

D.1.2.4 - Recommendations for Improvement of Regional Policy Frameworks

NORTH MACEDONIA - Based on the Regional State of the Art Report

Introduction

This document presents recommendations for improving the policy instrument(s) and the wider support framework for SME digitalisation in North Macedonia, with a particular focus on addressing gaps between the Skopje-centred ecosystem and lagging SMEs in smaller cities, rural and underserved municipalities. The recommendations are derived from the findings of the Regional State of the Art Report, which analysed the policy landscape, mapped relevant instruments (national, donor- and EU-supported), and identified structural challenges affecting SME digital uptake.

North Macedonia has made digital transformation a visible political priority, including the establishment of the Ministry for Digital Transformation (2024) and the launch of strategic roadmaps (e.g., SMART/MK 2030). However, the report highlights a “two-speed” digital economy: a dynamic ICT sector and some advanced firms coexist with a long tail of SMEs that struggle to move beyond basic ICT use into meaningful digital transformation. Challenges persist around policy continuity, uneven outreach beyond Skopje, low skills and absorptive capacity in SMEs, access to finance for micro firms, and weak monitoring/data infrastructure.

The recommendations below aim to strengthen coherence, inclusiveness, and effectiveness of the SME digitalisation support system. They shall be discussed and validated by the Regional Stakeholder Group (RSG) for the Digitrans project, to assess how they can be translated into concrete action plans and pilot activities for Working Package (WP) 2.



Identified Gaps Between Urban and Rural Areas

The State of the Art analysis identifies several interrelated gaps:

- **Access and outreach gap:** Support services (diagnostics, training, advisory) are concentrated in Skopje and a limited set of hubs; rural and smaller-city SMEs face weaker access to hands-on support.
- **Policy continuity and coordination gap:** The SME Strategy 2018–2023 expired and the 2025–2030 successor remains in draft, contributing to uncertainty; institutional restructuring also risks fragmentation during transition.
- **Skills and absorptive-capacity gap:** Many SMEs do not invest in digital skills—e.g., majorities of MSMEs report no allocated budget/training activity—reducing the effectiveness of any financing or tools provided.
- **Infrastructure and interoperability gap:** Broadband and 5G strategies exist, but deployment is incomplete and rural SMEs still face connectivity barriers; e-government interoperability gaps reduce trust and increase transaction costs.
- **Finance and inclusion gap:** Blended finance and loan instruments exist, but uptake remains limited; micro and informal firms can struggle with collateral/history and application complexity.
- **Demand-side gap:** Public procurement and open data are not yet strong drivers of innovative SME solutions, limiting domestic market pull for digital providers and startups.
- **Monitoring/data gap:** Monitoring is often output-focused and siloed; there is no national SME digital maturity baseline and limited disaggregated regional/sector data to steer policy.

Recommendations for Improvement

Recommendation 1: Establish a Unified Entry Point for SME Digitalisation Support

To reduce fragmentation and improve accessibility, a unified entry point should be established as a combined portal + concierge/helpdesk model that guides SMEs toward the most suitable services and funding (e.g., INNOFEIT EDIH services, relevant ministry schemes, INOVA instruments, Development Bank credit lines, EBRD Go Digital pathways, and cross-border opportunities). This leverages the policy intent of institutional consolidation (INOVA) into a practical, SME-facing interface.

Expected impact:

- Simplifies navigation of the support ecosystem (especially for micro firms)
- Raises awareness and uptake outside Skopje
- Improves matching of SME needs to the right tool (diagnostic → advisory → finance → implementation)

Relevance for WP2:

Pilot a “digital concierge” intake + referral service with local delivery partners (chambers/municipalities/business support organisations), ensuring at least one pilot territory outside Skopje.

Recommendation 2: Strengthen Cross-Institutional Coordination and Restore Policy Continuity

Given the identified policy discontinuity (expired SME strategy; successor still draft), North Macedonia should strengthen a coordination mechanism that links national strategies (SMART/MK 2030, Digital

Europe participation) with budgeted, scheduled delivery plans for SME digitalisation—across the Ministry for Digital Transformation, Ministry of Economy programming, and the new INOVA agency.

Expected impact:

- Reduces uncertainty for SMEs and delivery organisations
- Improves coherence of calls, eligibility logic, and service pathways
- Aligns measures more credibly with EU Digital Decade and accession requirements

Relevance for WP2:

Pilot a shared “operational protocol” (joint calendar of support, shared referral rules, and common beneficiary journey model) among 3–5 key institutions and intermediaries.

Recommendation 3: Decentralise and Mobilise Digitalisation Support Services Beyond Skopje

To address territorial imbalances, digitalisation support should be delivered through decentralised formats, including mobile advisory/diagnostic visits, local pop-up desks, and partnerships with municipalities and regional development actors. This addresses the report’s emphasis on limited scale and outreach beyond Skopje.

Expected impact:

- Improves practical access to expertise for underserved areas
- Increases participation of traditional-sector SMEs (manufacturing, agri-food, tourism)
- Builds local networks between SMEs and tech providers

Relevance for WP2:

Pilot mobile “digital clinics” (diagnostic + roadmap + provider matchmaking) delivered in 2–3 non-Skopje regions, with cohort-based follow-up.

Recommendation 4: Introduce Tailored Support Packages for Micro and Rural Enterprises

Most measures are harder for micro-enterprises to use effectively due to time, skills, and administrative capacity constraints. North Macedonia should expand simplified micro-vouchers/micro-grants bundled with coaching and light-touch procurement support (templates, approved provider lists, “done-with-you” implementation). This responds directly to the skills/capacity and finance barriers identified in the report.

Expected impact:

- Lowers barriers for micro firms and rural SMEs
- Reduces risk of buying tools that are not implemented or sustained
- Builds confidence for “first-step” adoption (e.g., e-invoicing readiness, basic CRM/ERP, e-commerce hygiene)

Relevance for WP2:

Pilot a voucher + coaching model targeted at micro SMEs in one lagging sector (e.g., small retail, agri-food producers, rural tourism).

Recommendation 5: Develop Sector-Specific Digitalisation Pathways for Lagging Sectors

The report describes uneven adoption across sectors, with traditional SMEs lagging and the ICT sector often serving foreign clients rather than domestic SME upgrading. Develop sector pathways with concrete use cases, templates, and peer learning, and connect them to available support and finance.

Expected impact:

- Makes digitalisation more relevant and actionable for non-tech SMEs
- Strengthens linkages between domestic tech providers and traditional sectors
- Accelerates adoption where rural presence is strong (agri-food, tourism, local services, light manufacturing)

Relevance for WP2:

Pilot 1–2 sector toolkits + cohort programmes (e.g., tourism booking + marketing stack; agri-food traceability + inventory; manufacturing production planning + basic cybersecurity).

Recommendation 6: Expand Blended Finance and “Test–Plan–Invest” Pathways

North Macedonia has relevant instruments (EBRD Go Digital, Development Bank credit lines, future WBIF/EIB facilities), but uptake and reach remain limited and micro firms face entry barriers. Strengthen a standard pipeline: digital maturity assessment → investment plan → provider matching → financing advisory → implementation check-ins, plus smaller-ticket products/guarantee options where needed.

Expected impact:

- Improves affordability and investment readiness
- Expands reach beyond Skopje and beyond medium/“bankable” SMEs
- Reduces failed/unfinished implementations through aftercare and planning

Relevance for WP2:

Pilot a “Test–Plan–Invest” journey with partner banks + INNOFEIT/other intermediaries, explicitly reserving places for SMEs outside Skopje.

Recommendation 7: Strengthen Skills Development Linked to Implementation

The report documents a major training deficit (many SMEs do not assess or fund digital skills; training uptake is low) and notes limited scale of current initiatives. Training should be modular, short, and integrated into real SME projects (“learn while implementing”), with mentoring and office hours.

Expected impact:

- Improves effective use of tools and reduces abandonment
- Raises absorptive capacity in non-ICT SMEs
- Increases sustainability of digital investments

Relevance for WP2:

Attach micro-learning + mentoring (e.g., 4–6 weeks) to each pilot cohort: digital basics for managers, process mapping, data discipline, cybersecurity hygiene, e-commerce operations.

Recommendation 8: Introduce Structured Follow-Up, Impact Monitoring, and Better Data Infrastructure

The report highlights weak outcome monitoring, lack of a national digital maturity baseline, and insufficient disaggregation (by region, firm size, sector). Introduce a simple monitoring system: baseline maturity snapshot, outcome KPIs, and follow-ups at set intervals—plus a consolidated annual “SME digitalisation observatory” function.

Expected impact:

- Enables evidence-based policy improvement and accountability
- Identifies what works for rural vs. urban SMEs and by sector
- Supports scaling of effective models and better targeting of funds

Relevance for WP2:

Pilot before/after maturity assessments for all WP2 beneficiaries, with follow-ups at 3 and 9 months, and basic KPI tracking (adoption, usage, productivity proxies, sales channels, cybersecurity practices).

Role of the Regional Stakeholder Group



The Regional Stakeholder Group (RSG) plays a central role in ensuring that the recommendations are grounded in North Macedonia’s realities and can be translated into implementable action plans despite administrative complexity. The RSG should function as the main **validation and co-design body**, supporting the transition from the State of the Art findings to pilotable WP2 actions.

The Regional Stakeholder Group will play a key role in:

- **Validating the relevance and feasibility of the proposed recommendations**

The RSG will be responsible for **validating and refining the proposed recommendations**, assessing their relevance in relation to existing regional strategies, policy instruments, and institutional capacities. Through its multi-actor composition—bringing together public authorities, SME representatives, business support organisations, innovation hubs, and other relevant stakeholders—the RSG will ensure that diverse territorial perspectives, including those of rural and peripheral areas, are adequately reflected.

- **Prioritising actions with the highest potential for pilot testing**

The RSG will contribute to the **prioritisation of recommendations** by identifying those with the highest added value, feasibility, and transferability. This prioritisation process will take into account regional

development needs, existing gaps between urban and rural areas, and synergies with ongoing or planned initiatives, in order to avoid duplication and maximise impact.

- **Supporting the co-design of WP2 action plans adapted to regional and territorial needs**

A key function of the RSG will be to **support the co-design of action plans and pilot activities** to be implemented under WP2. This includes providing input on the scope, target groups, governance arrangements, and expected outcomes of the proposed pilots, as well as advising on suitable territorial testbeds (e.g. rural areas, specific sectors, or SME profiles). The RSG will also help identify potential risks and enabling factors for implementation.

Finally, the RSG will also contribute to **monitoring and learning**, by reviewing early results from pilot actions, providing feedback on implementation challenges, and supporting the identification of lessons learned. This involvement will help ensure that the pilot actions generate evidence that can inform future policy adjustments and support the scaling up of successful approaches beyond the project lifetime.