International Partnerships Austria

GBWN
GENDER BUDGET WATCHDOG NETWORK

Sverige

NORTH MACEDONIA

Analysis of the Budget of the Republic of North Macedonia for 2026 with a Focus on Gender-Responsive Budgeting

CRPM Center for Research and Policy Making

. . . policy impact since 2004

The Budget of the Republic of North Macedonia for 2026, the revenue side is reaching 374.9 billion denars, representing approximately a 3.5% increase compared to the adopted Revised Budget for 2025, amounting to about 12.6 billion denars more. **The largest component—tax revenues and social contributions—is projected to increase by 16.8 billion denars**. Out of this, 12 billion denars are expected to come from higher tax revenue collection compared to this year's budget plan, while an additional 4.7 billion denars is anticipated from increased social contributions.

On the expenditure side, the 2025 budget plan amounts to a total increase of 10.4 billion denars in expenditures, representing about a 2.6% rise across all expenditure categories combined, bringing the total planned amount to 414.2 billion denars. This projected increase is accompanied by a parallel rise in budget allocations for the state's social component and for capital investments. Current expenditures for the next fiscal year are planned to reach 374 billion denars, which would represent an increase of 4.9 billion denars.

Social transfers in the 2026 budget plan are set at a total of 206.3 billion denars, representing a 6.7% increase compared to 2025, or 13.0 billion denars more, mainly related to pensions. Additionally, expenditures for transition costs are increased by 3.6 billion denars, expected to reach 19.6 billion denars, while healthcare spending is projected to rise by an additional 1.3 billion denars, reaching a total of 53.8 billion denars.

The 2026 budget of North Macedonia is presented as a policy framework aimed at ensuring fiscal consolidation, economic growth, and social stability. However, when analyzed through the lens of gender-responsive budgeting (GRB) significant structural weaknesses emerge. These weaknesses highlight a gap between formal commitments to gender equality and actual policy outcomes.

Gender-responsive budgeting is a public finance approach that integrates a gender perspective into all stages of the budget cycle, including planning, allocation, implementation, and evaluation. Its objective is not merely to increase spending on women, but to ensure that public resources contribute to reducing gender inequalities and promoting inclusive development. In this context, effective GRB requires clear gender-disaggregated data, measurable indicators, transparency, and institutional capacity.

Following the same logic as presented by the budget format, the gender perspective should be applied to the both sides of the budget, revenues and expenditures. There is a lack of system in place for evaluation of the public revenues and expenditures with clear indicators which provide basis for assessment whether programs are contributing towards economic development, service improvement, social inclusions and equality.

Lacking a system in place, is a matter related to transparency i.e. fiscal transparency. A substantial fiscal transparency should make a clear relation between the money spent and impact on certain public interest among which is the gender equity efforts.

Gender-related objectives, as part of the priorities and objectives of institutions for 2026, are foreseen in the Assembly of the Republic of North Macedonia, the Secretariat for Legislation, the Ministry of Social Policy, Demography and Youth, and the Ministry of Sport and Ministry of Health. However, these goals are not further elaborated into indicators, except in the case of the Ministry of Sport and the Ministry of Health.

Although **North Macedonia has formally adopted gender budgeting principles, the 2026 budget demonstrates that implementation remains limited.** This is the second year that the budget has new format, which is a program based, but the rationale is following the old economic pattern which is a cost-based budgeting.

One of the central issues identified is the **absence of measurable indicators**. The 2026 budget continues to prioritize macroeconomic targets such as GDP growth, inflation, and deficit reduction, while failing to provide gender-disaggregated performance measures. As a result, it is not possible to assess whether public spending contributes to reducing gender disparities in areas such as employment, income, or access to services and etc.

Furthermore, the **budget lacks transparency and accessibility, which undermines democratic accountability.** Budget documents remain highly technical and do not clearly communicate how resources are allocated across different social groups. This reflects a continuation of the accountability gap highlighted in the commentary, where citizens and stakeholders are unable to evaluate the social impact of fiscal policy.

Another important limitation is the assumption that general social spending automatically promotes equality. The 2026 budget includes large part of the expenditures for pensions, wages, and social transfers, which are essential for social protection. However, without targeted measures addressing structural inequalities—such as childcare provision, support for female labor force participation, and recognition of unpaid care work—such spending may fail to reduce gender gaps. This illustrates the distinction between gender-neutral and gender-responsive policies emphasized in GRB theory.

In addition, the **strong focus on capital investments, in infrastructure and energy, while beneficial for economic growth, lacks a gender perspective**. Public investments are often treated as neutral, yet they can have differentiated impacts on men and women. For example, transport infrastructure affects mobility patterns, while energy policies influence household responsibilities. The absence of gender analysis in these areas represents a missed opportunity for inclusive and equitable development.

The persistence of these issues also reflects limited institutional capacity. Effective gender budgeting requires trained personnel, coordination among institutions, and monitoring mechanisms. The 2026 budget does not indicate significant improvements in these areas, suggesting that administrative constraints continue to hinder implementation.
In a trend of increased budget expenditures across all budget programs, **Program 8 for Gender Equality and Non-Discrimination In 2025, under the Ministry of Social Policy, Demography and Youth, allocated 1,015,000 denars, while in 2026 they were decreased by 1.1%, amounting to 1,004,000 denars.**

Considering the fact that the implementation of the Gender Equality Strategy—which was budgeted for the first time under this program in 2023—the reduction in funds indicates a decreased scope of activities and failure to implement the planned measures.

Finally, the **budget's limited alignment with international standards, such as the Sustainable Development Goals—particularly SDG indicator 5.c.1—raises concerns about the country's progress toward EU integration and global commitments.** This information should be visible on the website of the Ministry of Finance and in the announcements presenting the budget document. However, the 2026 budget does not contain clear, transparently published, and easily understandable information on the funds allocated for gender equality.

This omission is significant, especially considering the assumption that the Ministry of Finance possesses this information, given that the budget circular sent to budget users to collect their needs and plans for 2026 was gender-responsive. This reinforces the conclusion that gender budgeting remains more formal than substantive.

In conclusion, **while the 2026 budget of North Macedonia supports macroeconomic stability and a commitment to growth and social protection, it falls short of being genuinely gender-responsive.** The absence of measurable indicators, weak transparency, lack of targeted policies, and limited institutional capacity undermine its effectiveness in promoting gender equality. Therefore, the budget reflects a broader challenge in public finance: the disconnect between policy design and implementation. Addressing these gaps is essential for transforming the budget into a tool for inclusive and sustainable development.