



**To: Ms Slavica Grkovska, Deputy President of the Government in charge of Good Governance Policies**

**Open Letter to the Delegation of Republic of North Macedonia to the United Nations Convention against Corruption (UNCAC) Conference of the States Parties**

30 November 2023

To the Esteemed Delegates of Republic of North Macedonia to the CoSP 10 in Atlanta, USA

Subject: Enhancing Political Finance Transparency Standards

Dear Ms. Grkovska, Distinguished Delegates,

On behalf of Transparency International Macedonia, a leading organization in the fight against corruption in the Republic of North Macedonia, we extend our sincere regards and commend your participation in the 10th Session of the UNCAC Conference of the States Parties in Atlanta, Georgia, USA.

We write to you in the spirit of collaborative effort and shared responsibility that defines the UNCAC. Our goal is to address a critical facet of the anticorruption framework that has been largely absent from the UNCAC agenda: the transparency of political finance. While 69 resolutions have been adopted at the nine COSPs held since 2006, there has never been a resolution on political finance, and there is an immediate need to rectify this at the 10th Session of the UNCAC COSP.

**Urgent Need for Enhanced Political Finance Transparency**

Political finance is a pivotal issue in the fight against corruption. The integrity of democratic processes is contingent on financial transparency and accountability in politics. When financial contributions to political parties, electoral campaigns, or candidates are opaque and unaccountable, this enables clientelism, fuels corruption, increases the cost of political participation and destroys trust in governments.

Republic of North Macedonia has already addressed the issue of political financing in several laws. The legal framework regarding the financial accounting of the parties provides clear provisions on the obligations of the parties related to the reporting of financing. Therefore, we believe it is of relevance for our country if you VPM Grkovska will address the issue of political financing in your speech at the CoSP 10 in Atlanta.

**We suggest the following:**

**Call for Action at the UNCAC Conference**

We urge the delegation of Republic of North Macedonia to strengthen Article 7.3 of the Convention by introducing amendments where appropriate in the resolutions that have been tabled, which can effectively address the following areas:

**1. Closing Loopholes for Illicit Funds in Politics**

States Parties can enact and enforce laws that close all loopholes which allow illicit funds and opaque donations to enter politics through shell companies, third parties or anonymous donors.

**2. Introducing Digital Reporting and Disclosure Systems**

States Parties should commit to introducing mechanisms for the timely and comprehensive public disclosure of political contributions, expenditures and campaign financing. This should extend to all levels of government and political entities, including individual candidates, promoting the accountability of both political candidates and parties.

**3. Improving Oversight and Accountability of Political Finance Regimes**

States Parties should establish and strengthen independent oversight bodies with adequate powers to monitor, investigate, and enforce compliance with political finance regulations. These bodies should be equipped with sufficient resources, autonomy, and authority to ensure the integrity of the political finance system.

**4. Promoting Knowledge, Civic Engagement and Public Participation**

States Parties should actively engage civil society, encourage public participation in political finance oversight and protect the rights of whistleblowers who expose corruption within the political finance system. They should also mandate UNODC, in consultation with civil society, to coordinate the production of gap analyses, guidelines and technical assistance materials on political finance transparency.

**5. Strengthening International Cooperation.**

States Parties should commit to sharing information, best practices and resources to ensure the global fight against corruption is coordinated and unified. Cross-border corruption schemes should be met with a coordinated international response, and efforts should be made to recover and repatriate assets stolen through corrupt practices.

Your delegation may also highlight the importance of political finance transparency in your official speeches and discussions. This advocacy will elevate the issue's prominence and encourage collective action among all states parties.

Further, we propose that the delegation of Republic of North Macedonia shares its experiences and lessons learned from domestic reforms with other UNCAC States Parties. In particular, it can serve as an example for the transparency of political financing and reporting by the political parties and candidates on their resources in order to prevent the risks of corruption in this area. Political Parties have to prepare a report of the received private donations. The report has to be submitted to the State



Audit Office (SAO) and the Public Revenue Office (PRO). The SAO and PRO are obliged to publish the received reports on their websites.<sup>1</sup> Also, political parties have to publish the annual financial statement on their websites containing both public and private funds.<sup>2</sup>

However, while this can serve as an example, there is a need for improvement when it comes to the illicit financial flows. Knowing that this global phenomenon is also in a close focus of the attention of North Macedonian Government and the Western Balkan Region, with the development of the new regional policy documents in cooperation with the UNODC, we believe that is another good practice to be shared.

This sharing of best practices will foster a collaborative approach to tackling corruption at the international level.

The challenges posed by corruption, especially in the sphere of political finance, require a concerted and unified response. By taking a leadership role at the upcoming CoSP10, North Macedonia can significantly contribute to the global fight against corruption. We trust that your delegation will consider our requests and take proactive steps towards a more transparent and accountable political environment.

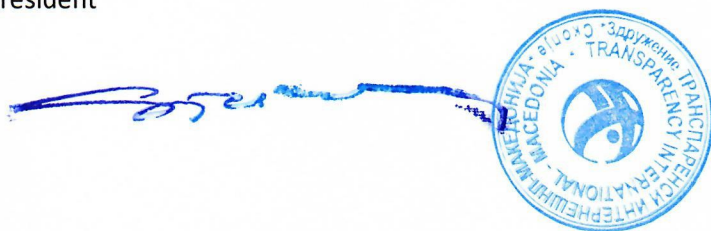
We appreciate your attention to this crucial matter and look forward to the outcomes of the Conference.

Sincerely,

Transparency International Macedonia,

Slagjana Taseva

President



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<sup>1</sup> Law on financing of political parties, "Official Gazette of the Republic of Macedonia", number 76/2004, 86/2008, 161/2008, 96/2009, 148/11, 142/12, 23/13, 140/18 and 294/20, Article 27

<sup>2</sup> Ibid, Article 27-a