improvements in terms of legislation and consultation mechanisms, but civil society organisations continue to express concern about the difficult climate in which they operate.</p>	<p>concerns about the difficult climate in which they operate. They report being subject to harsh criticism by politicians and pro-government media, and a limited government commitment to dialogue. During the political crisis of 2015, CSOs often played a constructive role by organising numerous peaceful protests across ethnic lines, and demanding greater accountability of politicians. Civil society also demonstrated cross-ethnic unity in the aftermath of the tragic Kumanovo events of spring 2015. At the same time, political polarisation and divide can still be observed between CSOs supporting the government and those opposing it. The national authorities should involve civil society in policy-making and legislation in a more regular and effective manner</p>

Criterion/ SubCriterion/ Chapter	2011		2012		2013	2014	2015	
								2
Oversight of the intelligence services							In theory, the country has a system of oversight in place, which has not functioned in practice. Sufficient responsibility has not been taken for the serious failings within the intelligence service to prevent the illegal interception. The clear recommendations on both oversight and reform of the intelligence services in the 'Urgent Reform Priorities' must be implemented.	
	Progress in the legislative framework, the progress	2	Some progress	2	The work has continued on a new legislative framework for public employment to unify the rules and enshrine	Public administration remains fragmented and subject to political influence, despite progress on legislation.	The country is moderately prepared with the reform of its public administration. It made some progress on legislation and improvement of service delivery to citizens and businesses. Concern about politicisation has been heightened by the	Progress : 2 Alignment: 3

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015	
Public Administration	in implementing the reforms was limited.		fundamental principles of transparency and merit. Additional efforts are needed to guarantee the professionalism and independence of the public administration, and equitable representation.	Additional efforts are needed to ensure that the principles of transparency and accountability, merit and equitable representation are applied. Fiscal transparency needs to improve.	content of the leaked wiretaps and delay in fully implementing the new legal framework. Strong political will is necessary to guarantee the independence of administration and respect for the principles of transparency, merit and equitable representation.	
Judiciary	Limited progress	1 Generally, some progress ; progress	2 <i>Chapter 23:</i> Some progress has been made in the field of the judiciary, further	<i>Chapter 23:</i> The country has already completed the majority of reforms and has established	CHAPTER 23 The country's judicial system has some level of preparation. However, the situation has been	Progress : -1 Alignment: 2

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
		<p>in efficiency, further efforts are needed to guarantee independence and impartiality in practice</p>	<p>improvements are needed to ensure the independence of the judiciary in practice and to address the problem of lengthy court proceedings.</p>	<p>the necessary legal and administrative structures in this area. However, there is a risk of backsliding in some areas, including the judiciary and the fight against corruption. There is structural versus functional independence of judges. The quality of justice and standards for servicing citizens need to be improved. One of the key challenges is growing concern about the impact on selectivity and judicial bodies with special powers. The presumption of innocence is not fully understood and respected by the</p>	<p>backsliding. Achievements of the last decade's reforms are being undermined by real and potential political interference in the work of the judiciary. Outstanding issues already identified in previous reports remain to be addressed. The 'Urgent Reform Priorities' set out what the country needs to do to avoid further backsliding. The legislative and institutional structures which are already in place need to be put to use, in good faith and in the spirit intended.</p>

Criterion/ SubCriterion/ Chapter	2011		2012		2013	2014	2015
						authorities. There are doubts in and out of the country for possible political impact of certain litigation.	
Fight against corruption	Limited progress	1	Little visible progress	1	Chapter 23: The legislative framework is in place, efforts are needed to ensure proper follow-up of cases referred to the public prosecution service and improve the effectiveness of courts both in terms of sanctioning and speed of proceedings.	Chapter 23: There is a risk of back-sliding in the fight against corruption. The legal and institutional framework of the country gradually grows successfully particularly in conducting investigations, prosecution and convictions. Unsatisfactory level of strategic planning and execution of key areas - procurement, political corruption and high-level corruption.	CHAPTER 23 The country has some level of preparation in the fight against corruption, having set up the necessary legislative and institutional framework over the last decade as well as developing a track record on both prevention and prosecution. No progress has been achieved in the past year on the outstanding issues identified. Corruption remains widespread. The capacity to effectively address it is currently being undermined by a

Progress : 0
Alignment: 2

Criterion/ SubCriterion/ Chapter	2011		2012		2013	2014	2015	
						Increased political commitment is of great importance. Selective enforcement of the legal framework and political influence on the process. Public confidence in the bodies that implement policies for fight against corruption is still low. Corruption continues to be prevalent in many areas and continues to be a serious problem.	lack of political will and political interference in the work of the relevant bodies, which is hampering their ability to act proactively and non-selectively, especially in high-level cases	
Fight against organized crime (a new area since this year)							CHAPTER 24 The country has achieved some level of preparation in the fight against organised crime. No progress has been made. The legislative framework is broadly in line with European	Progress : 0 Alignment: 2

Criterion/ SubCriterion/ Chapter	2011		2012		2013		2014		2015			
					standards. The general capacity to deal with organised crime was increased by establishing specialised units both in the police and the public prosecution office. However, more still needs to be done to improve the effectiveness of law enforcement in this area.		Fight against terrorism (new area)					CHAPTER 24 The country has been affected by the phenomenon of foreign terrorist fighters and radicalisation. A comprehensive and effective strategy is needed to prevent and counter radicalisation, in close cooperation with religious leaders and communities, social and frontline workers, the education system and youth organisations. The phenomenon of foreign terrorist fighters needs a dedicated approach by the intelligence and law enforcement community and a coherent judicial policy towards

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
Observance of international human rights law	There is a legal framework, incomplete institutional framework; Limited progress, the implementation of legal framework was uneven.	Limited progress in the promotion and enforcement of human rights	Chapter 23: Further progress was made with the ratification of the Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse and the signing of the Third Optional Protocol to the Convention on the Rights of the Child.	Chapter 23: Further progress	offenders. CHAPTER 23: The legal framework for protecting human rights is broadly in line with European standards, but more focus needs to be placed on implementing it. The various bodies involved in protecting and promoting human rights lack sufficient staff and financial resources and sometimes coordinate poorly. General weaknesses in the implementation of human rights standards affect the most vulnerable and marginalised groups in society, including children and juveniles, disabled persons, the Roma and the LGBTI community. Shortcomings particularly affect the following areas: • The prison system continues to be heavily underfunded, understaffed and mismanaged, which leads to systemic breaches of international human rights standards. • Police impunity needs to be addressed by establishing an independent oversight mechanism and

Criterion/ SubCriterion/ Chapter	2011		2012		2013	2014	2015	
							investigating complaints of ill-treatment seriously and thoroughly. • Despite improvements to the legislative framework, problems in the area of the freedom of expression persist in practice.	
Civil and political rights with focus on the freedom of expression and independent media.	Limited progress.	1	Some further progress was made..	2	¹³	The overall framework for the protection of fundamental rights is in place but more focus needs to be placed on its effective implementation. The situation as regards freedom of expression continues to be highly problematic. There is indirect state control of media output through government advertising and government-favoured (and favourable) media	This year the focus is on freedom of expression. The country has some level of preparation regarding freedom of expression. The legislative framework has been overhauled in recent years and is aligned with both the acquis and international standards. Nevertheless, the freedom of expression and the media remains a serious challenge in the current media culture and political climate. The country continued to backslide over the past year	Progress : -1 Alignment: 1

¹³This segment is not singled out in the Report

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
				outlets.	
Economic, social and cultural rights	Social and economic rights are broadly in place, and some further progress was made.	2 Some progress	2 5	Some progress	Despite many difficulties, labour and trade union rights are generally respected. Trust in social dialogue both among employers and employees should be strengthened as well as the capacity of social partners in policy shaping..
Protection from discrimination			No progress	As regards the rights of lesbian, gay, bisexual, transgender and intersex (LGBTI) persons, the violent incidents against the LGBTI Support Centre have not been repeated. Nevertheless, the perpetrators of these incidents are yet to be prosecuted. Considerable efforts are needed to increase awareness	Законодавната рамка сеуште треба да се усогласи со <i>acquis</i> во доменот на дискриминација врз основа на сексуалната ориентација. Потребно е подигање на јавната свест за работата на Комисијата за заштита од дискриминација. Комисијата нема доволно ресурси и кадар за да ја обавува нејзината работа и и натаму постои загриженост за нејзината независност. Lesbian, gay, bisexual, transgender and intersex (LGBTI) persons continue to suffer discrimination

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
				<p>of and respect for diversity within society, and to counteract the intolerance perpetuated through the media and social networks. Data on the reporting, investigation and prosecution of hate speech and hate crime is not collected systematically and training of law enforcement, prosecutors and judges needs to be stepped up. The Law on Prevention and Protection against Discrimination still needs to be aligned with the EU acquis as it does not prohibit discrimination on the grounds of sexual orientation.</p>	<p>and homophobic media content, both online and offline. In August 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.</p> <p>Considerable efforts are still needed to raise awareness of and respect for diversity within society and to counter intolerance. This needs to be done through public campaigns and training of law enforcement bodies, prosecutors, judges and health workers.</p> <p>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.</p>

Criterion/ SubCriterion/ Chapter	2011		2012		2013	2014	2015
Minority rights, and protection of the minority and cultural rights	Some progress	2	Some progress	2	Still hampered by limited financial resources, inadequate cooperation between the institutions, the need for proactive implementation of relevant policies (e.g. Roma Strategy) limits the progress in respect and protection of minorities.	Progress on the protection of minorities continues to be hampered by insufficient financial and human resources and inadequate cooperation between the authorities concerned. A more proactive approach is needed to guarantee the ethnic, cultural and linguistic identities of all communities.	The new Roma strategy for 2015-20 was adopted. The Ministry of Labour and Social Policy's unit for implementing Roma policy was strengthened. However, the most disadvantaged Roma still have problems accessing social benefits due to their lack of administrative documentation. Hardly any progress can be reported in terms of political representation, media coverage in the Roma language and the status of the Roma language in municipalities with a Roma majority. Segregation, stereotyping and other forms of discrimination remain prevalent. Complaints have been registered by Roma prevented from leaving the country. A large number of them live in substandard conditions and their access to education, housing, health and employment remains a concern.
Implementation of the Ohrid Framework Agreement					The Ohrid Framework Agreement (OFA) has been in force in 2001, but progress is	"Lack of trust between the communities," and that "events and incidents easily	the Ohrid Framework Agreement continues to provide a basis for inter-community relations. The Directorate for education in communities' languages and the

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
			<p>still needed on systemic issues relating to decentralisation, non-discrimination, equitable representation, use of languages and education.</p>	<p>cause tensions." Proactive and collaborative approach by the Government is needed to promote inclusive multi-ethnic society. A review of the implementation of the Ohrid Framework Agreement is still incomplete and the resulting recommendations have not yet been published.</p>	<p>Directorate for the promotion of culture of the communities also continue to be inadequately funded and staffed. Inter-institutional cooperation remains weak. Systemic measures to ensure that all communities can exercise their ethnic, cultural and linguistic rights remain largely donor-funded. Limited use was made of the new policy measures to promote interethnic relations under the integrated education strategy. Measures against separation along ethnic lines in schools are insufficient. Multiple forms of discrimination against the nonmajority communities persist and action to combat stereotyping, including in the media, remains ineffective.</p>

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
<i>t. 1.3. Regional issues and international obligations</i>	Constructive partner in the region. Bilateral relations with neighbouring and other enlargement countries continued to improve. The name issue continues to affect relations with Greece.	Participated actively in regional cooperation initiatives; has maintained an overall constructive role as regards bilateral relations with neighbouring Member States and other enlargement countries	Participated actively in cooperation and further developing bilateral relations with its neighbours. Maintaining good neighbourly relations, including a negotiated and mutually acceptable solution to the name issue remains essential. Open issues remain in the negotiation of a bilateral agreement with Bulgaria. A constructive approach to relations with neighbours remains important and actions and statements which could negatively impact good neighbourly relations should be	Participated actively in regional cooperation and further developing bilateral relations with its neighbours. The name issue continues to affect relations with Greece. Maintaining good neighbourly relations, including a negotiated and mutually acceptable solution to the name issue remains essential. Open issues remain in the negotiation of a bilateral agreement with Bulgaria.	actively participate in regional initiatives. Fresh impetus has been given to regional cooperation by the Berlin Process, with the Western Balkan Six (WB6) intensifying cooperation among themselves and with the EU. Macedonia has continued to play a generally constructive role in bilateral relations with other countries seeking to join the EU and with neighbouring EU Member States. Relations with Bulgaria and Greece continued to be affected by open issues. In view of the name issue with Greece, it is essential to undertake decisive steps for the resolution of this issue. Although there were no formal talks on this issue, The Greek Foreign Minister took the initiative to visit Skopje for the first time in 11 years and the two sides agreed on a number of important confidence-building measures.

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
		s. Relations with partners in the Western Balkans were further developed. Relations with Greece remained affected by the name issue.	avoided.		
General assessment regarding political criteria	Continues to sufficiently meet the political criteria	Continues to sufficiently fulfil the political criteria	Continues to sufficiently fulfil the political criteria	Overall, given the cumulative progress the country has achieved, the Commission considers that the political criteria	In the light of the progress made so far in the implementation of the June/July political agreement, the Commission is prepared to extend its recommendation to open accession negotiations with the former Yugoslav Republic of Macedonia. This shall, however,

Criterion/ SubCriterion/ Chapter	2011	2012	2013	2014	2015
				continue to be sufficiently met and maintains its recommendation to open accession negotiations but regrets the backward steps of the past year.	be conditional on the continued implementation of the June/July political agreement and substantial progress in the implementation of the urgent reform priorities. This issue shall be addressed again after the elections.

Appendix 4: Overview of conclusions and assessments: economic criteria 2013-2015

	2013	2014	2015	
2.1. The existence of a functioning market economy			<i>The former Yugoslav Republic of Macedonia has a good level of preparation in developing a functioning market economy. Overall, no progress was made.</i>	<i>Progress: 0 Alignment: 4</i>
<i>Economic policy</i>	A broad consensus on the fundamentals of economic policies was maintained.	The political consensus on the fundamentals of a market economy was maintained, but economic policy and public expenditure management remain driven by ad hoc concerns rather than the long-term requirements of the economy.	<p>The government remained committed to pursuing market-based economic reforms, attracting FDI and developing the private sector.</p> <p>The government has made little progress on structural reforms of the labour market and there was even backsliding on fiscal discipline.</p>	<p>Progress: 1 in structural reforms of the labour market</p> <p>In fiscal discipline: -1</p>

	2013	2014	2015
<i>Macro-economic stability</i>	The renewed growth of the economy remains narrowly based on investment, with only gradual strengthening of the external sector and also marginal support from private consumption.	Output growth needs to be more broadly based, and external imbalances are likely to widen again temporarily in view of investment-related imports.	The macroeconomic environment strengthened further, but key vulnerabilities remained a source of concern. The stability of the external sector relied increasingly on public borrowing abroad.
<i>Labour market</i>	In spite of some incremental improvement in the official labour market figures, labour market policy had limited success in addressing the persistently high unemployment. Structural challenges in the labour market remain to be tackled.	Reforms to tackle the structural rigidities of the labour market have made only limited progress. The employability of workers should be improved through structural measures as well as through better targeting of the active labour market measures.	Labour market conditions remained burdened by structural impediments. Prices remained stable; monetary policy successfully defended the currency peg.

	2013	2014	2015	
<i>Fiscal discipline</i>	<p>Fiscal governance and fiscal discipline deteriorated and would benefit from the implementation of a medium-term strategy. The policy mix slightly deteriorated. While monetary policy provided key support for macroeconomic stability, fiscal discipline weakened and the debt ratio further increased.</p> <p>Public finance could make a bigger contribution to stability, for example by better aligning spending priorities with structural challenges, and by focusing on growth-enhancing capital expenditure. Furthermore, the fast rise in mainly foreign financed debt increases the country's vulnerability.</p>	<p>Fiscal discipline needs to be improved, and there is significant scope for enhancing fiscal transparency. The government's fiscal consolidation plans need to be underpinned by concrete measures</p>	<p>Fiscal discipline slipped again in 2014 and 2015, pointing to a need to improve medium-term expenditure planning.</p> <p>Public debt levels have risen markedly in recent years and amendments to the public debt law raise concerns about transparency.</p>	Progress: -1

	2013	2014	2015	
<i>Inter-play of market forces</i>	The economy is mainly driven by the private sector, with the role of the state remaining limited, even though share of the public ownership increased slightly.	The state's share in the economy's assets and in price setting remains moderate.	The public sector's share of the economy remained largely unchanged.	
<i>Market entry and exit</i>	While business registration and operation was further facilitated, weaknesses in bankruptcy and liquidation procedures continue to pose a significant impediment to investment and access to finance.	While setting up a business has become slightly easier, difficulties remain as regards obtaining permits. Market exit remains lengthy, although the government has taken some reform steps in the right direction.	Setting up a business became slightly easier, but market exit remained cumbersome and complicated. The implementation of measures under the 'regulatory guillotine' project progressed further, with a view to facilitating business registration.. Progress in simplifying market exit is more limited	Progress: 1
<i>Legal system</i>	The legal system for a functioning market economy is largely in place, yet weaknesses related to lengthy procedures, contract enforcement and corruption remain.	The legal system for a functioning market economy is largely in place, but inefficiencies arise in practice from lengthy procedures hampering enforcement of laws. Frequent changes of laws create legal uncertainty.	Frequent legal changes, uneven implementation of laws and difficult contract enforcement burdened business operations. Cooperation between the government and the business sector has declined in recent years.	

	2013	2014	2015
<i>Financial sector development</i>	The financial sector remained well capitalised and liquid. However, credit growth was sluggish and non-performing loans increasingly pose a challenge.	The financial system remains stable, and supervisory capacities have been further strengthened. However, access to finance continues to be difficult, and the non-banking segments of the market need to be further developed, with a view to widening funding opportunities for the private sector. Measures should continue to be taken to repair the bank lending channel, including by fostering the clean-up of non-performing loan portfolios.	The banking sector remained stable despite high levels of non-performing loans.
<i>The capacity to cope with competitive pressure within the Union</i>			<p>The economy is moderately prepared to cope with competitive pressures and market forces within the Union. Some progress was made particularly as regards addressing prevalent shortcomings in human capital and physical infrastructure.</p> <p>Progress: 2 Alignment: 3</p>

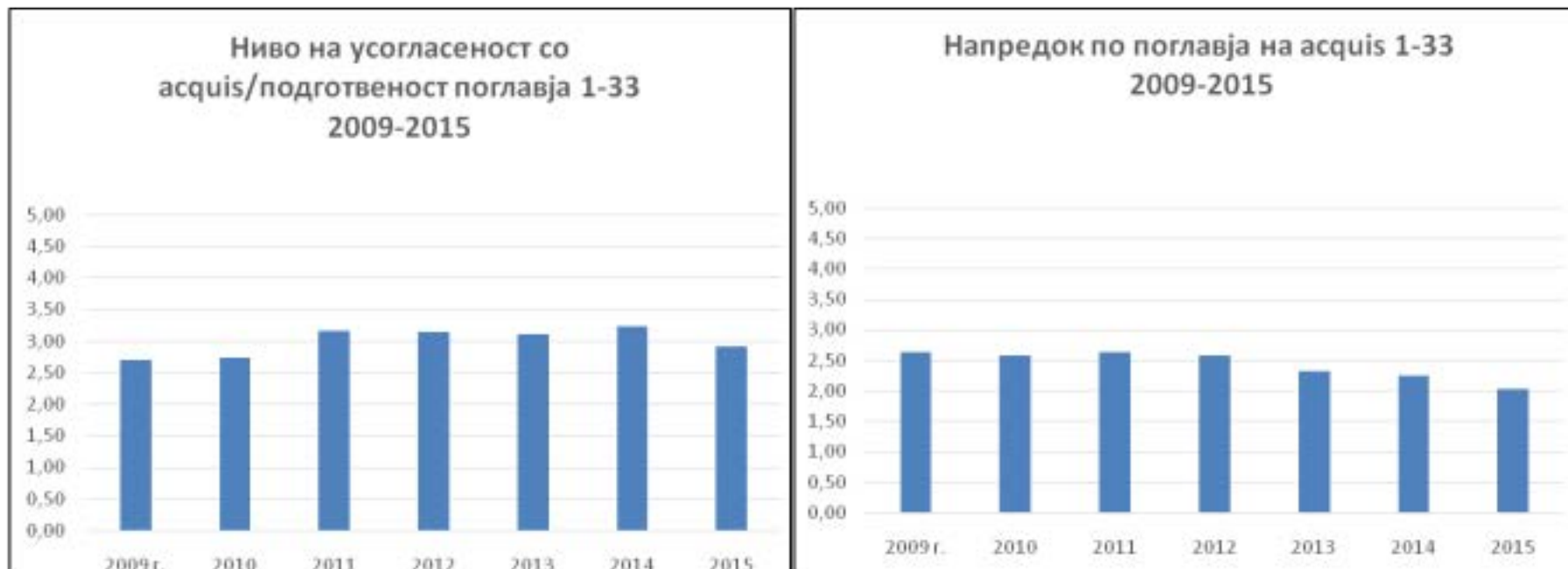
	2013	2014	2015
<i>Human and physical capital</i>	There was some gradual progress in addressing reform needs in the education system. The capital stock remains modest and public spending was not sufficiently focussed on growth enhancing activities.	The government has made some progress in addressing the prevalent shortcomings in the country's human and physical capital endowment, but the challenges of the investment required to accelerate labour productivity growth and the structural transformation of the economy remain very large. The government should continue to improve the composition of spending, by prioritising investment projects according to their productive potential on the basis of cost-benefit evaluations.	The share of highly qualified workers in the economy is rising, but structural factors limit an increase in labour productivity. Public infrastructure is in need of modernisation
<i>Sector and enterprise structure</i>	Some gradual, further diversification of economic production is visible in terms of value added and exports.	The sectoral and enterprise structure of the economy remains stagnant and focused on low-productivity activities. The recent increase in the number of large companies suggests that the share of more advanced manufacturing activities in the economy	The sectoral structure of the economy remained largely stagnant.

	2013	2014	2015	
		might strengthen somewhat in the coming years, but a genuine sectoral transformation remains elusive.		
<i>State influence on competitiveness</i>		Against the overall background of a low share of the state in the economy's assets, improved state aid legislation, and further deregulation of the electricity market, the state's influence on competitiveness through the implementation of other policy instruments seems to have increased.	While the government's share of economic assets remained moderate, its influence on private sector competitiveness through regulations and subsidies is rising.	
<i>Economic integration and convergence with the EU</i>	Trade integration with the EU is quite advanced. The export structure continues to improve, even though traditional manufacturing products still dominate. International price competitiveness remained largely unchanged.	Trade linkages with the EU have increased further in 2013, both on the export and import side, and the EU continues to account for the bulk of foreign direct investment.	Further progress was made in developing closer trade and investment links with the EU.	Progress: 4

Appendix 5: Overview of conclusions and assessments of the fulfillment of the obligations for membership 2010-2015

Chapter	Progress						Level of alignment					
	2010	2011	2012	2013	2014	2015	2010	2011	2012	2013	2014	2015
1. Free movement of goods	4	2	4	2	2	2	3	3	4	4	4	3
2. Freedom of movement for workers	1	1	2	2	2	2	1	1	1	1	1	1
3. Right of establishment and freedom to provide services	2	3	2	2	1	2	2	1	3	3	3	3
4. Free movement of capital	3	2	2	1	1	2	2	3	3	3	3	3
5. Public procurement	3	3	2	4	3	2	3	5	4	4	4	3
6. Company law	4	4	4	4	4	2	3	3	3	4	4	4
7. Intellectual property law	2	2	2	2	2	2	3	3	3	3	3	3
8. Competition policy	2	2	4	4	4	2	3	3	4	4	4	3
9. Financial services	4	4	3	3	2	2	3	3	3	3	3	3
10. Information society and media	3	3	3	3	4	2	3	3	3	3	3	4
11. Agriculture and rural development	3	3	3	2	2	2	2	3	3	3	3	3
12. Food safety, veterinary and phytosanitary policy	2	4	4	4	3	2	2	4	3	3	3	2
13. Fisheries	2	2	2	1	1	2	2	3	3	3	4	3
14. Transport policy	2	3	1	2	2	2	4	4	3	3	3	3
15. Energy	2	4	2	2	2	2	3	3	3	3	3	3
16. Taxation	1	1	2	2	2	2	3	3	3	3	3	3
17. Economic and monetary policy	1	5	1	1	1	2	2	4	4	4	4	3
18. Statistics	4	4	3	4	4	2	4	4	3	4	4	3
19. Social policy and employment	1	1	1	2	1	2	1	2	2	1	3	3

Chapter	Progress						Level of alignment					
	2	3	2	2	2	2	3	3	3	3	3	3
20. Enterprise and industrial policy	2	3	2	2	2	2	3	3	3	3	3	3
21. Trans-European Networks	2	3	3	2	2	4	3	4	3	4	4	4
22. Regional policy and coordination of structural instruments	2	2	2	1	1	0	3	3	3	2	2	3
23. Judiciary and fundamental rights	1	1	2	2	2	0	3	3	3	3	4	2
24. Justice, freedom and security	3	3	3	3	3	2	4	4	4	4	4	3
25. Science and research	2	3	2	4	4	4	3	2	2	2	3	4
26. Education and culture	2	2	2	2	2	2	3	3	3	3	3	3
27. Environment	3	2	1	1	2	2	3	3	3	3	3	3
28. Consumer and health protection	2	2	2	2	2	2	2	3	3	3	3	3
29. Customs Union	2	4	3	2	3	4	4,5	4	4	4	4	4
30. External relations	3	3	2	1	1	2	4	4	3	3	3	3
31. Foreign, Security and Defence Policy	4	4	4	5	1	2	5	5	5	5	3	3
32. Financial control	2	1	2	2	2	2	2	2	1	1	3	3
33. Financial and budgetary provisions	2	1	1	0	1	2	3	3	1	1	1	1



Level of alignment with the acquis/alignment by chapters

Progress by chapters of the acquis

Note: EPI applies its own methodology. The final grade is based on the weighed values of chapters, taking into account the size and difficulty of each chapter.

Explanation on the quantification of assessments of progress and alignment

Assessment used for the Reports until 2014:

Progress

Recess	(-5)-(-1)
No progress; no further progress	0
No substantial progress; no visible progress; insufficient progress; slow progress; initial progress, limited progress	1
Little progress; modest progress, some progress	2
Progress; further progress	3
Good progress; visible progress; sustainable progress; satisfactory progress	4
Significant progress; important progress; substantial progress	5

Level of alignment:

Assessment	Numerical value
Not initiated	0
Early phase; very early phased; initial phase	1
Not very advanced; advances; slowly advances	2
Moderately advanced	3
Advanced; in an advanced phase	4
Well advanced	5

2015 Assessments in accordance to the methodology of the European Commission

<i>Assessment- Progress</i>	Numerical value
Backsliding	(-5)-(-1)
No progress	0
Some progress	1
Limited Progress	2
Progress	3
Good Progress	4
Very Good Progress	5

<i>Assessment- Alignment</i>	Numerical value
Not initiated	0
Early phase	1
Some level of preparation	2
Moderately prepared	3
Good level of preparation	4
Well advanced	5