NATIONAL INTEGRITY SYSTEM ASSESSMENT NORTH MACEDONIA
SKOPJE, DECEMBER 2023
Transparency International Macedonia was established in 2006 and is a member of Transparency International, the global coalition against corruption, which has national chapters in more than 100 countries. The vision of Transparency International Macedonia is the elimination of corruption from Macedonian society and the establishment of a system of rule of law and a society in which the citizens and institutions fight corruption and the unlawful policies. The mission of Transparency International Macedonia is oriented towards the analysis of national legislation, comparative analysis and recommendations for improvements to the legal framework, detecting vulnerabilities in the laws and the legal framework that enable corruption, analysis of the national integrity system of the Republic of North Macedonia through analysis of the anti-corruption pillars and cooperation with key stakeholders (public institutions, civil society, business community, media and citizens).
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LIST OF ABBREVIATIONS

• (AA)
  AGENCY FOR ADMINISTRATION

• (AAVMS)
  AGENCY FOR AUDIO AND AUDI
  MEDIA SERVICES

• (ACA)
  CORRUPTION AGEN

• (ADI)
  ASSOCIATION FOR DEMOCRATIC INITIATIVES

• (AG)
  ADVISORY GRO

• (AIPCE)
  ALLIANCE OF INDEPENDENT PRESS COUNCILS

• (AJP)
  ACADEMY FOR JUDGES AND PROSECUTORS

• (ALAC)
  AND LEGAL ADVICE

• (AMAN)
  MOVEMENT AGAINST PRICE INCREASES IN
  ELECTRICITY PROVISION

• (APRFAI)
  AGENCY FOR THE PROTECTION OF THE RIGHT
  TO FREE ACCESS TO PUBLIC INFORMATION

• (AWP)
  ANNUAL WORKI

• (BC)
  UDGETARY COUNC

• (BIRN)
  BALKAN INVESTIGATIVE REPORTING NETWORK

• (BPS)
  BUREAU FOR PUBLIC SECURITY

• (BPPO)
  BASIC PUBLIC PROSECUTOR’S OFFICES

• (BPPOOCC)
  OR’S OFFICE FOR

• (CAF)
  RAMWORK FOR

• (CEAS)
  CODE OF ETHICS FOR ADMINISTRATIVE

• (CMEM)
  COUNCIL OF MEDIA ETHICS OF MACEDONIA

• (CoE)
  COUNCIL OF EUROPE

• (CPC)
  CRIMINAL PROCEEDINGS COD

• (CPT)
  COMMITTEE FOR THE PREVENTION OF

• (CR/CRNM)
  CENTRAL REGISTRY OF NORTH MACEDONIA

• (CSO)
  CIVIL SOCIETY ORGANISA
• (CSRD)
CENTER FOR STRATEGIC RESEARCH AND DOCUMENTATION

• (CUP)
CENTER FOR CHANGE MANAGEMENT

• (DPA)
DEMOCRATIC PARTY OF ALBANIANS

• (DUI)
OCRATIC UNION FOR INTEGRATION

• (EBs)
ELECTORAL BODIES

• (EC)
EUROPEAN COMMISSION

• (ECCS)
ELECTORAL COMMISSION OF THE CITY OF

• (ECHR)
EUROPEAN CONVENTION ON HUMAN RIGHTS

• (EIDHR)
EUROPEAN INSTRUMENT FOR DEMOCRACY AND HUMAN RIGHTS

• (ENER)
NATIONAL ELECTRONIC REGULATIONS

• (EOM)
ELECTION OBSERVATION MISS

• (ESPP)
ELECTRONIC SYSTEM FOR PUBLIC

• (EU)
EUROPEAN UNION

• (Eurojust)
EUROPEAN UNION AGENCY FOR CRIMINAL JUSTICE COOPERATION

• (EUROPA)
EUROPEAN UNION AGE ENFORCEMENT COOPERATION

• (EUROSAI)
EUROPEAN ORGANISATION OF SUPREME AUDIT INSTITUTIONS

• (GAWP)
GOVERNMENT ANNUAL WORK PLAN

• (GDP)
DOMESTIC PRODUCT

• (GRB)
RESPONSIVE BUD

• (GRECO)
GROUP OF STATES AGAINST CORRUPT

• (GRNM)
GOVERNMENT OF THE REPUBLIC OF NORTH MACEDONIA

• (GS)
GENERAL SECRETARIAT

• (HPPO’s)
HIGHER PUBLIC PROSECUTOR’S OFFICES

• (ICC)
INTERNATIONAL COORDINATION COMMITTEE ON NATIONAL INSTITUTIONS FOR THE PROMOTION AND PROTECTION

• (ICT)
AND COMMUNICATION

• (IDSCS)
INSTITUTE FOR DEMOCRACY

• (IFAC)
INTERNATIONAL STANDARD FOR FINANCIAL
• (ILECU)  
INTERNATIONAL LAW ENFORCEMENT COORDINATION UNIT

• (INTERPOL)  
INTERNATIONAL CRIMINAL POLICE ORGANIZATION

• (INTOSAI)  
INTERNATIONAL ORGANIZATION OF SUPREME AUDIT INSTITUTIONS

• (IPU)  
PARLIAMENTARY UNION

• (IRECEE)  
INTERNATIONAL RESEARCH EXPERIENCES IN CIVIL, CONSTRUCTION, AND ENVIRONMENTAL

• (IRI)  
INTERNATIONAL REPUBLICAN INSTITUTE

• (IRL)  
INVESTIGATIVE REPORTING LAB

• (ISSAI)  
INTERNATIONAL STANDARDS OF SUPREME AUDIT INSTITUTIONS

• (IT)  

• (JBC)  
JUDICIAL BUDGETARY COUNCIL

• (JC/JCRNM)  
JUDICIAL COUNCIL/JUDICIAL COUNCIL OF PUBLIC OF NORTH MACEDONIA

• (LAS)  
LAW ON ADMINISTRATIVE SERVANTS

• (LCS)  
LAW ON CIVIL SERVANTS

• (LEA)  
LAW ENFORCEMENT AGENCY

• (LFPP)  
LAW ON FINANCING OF POLITICAL PARTIES

• (LFAPI/LFAIPC)  
LAW ON FREE ACCESS TO PUBLIC INFORMATION/LAW ON FREE ACCESS INFORMATION OF PUBLIC CHARACTER

• (LGBTQ)  
GAY, BISEXUAL, AND TRANSGENDER

• (LLC)  
LIMITED LIABILITY COMP

• (LLP)  
LAW ON PUBLIC PROCUREMENTS

• (LOOSAB)  
LAW ON THE ORGANIZATION AND OPERATION OF STATE ADMINISTRATION BODIES

• (LP)  
LAW ON POLICE

• (LPC)  
LAW ON THE PREVENTION OF CORRUPTION

• (LPCCI)  
LAW ON PREVENTION OF CORRUPTION AND CONFLICT OF INTEREST

• (LPP)  
LAW ON PUBLIC PROCUREMENTS

• (LPSE)  
LAW ON PUBLIC SECTOR EMPLOYEES

• (LPW)  
LAW ON THE PROTECTION OF

• (MAJ)  
MACEDONIAN ASSOCIATION OF

• (MAN)  
MACEDONIAN JOURNALISTS ASSOCIATION
(MCIC/MCMS)
Macedonian Center for International Cooperation

(MECs)
Municipal Electoral Commis

(MF)
Ministry of Finance

(MIOA)
Ministry of Information Society and Administration

(MISA)
Ministry of Information Society and Administration

(MLA)
Mutual Legal Assistance

(MoC)
Memorandum for Cooperation

(MoI)
Ministry of Interior

(MoJ)
Ministry of Justice

(MoU)
Mou of Understanding

(MP)
Member of Parliament

(MRT)
Macedonian Radio Television

(MTV)
Macedonian National TV

(NBRM)
National Bank of the Republic of

(NDI)
National Democratic Institute for International Affairs

(NGO)
Vernmental Organisation

(NHRI)
National Human Rights Institutions

(NIS)
National Integrity System

(NPAA)
National Program for Adoption of the Acquis

(NPM)
National Preventive Mechanism

(OBS)
Open Budget Survey

(OCCRP)
Organized Crime and Corruption Reporting Project

(ODIHR)
Office for Democratic Institutions and Human Rights

(OECD)
Organisation for Economic Co-operation and

(OGP)
Open Government Partnership

(OSF)
Open Society Foundation

(OSCE)
Organization for Security and Operation in Europe

(PAR)
Public Administration Reform
• (PCC) POLICE COOPERATION CONVENTION
• (PIFC) PUBLIC INTERNAL FINANCIAL CONTROL
• (POE) OWNED ENTERPRISE
• (PP) PUBLIC PROSECUTOR
• (PPO) PUBLIC PROSECUT
• (PRO) PUBLIC REVENUE OFFICE
• (PSP) ARLIAMENTARY SUPPORT PROGRAM
• (RCC) REGIONAL COOPERATION COUNCIL
• (RIA) REGULATORY IMPACT ASSESSMENTS
• (RNM) REPUBLIC OF NORTH MACEDONIA
• (SAI) STATE AUDIT INSTITUTION
• (SAO) STATE AUDIT OFFICE
• (SAF) SUPPORTING INVESTIGATIVE JOURNALISM
• (SCPC) STATE COMMISSION FOR THE PREVENTION OF
• (SDSM) SOCJALDEMOKRATSKI
• (SEEPAG) SOUTHEAST EUROPEAN PROSECUTORS ADVISORY GROUP
• (SEC) STATE ELECTORAL COMMISSION
• (TI) TRANSPARENCY INTERNATIONAL
The national integrity system (NIS) comprises the principal governance institutions in a country responsible for the fight against corruption. When these governance institutions function correctly, they constitute a healthy and robust national integrity system, effective in combating corruption as part of the larger struggle against the abuse of power, misconduct and misappropriation in all its forms. However, when these institutions are characterised by a lack of appropriate regulations and by unaccountable behaviour, corruption is likely to thrive, with adverse ripple effects on the societal goals of equitable growth, sustainable development and social cohesion. Therefore, strengthening the NIS promotes better governance in a country and contributes to a more just society overall.

Transparency International developed the NIS as part of its holistic approach to combating corruption. While there is no absolute blueprint for an effective anti-corruption system, there is a growing international consensus on the salient aspects that work best to prevent corruption and promote integrity. The NIS assessment evaluates the legal basis and the actual performance of institutions relevant to the overall anti-corruption system. The NIS comprises the institutions or “pillars” depicted in Figure 1, which are based on a number of foundations in terms of political, social, economic and cultural conditions.
does not seek to offer an in-depth evaluation of each pillar but rather puts an emphasis on covering all relevant pillars and assessing their inter-linkages.

Transparency International believes that such a holistic “system analysis” is necessary to appropriately diagnose corruption risks and develop effective strategies to counter those risks. This analysis is embedded in a participatory approach, involving the key anti-corruption agents in government, civil society, the business community and other relevant sectors to build momentum, political will and civic pressure for relevant reform initiatives.

The NIS assessment creates a sound empirical basis that adds to our understanding of strong or weak performers at a cross-country level. In addition, from a regional perspective, the results can create a sense of peer pressure for reform and an opportunity for learning from those countries in similar stages of development.

In this most recent NIS assessment, Transparency International Macedonia introduced an additional step and to look at the cost and benefits of international funding and technical assistance and their effect on improved scores in the NIS assessment between 2016 and 2023. This assessment is then based on the existing analysis from the 2016 and this one from 2023 plus additional publicly available data for international technical assistance. The data included a sample of completed and ongoing projects, financed by international donors that have been implemented in the Republic of North Macedonia. The sample has been restricted to projects starting in or after 2016 to allow for a direct comparison between total funding and NIS score progress since the previous report in 2016 (see Annex 1).

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1 National Integrity System Assessment Macedonia, May 2016 nis_eng.pdf (transparency.mk)
EXECUTIVE SUMMARY

This report constitutes the third national integrity system (NIS) assessment for the Republic of North Macedonia, following previous evaluations in 2002,3 and 2016.4 At the time of the latter report, Macedonia was at a critical juncture. A series of scandals alleging that the executive had illegally wiretapped more than 20,000 telephone numbers5 of political and state actors across Macedonia revealed, according to EU Commissioner Johannes Hahn, “serious concerns about political interference and high-level corruption” and tipped the country into a crisis in 2015. The 2015 EC progress report noted that “no progress has been achieved in the past year on the outstanding issues identified. Corruption remains widespread”.6 The report also stated that a lack of political will, together with political interference in the work of the relevant bodies, undermined the capacity to effectively address corruption and hampered the ability of institutions to act proactively and non-selectively, especially in high-level cases.7 After the 2015 scandal, the European Commission (DG Neighbourhood Policy and Enlargement Negotiations) recruited a group of independent, senior rule of law experts to conduct a rapid analysis of the situation and provide recommendations to address these issues.8 As a result, a political agreement was signed,9 and the special prosecutor’s office was established.10 However, after the change of the government, the conclusion of the Second Priebe Report (Second SGE’s Report)11 two years later indicated “the failure to implement most of the recommendations is a cause for serious concern”.12 In 2017, the reports indicated state capture by analysing the specifics of the state13 and corruption related cases.14 This third NIS assessment had a challenge to establish if there had been any progress five years after the change of government.

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4 National integrity system assessment Macedonia. May 2016 nis_eng.pdf (transparency.mk)
5 In February 2015, the opposition leader Zoran Zaev released a series of audio excerpts – which he called “bombs” – from 670,000 secretly recorded conversations of more than 20,000 telephone numbers
7 Ibid
8 The Former Yugoslav Republic of Macedonia: Recommendations of the senior experts’ group on systemic rule of law issues relating to the communications interception revealed in Spring 2015
9 Following the Priebe Report, May 2015, the three largest political parties signed the Pržino Agreement
10 Parliament established the Special Public Prosecutor’s Office (SPO) in September 2015 with a special Law, 3 Law on Public Prosecutor’s Office for Prosecuting Cases Related to and Arising from the Content of the Unauthorized Interception of Communications. Official Gazette of the RM, No 159/15 No.196/2015
12 Ibid
14 Dr. Slagjana Taseva. Examining State Capture: Undue Influence on Law-Making and the Judiciary in the Western Balkans and Turkey examining_state_capture.pdf (transparency.mk)
The assessment was conducted between January 2022 and December 2023. In general, there was no significant change. The Macedonian national integrity system continues to be characterised by the dominance of the executive branch and the weakness of other key institutions. The executive and the legislature are particularly strong in terms of their capacity but weak on anti-corruption and the need to improve their internal governance. The State Audit Office is the stand out institution, with a very high overall score of 87.6, a score of 92 for governance and 87.5 in the fight against corruption. This is followed by other two independent institutions, the State Commission for the Prevention of Corruption (SCPC), with an overall score of 72.9, which is mainly based on a high score of 83.3 for governance. The newly selected commissioners and president of the SCPC managed to obtain additional resources for the institution, but there could have been better cooperation from other government bodies that, in the majority of the cases, were not responsive to SCPC initiatives and who did not address the activities indicated in the national strategy for the prevention of corruption that remains at only 10 per cent implementation. The third high-scoring pillar is the ombudsman office, with an average score of 70.84.

The executive continues to be highly independent, although indicators demonstrate that the executive’s internal governance structures, which ought to promote transparency, accountability and integrity, are very weak. The executive has been dominant in legislating as the majority of the adopted laws have been sent to the Assembly by the government, half of the laws were passed in fast-track procedures, avoiding public debates and discussion in the Assembly. Also, the Assembly has been exposed to blocks due to the opposition’s refusal to participate in discussions to amend the constitution to change of the name of the country and for accession to the EU. The political parties have the same average score (60.42) as the Assembly. Political parties are weakest in anti-corruption and in their accountability when it comes to political financing. The assessment found the need for to strengthen the legal framework related to the financing political parties and the role of the oversight bodies.

The weakest pillars in the Macedonian integrity system are the ones that are expected to be the leading institutions. The role of the public prosecutor’s office (PPO) in the fight against corruption was assessed with a score of 25. It remains the bottleneck in the whole anti-corruption system, which is coupled with the very low score for the law enforcement representative, the Ministry of Interior, which has score of 25 for its role but 75 for capacity and governance. This is because, in the Macedonian criminal law system, the PPO leads pre-investigation and investigation, and decides on the cases that will be indicted.

Another very important pillar is the judiciary. Its average score is lower than the other two branches of power (legislature and executive), with only 50.68, and the second lowest score (after the PPO) with only 33.3 for its role
in the fight against corruption. Both the judiciary and the PPO have weak governance scores (50 and 41.7). The difference of 11 points in the average scores of the judiciary and the PPO is mainly due to better capacity in the judiciary. However, the fact that only 4 per cent of citizens have stated they trust the judiciary, and the fact that a significant amount of international funding has been directed to strengthen capacity in PPO has again demonstrated that personal integrity is much more important than resources.

The business sector has no role in anti-corruption despite its solid governance structure and capacity. Two other sectors assessed that are not branches of power are the media, with an average score of 58.98 and civil society organisations (CSOs) with an average score of 62.5. The capacity of the CSOs is 75, while the capacity of the media scored 56.25. In addition, international funding for the media has been very limited compared to CSOs, a sector that has received similar support to that of the PPO, which is the pillar third-most supported by international funds. This may be why the media scores significantly lower in the fight against corruption (41.6) than CSOs (62.5), while the latter have a significantly lower score of 50 for governance while the media scores 79.1. In general, the role and independence of the media is dependant on financing.

Both the Corruption Perception Index published by Transparency International\(^\text{15}\) and the 2023 European Commission progress report for Macedonia\(^\text{16}\) indicate that additional efforts are needed to fight corruption and that the institutions are still insufficiently prepared to respond effectively to the challenges that this fight brings.

The newly introduced gender indicators in this NIS assessment have shown that, in spite of the legal framework that guarantees gender equality in the country\(^\text{17}\) (such as the national strategy that defines the strategic priorities of the state in terms of gender equality plus the establishment of equal opportunities and other laws and

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\(^{15}\) Corruption Perception Index North Macedonia. 2022. https://www.transparency.org/en/countries/north-macedonia and https://transparency.mk/?s=%D0%B8%D0%BA&lang=mk


regulations\textsuperscript{18, 19}), complaint mechanisms in the public sector and informing mechanisms in independent oversight bodies and law enforcement are not gender-sensitive, meaning that this area needs addressing and improvement.

\* Scores of the Pillars of the National Integrity System

\textsuperscript{18} Law on Equal Opportunities for Women and Men. Official Gazette of RM, No. 6/12, 30/13, 166/14 and 150/15 and Official Gazette of RM No. 53/21

\textsuperscript{19} Law on Prevention and Protection from Discrimination, Official Gazette of RSM No. 258/2020, Law on Labour Relations, the Law on Budgets
COUNTRY PROFILE

FOUNDATIONS OF THE NATIONAL INTEGRITY SYSTEM

1. GOVERNANCE & POLITICS

North Macedonia is a parliamentary representative democratic republic, as established by the constitution, which is the highest piece of legislation in the country. The country operates on a multi-party system, with the prime minister serving as the head of government. The system is composed of executive, legislative, and judicial powers. The country's executive body is the government, composed of the Prime Minister, four deputy prime ministers and 16 ministers. A majority vote of all Assembly members elects the government. Ministers cannot be representatives in the Assembly. The president represents the republic and is the commander in chief of its armed forces. The president is elected at general and free elections using a modified two-round system for a term of five years. The president appoints the prime minister, whose appointment is subject to approval by the Assembly. Legislative power is vested in the Assembly, composed of 120 MPs elected in general and free elections with a mandate of four years. According to the Law of Courts, the judiciary's power is distributed among several courts, including the basic courts, the courts of appeal, the administrative court, the higher administrative court and the Supreme Court. Additionally, the constitutional court protects the constitutionality and legality of the republic.

The current government is composed of SDSM (Social Democratic Union of Macedonia), DUI (Democratic Union for Integration) and the Alliance for Albanians and is supported by several smaller political parties. This ruling coalition was supported by 65 MPs out of 120 in March 2023. The parliament is composed of 120 MPs from 23 political parties.

The constitution separates the three branches of power to uphold the rule of law. However, the rule of law is still to be achieved as it is a fundamental for the EU integration process. Recently, the 2023 WJP Rule of Law Index placed North Macedonia 67 out of 142 countries, reflecting no change in score but four positions lower in rank compared to the previous year. The legislative and policy framework is satisfactory, but its implementation requires improvement. Moreover, amendments to the criminal code have increased impunity for officials, hampering the fight against corruption and the rule of law.

The Office for Democratic Institutions and Human Rights (ODIHR) report for the 2019 presidential recommended a comprehensive review of legislation on the electoral process to address existing inconsistencies and further align the system with European and international standards. The current electoral system with six constituencies favours larger political parties, and there is an ongoing debate about having a single constituency, but no solution...
National Integrity system assessment NORTH Macedonia has been reached. In general, the law-making process is inefficient due to a lack of coordination between the ruling coalition and the opposition. From January 2022 to 15 June 2023, out of 165 laws adopted, 51 were adopted by regular procedure, 86 under shortened procedure and 28 concerned ratification. Coalition governments are weak, and government offices are distributed among coalition partners. Therefore, the efforts to combat nepotism and politicisation in the public sector have yet to progress. There is an ongoing blockade of the government in discussions to adopt necessary legislative framework such as the Law on Administrative Servants, the Law on Public Sector Employees and amended provisions in the Law on Top-Level Management that should improve human resource management across the administration and help ensure merit-based recruitment, promotion and dismissals at all levels, including at senior management.

With regards to the rule of law, no progress was made in strengthening judicial independence, protecting fundamental rights or fighting corruption. High-level corruption trials have been delayed and many have expired due to the statute of limitations. An amendment to the criminal code, conducted under the fast procedure and by using the EU flag (which is the irregular procedure without the public debate, reduced penalties for corruption and halted high-profile cases, including those under that were under investigation by the special prosecutor’s office (SPO) jurisdiction. Consequently, the authorities’ capacity to investigate and prosecute high-level corruption and organised crime has been significantly hampered.

2. Society & Culture

The human and civil rights framework aligns with international and European standards. Citizens can file cases in various courts, depending on the type of case, and if all legal options are exhausted, they can appeal to the European Court of Human Rights. The legal framework is well-established and needs effective implementation. Efforts have been made to prevent violence against women and promote gender equality. Although, more work is needed to enforce legislation on hate speech and promote gender equality. The ombuds office remains the primary body for promoting and enforcing human rights. The rights of minority groups have been upheld, although the Roma community is still marginalised. The advisory committee of the Council of Europe’s Framework Convention for the Protection of National Minorities reports progress in aligning policies for national minority rights. Practical implementation needs improvement.

The institutions are effectively cooperating with CSOs and the media. However, there is still room for improvement as, in the last two years, the collaboration between CSOs and the government has not been at its highest level. Existing legal and financial frameworks do not provide consistent mechanisms for awarding public funding to CSOs, and the council for cooperation between the government and civil society has not been operational. The media is often influenced by politics and business, but online independent outlets still exist. However, journalists face attacks and threats.
Trust in institutions is very low. Over 70 per cent of citizens distrust the public prosecution, courts/judiciary, SCPC, parliament and the government. In addition, the number of citizens who believe that the rule of law does not exist in the country continually increases, and the percentage of those who believe that democracy is the best possible form of government for the country decreases.

3. Economy

Despite COVID-19, the country's economy largely recovered in 2021 due to fiscal support measures and increased tax revenue. The fiscal deficit has fallen to 5.4 per cent of GDP and debt levels have stabilised. Early 2022 saw a rise in food and energy prices, prompting the government to take new fiscal measures to mitigate the negative economic impact. However, the measures could have been better targeted. With this inflation, the country's poverty level also increased. According to recent surveys, the three major issues that Macedonian citizens face are high prices, poverty/low standard of living and the economic situation. Unfortunately, there is a general lack of trust that these problems will improve in the next two years. Over 90 per cent of the population is dissatisfied with their quality of life. Several sectors with a high risk for corruption are crucial to the economy, such as construction and energy. Construction stimulates the national economy through job creation, income and output across various sectors, contributing to around a 5 per cent increase in GDP. The energy crises highlighted the need for a coherent and coordinated energy policy. The government should increase administrative capacity for energy policy, planning and investment.

**CORRUPTION & ANTI-CORRUPTION**

Main Corruption Issues

Citizens distrust institutions and are often reluctant to report illegal or corrupt activity. The 2022 Transparency International Corruption Perception Index ranks the country at 85th position, scoring 40. However, there has been a slight improvement in the ranking compared to previous years, such as in 2020 when the country was ranked 111th with a score of 35. The Corruption Perceptions Index for 2022 indicates that, among the countries in the region, Albania has made the greatest progress in the ranking, and Serbia has had the highest drop of points and ranking. Kosovo and Macedonia are the best ranked with 41 and 40 points respectively, and are in 84th and 85th places.

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Non-compliance with employment laws is one of the main problems in the public sector as it enables various forms of influence, such as political party influence, nepotism, cronyism and clientelism. Party and family connections often influence appointments in the judiciary; for example, the daughter-in-law and wife of the head of the public prosecution for organised crime were recently hired. Also, in 2023, the president of the Assembly’s son acquired a diploma under questionable circumstances, only to be employed as a prosecutor immediately after completing training at the academy for judges and prosecutors.

Several areas in the social system pose a high risk of corruption, with public procurement and public sector employment being particularly risky. Public procurement is one of the areas most vulnerable to corruption. The state generally spends approximately 32 per cent of the state budget on public procurement. Almost half of the companies believe there is corruption in public procurement. According to a study by the Center for Citizens Communication the most common corruption scheme is favoring of companies due to political, party and personal relationships and the second is bribery.

Public sector employment is linked to government spending, affecting public services, integrity, policies and society. It has been noted repeatedly that politics strongly influence employment in state administration and the public sector. Fixed-term and temporary service contracts are often used with lower criteria, avoiding the Law on Administrative Servants. The legislation allows for longer term employment in the public sector through temporary service contracts, copyright agencies or agencies for temporary employment. This enables political party influence on employment, nepotism and other forms of corrupt behaviour.

There are vague regulations and institutional settings in the public system that become sources of corruption and the implementation of these regulations needs to be more effective. For example, the SCPC’s planned activities for the past two years have mainly remained unfulfilled, with an 80 per cent failure rate in 2021 and an anticipated 90 per cent failure rate in 2022. International reports highlight the need to strengthen and increase support for the SCPC to implement the national strategy for the prevention of corruption.

Anti-Corruption Legal Framework

The country has ratified all relevant anti-corruption conventions, including the United Nations Convention against Corruption (UNCAC), the Council of Europe’s criminal and civil law conventions on corruption, the United Nations Convention against Transnational Organized Crime and the Protocols.

Various legal acts formulate a domestic anti-corruption framework. The constitution, the highest legal act of the state, serves as the starting point, followed by legal regulations and ethical codes. Additionally, strategic and action documents prevent corruption and conflict of interest. These measures provide effective ways to tackle corruption and promote transparency. These acts define prohibited conduct, principles, guidelines and recommendations for transparency, legality and impartiality in official duties.
The Law on the Prevention of Corruption and Conflict of Interest\textsuperscript{57} is the most notable act that defines corruption and outlines measures to prevent it. The law addresses the prevention of conflicts of interest and corruption in the performance of public works by legal entities related to the realisation of public powers. The SCPC is an independent institution whose functioning is regulated by the Law for the Prevention of Corruption and Conflict of Interest and it is the institution responsible for the implementation of the law. The SCPC has seven members, with one serving as president. The commission is supported by the secretariat, led by the general secretary.

The Law on the Protection of Whistleblowers\textsuperscript{58} outlines the system and procedures for the whistleblower reporting. As one of the first such laws in the region, adopted in 2016, it covers the internal and external reporting of any reasonable suspicion or knowledge of criminal, illegal or impermissible conduct that endangers the public interest. Thus, after the adoption of the EU whistleblowing directive\textsuperscript{59} and some experience with implementation, the 2023 EC progress report on North Macedonia reiterates the need for the law to be aligned with the EU acquis. This includes providing for civil, criminal and administrative liability of an official who recommended or participated in retaliation and reversing the burden of proof.\textsuperscript{60}

The Law on Financing of Political Parties\textsuperscript{61} focuses on how financial means can be provided to political parties, how these should be spent, reported, controlled and be published. Meanwhile, the Law on Free Access to Public Information allows citizens to access information on the public financing of political parties.\textsuperscript{62} In June 2021, the new Law on Lobbying\textsuperscript{63} was enacted, which expanded the competencies of the SCPC. This includes keeping a register of lobbyists and lobbying organisations, and became operational in June 2022.\textsuperscript{64}

The 2021 – 2025 national strategy for prevention of corruption and conflict of interests\textsuperscript{65} is a detailed document created by SCPC and adopted by the Assembly that lays out the fundamental principles of a reform plan to eradicate corruption and outlines specific obligations that various institutions must fulfil. However, despite the fact that the strategy was adopted by the Assembly, the main problem is its implementation. Cooperation is one of the prerogatives for an effective fight against corruption. Therefore, in 2022, to establish better cooperation with other agencies, the SCPC initiated and signed memoranda of understanding with the Ministry of the Interior\textsuperscript{66} the State Audit Office and other institutions.\textsuperscript{67} A similar memorandum was signed in

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\textsuperscript{61} The Law on Financing of Political Parties Official Gazette of RM, No. 74/04, 86/08, 161/08, 96/09, 148/11, 142/12, 23/13 and 140/18) and Official Gazette of RM No. 294/20


\textsuperscript{66} The president of the SCPC, Biljana Ivanovska, and the minister of internal affairs, Oliver Spasovski, signed an agreement on cooperation and exchange of data in electronic form and a memorandum for the improvement of the whistleblower protection system as an effective tool in the fight against corruption: https://dksk.mk/mk/претседателката-на-дкск-билјана-иван/?hilite=внатрешни

February 2023 with the Public Prosecutor Office, with the Ministry of the Interior in 2022 and the State Audit Office and other institutions.

Anti-Corruption Work in the Country

The government has taken some notable steps to fight corruption, but more efforts are needed. The 2023 EC progress report concluded that: “The country is in between some and moderate level of preparation in the prevention and fight against corruption. No progress was made. Corruption remains prevalent in many areas and is an issue of concern.”

The progress made in anti-corruption has been constantly hindered by inefficient follow-ups on ongoing cases and a lack of integrity in the appointment of key figures in the judiciary. To demonstrate a genuine commitment to fighting corruption and ensuring accountability, the government must allocate adequate resources and grant independence to the SCPC and other institutions responsible for investigating corruption and organised crime.

*The solid blue line shows the selected country’s percentile rank on each of the six aggregate indicators. The grey-shaded region indicates the margin of error.

It is not uncommon for government officials to misuse their power for personal interest. Following the World Bank’s Worldwide Governance Indicators, the country’s percentile rank for Control of Corruption is 43.27. Control of corruption measures the extent to which public power is used for private gain, including petty and grand corruption and “capture” of the state by elites and private interests.

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69 The President of the SCPC, Ms. Biljana Ivanovska, and the Minister of Internal Affairs, Mr. Oliver Spasovski, signed an Agreement on cooperation and exchange of data in electronic form and a Memorandum for the improvement of the whistleblower protection system, as an effective tool in the fight against corruption: [Source](https://dksk.mk/mk/pretsetadatelkata-na-dksk-biljana-ivan/?hilite=внатрешни)


The SCPC has the legal authority to create the national strategy for preventing of corruption and conflict of interests. The strategy for 2020-2024 was developed in a consultative process with the private sector, civil society and the media. The national strategy was adopted by the Assembly and is a comprehensive document that outlines 12 main objectives, prioritises high-risk corruption issues and proposes solutions to overcome them. The strategy was updated for 2021-2025 and highlights the risk factors for corruption, especially in public procurement, institutional transparency, political influences, personal integrity, ethical behaviour, judiciary and inspectorates, and legislation. Among other things, the updated strategy aims to address the weaknesses and indeterminacy in legislation that have hampered the fight against corruption.73

The SCPC produces yearly reports on the progress of planned activities in strategy. The implementation of activities for 2022 10 per cent74, which is lesser than the implementation in 2021. The 2022 European Commission progress report emphasises that, to ensure the effectiveness of the national strategy, it is crucial to implement it at all levels of administration and not just limit it to the line ministries. The report also stresses that the strategy requires commitment and a sense of ownership from all involved institutions.75 The SCPC continued to fulfil its role in providing policy advice to public institutions proactively. It developed an integrity policy model, and promotes and monitors the institutions’ integrity and assess the effectiveness of policies and procedures that ensure the consistent application of integrity standards. The Law on the Prevention of Corruption and Conflict of Interest, among others, grants the SCPC with powers to verify the legality of political parties’ funding and take action if illegal financing is suspected.

Numerous international donors in the past few years have helped in the fight against corruption. The European Union constantly provides its support through special programmes, grants for civil society and through monitoring the corruption situation and providing recommendations for future improvements. From 2014 to 2020, the EU allocated €667 million, of which €22 million went to corruption related projects. USAID finances a variety of projects aimed at combating corruption. One of the most significant activities is that they help prepare the national anti-corruption strategy and other related projects in cooperation with institutions and civil society organisations. One of the key aspects in the fight against corruption is getting representatives through fair, democratic and credible elections that facilitate political participation and social integration, enabling voters to choose their representatives and hold them accountable. The International Foundation for Electoral Systems (IFES) continuously implements a project that aims to contribute to this, funded by USAID and the Swiss Agency for Development and Cooperation (SDC).

Through the 20 years of the State Commission for the Prevention of Corruption, and five anti-corruption strategies, the budget should have been presented in the general context, not specifically in the clear budget needs for its implementation. Many institutions in the Republic of North Macedonia have capacity issues – meaning they simply lack the human and technological capital/resources needed to operate effectively. Both the previous (2016)76 and latest (2023) NIS reports repeatedly mention inadequate budgets, leading to resource gaps, as a hindrance to the operation of key institutions in the integrity system.

To dig deeper into this issue, Transparency International Macedonia conducted a study based on already existing data provided in the NIS analysis and using additional publicly available data for the international technical assistance to show international funding may or may not have contributed to NIS progress (see Annex 1).

74 SCPC. Annual report on the implementation of the National Strategy for Prevention of Corruption and Conflict of Interests 2021- 2025, for the period: 01.01.2022-31.12.2022. Published in March 2023. p.9, https://dksk.mk/wp-content/uploads/2023/03/%D0%93%D0%BE%D0%B4%D0%B8%D1%88%D0%B5%D0%BD-%D0%B8%D0%B7%D0%B2%D0%BD%D1%88%D1%82%D0%B0%D1%98-%D0%94%D0%A1%D0%A1%D0%9A%D0%A1%D0%98_%D1%84%D0%B8%D0%B0%D0%BB%D0%BD%D0%BD%D0%B8.pdf
76 National Integrity System Assessment Macedonia, 2016 nis_eng.pdf (transparency.mk)
The NIS assessment and the results that show how the budget and international technical assistance have been used and how it is reflected in the integrity scores, and can be used to further develop Macedonian institutions and open the possibility for a more realistic, value-for-money approach in policy-making to build institutional integrity, which are prerequisites for anti-corruption and good governance.
1. LEGISLATURE

SUMMARY

OVERALL PILLAR SCORE: 60.42
CAPACITY SCORE: 81.25
GOVERNANCE SCORE: 62.5
ROLE SCORE: 37.5

Indicators scores: law and practice

The Assembly of North Macedonia is the country’s legislative body, composed of 120 MPs elected at general elections. Its work is supported by a professional civil service and is regulated by a specific law for the Assembly.77

The Assembly has sufficient financial resources. However, there is a lack of human resources, with almost half of the professional staff positions not being filled and a dependency on international donor programmes for building staff capacity.

The Assembly has a regularly updated website where the agenda for the Assembly and its committees’ sessions are regularly published, and transparency is further supported by the Assembly TV channel, which is broadcast on national TV. With regards to lobbying, there is no information recorded in the lobby register; this action still has to be implemented.

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As for MPs compliance with the integrity and ethical principles and regulations, there have been issues with their travel and accommodation allowances,78 undue influence on voting,79 not respecting the Assembly’s rules of procedure80 and others.

One of the biggest issues for the legislature is to ensure the separation of legislative and executive powers. This is evidenced by the fact that the executive proposes the majority of laws while the Assembly is ineffective in its oversight role.

There is also a lack of qualitative discussion on the implementation of anti-corruption laws and policies. Reviews of reports submitted by the State Commission for the Prevention of Corruption (SCPC) are often delayed. This late review of SCPC reports and a lack of implementation of its anti-corruption recommendations contributes significantly to the inefficiency in the implementation of anti-corruption laws.81 Further, the SCPC reported that only 10 per cent of the national anti-corruption strategy has been implemented.82

**CAPACITY**

**INDICATOR 1.1.1 RESOURCES (LAW)**

*To what extent are there provisions to provide the legislature with adequate financial, human and infrastructure resources to effectively carry out its duties?*

Score: 100/100

The law covering the Assembly83 provides it with legal grounds for adequate financial, human and infrastructure resources to effectively carry out its duties.

The Assembly is financed from the state budget. It can also be financed from other resources, such as international donors, including the Swiss Parliament Support Programme implemented by National Democratic Institute, the Center for Change Management and the Institute for Democracy Socitas Civilis Skopje.84 The Budgetary Council of the Assembly adopts a strategic plan with priorities for a period of five years that are reflected in the Assembly’s proposal for the annual budget. The council also determines the Assembly’s draft budget for the following year, and decides on the method for determining salaries of the professional service employees who perform auxiliary-technical work.85 Members of the professional service are entitled to additional compensation if the specific character of their work allows it.86 The budget proposal for the Assembly is prepared by the speaker (president of the Assembly) and the general secretary.87 The Assembly thus independently determines the resources for its work in accordance with its strategic priorities.

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82 SCPC, Annual report on the implementation of the National Strategy for Prevention of Corruption and Conflict of Interests 2021- 2025, for the period: 01.01.2022-31.12.2022, Published in March 2023. p.9, https://dksk.mk/wp-content/uploads/2023/03/%D0%93%D0%BE%D0%B4%D0%B8%D1%88%D0%B5%D0%BD-%D0%B8%D0%BD-%D0%B7%D0%B2%D0%B5%D1%88%D0%BD%D0%B1%D0%B8-%D0%BD%D0%A1%D0%9A%D0%A1%D0%98_%D1%84%D0%B8%D0%BD-%D0%B0%D0%BB%D0%B5%D0%BD.pdf
84 NDI Programme: https://www.sobranie.mk/programi-na-ndi-vo-sobranie-na-republika-makedonija.nsp
85 Law on Amending the Law on Assembly of RM, Official Gazette, number 174, 30.07.2021, Article 27
86 Law on Amending the Law on Assembly of RM, Official Gazette, number 14, 20.01.2020, Article 40-o
87 Law on Amending the Law on Assembly of RM, Official Gazette, number 174, 30.07.2021, Article 31-b
After changes to the law in 2021, the Assembly improved its financial independence. Specifically, it gained more independence in creating its own budget, increasing salaries and creating new positions.88

**INDICATOR 1.1.2 RESOURCES (PRACTICE)**

**To what extent does the legislature have adequate resources to carry out its duties in practice?**

Score: 75/100

The Assembly has sufficient financial resources for its operation with limited human resources. Capacity building activities are based on international donor programmes, and there is insufficient professional staff due to a lack of interest in being employed in the Assembly service, which is why almost half of the systematised (planned) positions are not filled.

The Assembly functions on the resources it receives from the regular budget, which comes from the state budget and resources from international donor support programmes. The parliament has its own parliamentary budget office.89

In the last five years, the amount from international support programmes providing resources for increasing human capacity and investment in equipment has increased significantly. However, there is still a lack of professional staff to fill systematised positions.

**Table 1.1 Budget allocation and human capacities in the Assembly 2019-2023**

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>International donor support programmes</th>
<th>Systematised positions</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>MKD 628,990,000 (€10,194,327)</td>
<td>MKD 54,990,000 (€891,247)</td>
<td>470</td>
<td>268</td>
</tr>
<tr>
<td>2022</td>
<td>MKD 572,800,000 (€9,283,630)</td>
<td>MKD 41,500,000 (€672,609)</td>
<td>470</td>
<td>252</td>
</tr>
<tr>
<td>2021</td>
<td>MKD 573,936,000 (€9,302,042)</td>
<td>MKD 61,336,000 (€994,100)</td>
<td>470</td>
<td>258</td>
</tr>
<tr>
<td>2020</td>
<td>MKD 475,821,000 (€7,711,847)</td>
<td>MKD 50,785,000 (€823,095)</td>
<td>442</td>
<td>255</td>
</tr>
<tr>
<td>2019</td>
<td>MKD 520,699,000 (€8,439,206)</td>
<td>MKD 7,500,000 (€121,556)</td>
<td>442</td>
<td>275</td>
</tr>
</tbody>
</table>

The Assembly ensures continuous education for the professional service based on a specifically tailored training programme.91 Annual training plans for the Assembly Office were carried out to strengthen the general competence of administrative officers.92

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89 Parliamentary Budget Office. https://pbk.sobranie.mk/pocetna/za-kancelarijata.nspx
90 Information received on 6 April 2023 through access to information request.
Programmes developed by international partners and donors contribute towards strengthening human resources. One of the biggest of these international projects is the Parliamentary Support Programme (PSP), a 10-year project that supports strengthening the independence of the Assembly through building consensus, structural reforms and strengthening the capacities of MPs and professional staff.

The deputy general secretary confirmed the importance of international donor support programmes for strengthening human resources and for providing essential equipment. However, he expressed concern about the future employment of professionals within the Assembly, since few people apply for open positions within the Assembly. In 2021, a department for human resource management was established which, in his view, should contribute to the professionalisation of the Assembly’s professional service.

**INDICATOR 1.1.3 INDEPENDENCE (LAW)**

*To what extent is the legislature independent and free from subordination to external actors by law?*

Score: 100/100

A comprehensive legal framework protects the independence of the Assembly from interference from external actors.

In accordance with the Constitution of Macedonia, the Assembly can only be dismissed if a majority of members of parliament (MPs) vote for it.

The Assembly controls its agenda. The professional service prepares the agenda for the plenary sessions ahead of time. Proposals for the Assembly’s agenda can be submitted by the government too. The Assembly also regulates the conduct of parliamentary sessions. In the Rulebook of the Assembly there is a section dedicated to the sessions held by the Assembly, including sessions outside the normal practice (Section V).

The Assembly elects its president and vice-presidents, out of the list of MPs. The Committee on Elections and Appointment Issues and at least 20 MPs can propose a candidate for president. The president is elected by a majority of votes. The Assembly also appoints its own technical staff. The internal organisation of the technical staff is regulated in the Law on Assembly.

The police require special permission to enter to the Assembly. Furthermore, MPs enjoy immunity throughout their mandate. An MP’s mandate can be dissolved or withdrawn only in the specific cases set out in the constitution, the law or the rulebook.
INDICATOR 1.1.4 INDEPENDENCE (PRACTICE)

To what extent is the legislature free from subordination to external actors in practice?

Score: 50/100

There have been cases of external influence on the Assembly, most recently in the form of pressure from the executive to adopt the so-called French Proposal related to EU accession. Furthermore, the majority of laws and ratifications are proposed by the executive rather than the legislature.

The 2022 EC progress report for Macedonia points out that political polarisation within the Assembly has delayed the adoption of many pieces of legislation and other processes. For example, a lack of political consensus delayed the important appointments of four new judges to the constitutional court, five deputy ombudspersons, two members of the Council of Public Prosecutors, members of the programme council of the public service broadcaster and the Council of the Agency for Audio and Audiovisual Media Services, and a member of the Commission for Protection and Prevention from Discrimination. Appointments to these positions by the Assembly must be based on merit and not on political grounds.103

In 2021, the Assembly adopted 194 laws (113 under the regular legislative procedure and 81 under shortened procedure) and 19 ratifications.104 The government proposed 172 laws and MPs only 17. In 2022, from 99 adopted laws, the government proposed 88. This demonstrates that the government plays a more proactive role in proposing new legal acts than the legislature.

Influence of the external factors are mainly related to implementation of international and bilateral agreements. One example was the approval of the European Commission new methodology for the EU accession process, known as the French Proposal.

The discussions and voting for the so-called French Proposal,105 which aims to start the screening process for acquiring EU membership, were tense. The opposition alleged a breach of the Rulebook of the Assembly,106 pointing to pressure on MPs from the executive to vote in favour of the proposal. The Assembly’s adoption of the proposal in July 2022 was accompanied by protests supported from the opposition and citizens.107

GOVERNANCE

INDICATOR 1.2.1 TRANSPARENCY (LAW)

To what extent are there provisions to ensure the public can obtain relevant and timely information on the activities and decision-making processes of the legislature?

Score: 75/100

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The Law on Assembly and the Rules of Procedure of the Assembly provide comprehensive provisions regarding the access of the media and the public to the work of the Assembly, although there are some exceptions to full transparency.

The rules of procedure (RoP) of the Assembly provides that the proceedings of the Assembly and other Assembly committees should be open to the public and to the media and that they also have access to the documents prepared by the Assembly. The Assembly has to provide information on its own and that of its working bodies and how they cooperate with international organisations.108 Citizens and the media need to be able to follow the sessions of the Assembly in accordance with the principles of the internal order of the Assembly.109 The media should receive information on what will be discussed at the sessions and the legal acts that will be reviewed; however, the Assembly has discretion to make some of the sessions closed to the public and the media.110 Also, there are no defined deadlines for the media to receive the materials regarding the planned sessions. There is no public access for citizens to the Assembly during the sessions. The sessions can be followed by the media with prior approval and via the Assembly TV channel.111

The Assembly has its own website on which it shares information on the work of the Assembly and its bodies.112 A special Assembly TV channel is available on the national TV service, MTV. The channel broadcasts the sessions held by the Assembly and its bodies and has an informative character on the work of the Assembly. Furthermore, the law requires verbatim records of floor sessions to be recorded and publicly available. All documents of each session are published and archived.113 With Parliamentary Support Programme support, there are ongoing efforts all committee sessions to be broadcasted live on the new website.

There is no legal obligation for the Assembly to produce and publicise reports; however its bodies must prepare reports that are submitted to the Assembly.114

MPs are obliged to make their asset disclosures publicly available immediately in accordance with the Law on Assembly and the Law on the Prevention of Corruption and Conflict of Interest.115 The State Commission for the Prevention of Corruption (SCPC) has legal authority to verify the asset declarations. However, the SCPC has no resources to verify each of the declarations.

INDICATOR 1.2.2 TRANSPARENCY (PRACTICE)

To what extent can the public obtain relevant and timely information on the activities and decision-making processes of the legislature in practice?

Score: 75/100

In practice, the public can readily obtain relevant information on the Assembly’s activities and decisions. However, small gaps exist with the lobbying register being available on the website but empty.

111 Assembly TV Channel: https://www.predavatel.com/mk/play_tv_mrt-sobraniski_live
113 Law on Assembly of Republic of Macedonia, Official Gazette, number 104 from 20.08.2009; Section IX; Law on Amending the Law on Assembly of RM, Official Gazette, 104/09 and 14/09, number 174, 30.07.2021
The Assembly has its own webpage which presents important information on the legal framework, internal acts of the Assembly, and information on the sessions and other activities of the Assembly. Annual reports, financial reports and other relevant information are also published, including voting records. There are different types of journals related to the work of the Assembly; however, these are not all updated regularly. The register of accredited lobbyists is not available on the parliamentary website but on the SCPC website. However, the register is empty and the practice of recording and entering this information still needs to be implemented.

With the support of the National Democratic Institute (NDI), a special e-Assembly section of the website has been developed. The bills and other documents reviewed by the Assembly are published, and there is information about their status from the related discussions in the bodies of the Assembly until they reach the plenary sessions.

Citizens are not allowed to attend plenary sessions; however, the sessions of the Assembly, its bodies and other events organised by the Assembly are broadcast on the Assembly TV channel. Accredited journalists can report on the work of the Assembly as well. The Assembly also has established a Parliamentary Institute to communicate with the public and make the Assembly more transparent. The Assembly has established offices for communication with citizens where MPs can meet citizens, present information on their work and exchange ideas. Citizens can also send requests for information in accordance with the Law on Access to Information of Public Character (freedom of information).

MPs’ asset declarations are mostly comprehensive and up-to-date, with 116 out of 120 available on the website of the SCPC. Not all declarations are verified in practice due to the lack of resources in the SCPC (see 10.1.2).

The professional service, with support from the NDI, is preparing a registry for organisations (including CSOs, chambers, unions, associations, etc) that want to participate in the work of the Assembly through debates and developing proposals within the committees and other working bodies (for example, the body for EU integration). According to the deputy general secretary of the Assembly, there is no exact date when this will be available, although he expressed the commitment of the Assembly to be as transparent as possible.

**INDICATOR 1.2.3 ACCOUNTABILITY (LAW)**

*To what extent are there provisions in place to ensure that the legislature has to report on and be answerable for its actions?*

Score: 50/100

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116 Legal acts: https://www.sobranie.mk/aktivnost-i-naslovni-materijali/akti
117 Rulebook on the Procedures of the Assembly: https://www.sobranie.mk/aktivnost-i-naslovni-materijali/akti
118 Annual reports: https://www.sobranie.mk/godishen-izveshtaj
119 Financial statements: https://www.sobranie.mk/zavrshni-smetki
120 Publications: https://www.sobranie.mk/publikacii
122 SCPC, Lobbyist Register https://lobisti.dksk.mk/all-lobbyists
123 Interview with the Deputy General Secretary of the Assembly, Mr. Bojan Vasilevski conducted on 31 March 2023
124 E-Assembly: https://www.sobranie.mk/aktivnost-i-naslovni-materijali/akti
125 Assembly TV channel: https://webtv.a1.mk/sobraniski
126 The Parliamentary Institute was established to provide research and analysis for members of parliament and perform functions related to education and communication, research library and legislative archive. The education and communication department organises tours of parliament for the public and prepares various education programmes and activities for children, and students on parliamentary democracy.
127 Parliamentary Institute of the Assembly: https://www.facebook.com/PIMakedonija
128 Map of the offices for contact with the citizens: https://www.sobranie.mk/kancelarii-za-kontakt-so-graganite-map
129 Assets declarations: http://www.dksk.org.mk/imoti_2/
130 Interview with the deputy general secretary of the Assembly, Mr. Bojan Vasilevski conducted on 31 March 2023
There are provisions regarding the accountability of the Assembly and the manner in which the body has to report and be answerable for its actions and finances. However, there is no precise legislation to hold the Assembly accountable for breaching the rules of the Assembly or for not performing sessions.

Laws enter into force with promulgation signed by both the president of the Assembly and the president of the country. The country president has the option not to sign the law and return it to the Assembly for review. If the law is once again adopted with a majority of votes within the Assembly, the president must sign the law. Furthermore, in accordance with the constitution, the constitutional court has the authority to repeal or invalidate a law if it is not in accordance with the constitution.

Citizens and legal persons can report on irregularities in the legislature or concerning individual MPs through the Law on the Protection of Whistleblowers, and also to report non-compliance of an MP with the Law on the Prevention of Corruption.

The Rules of Procedure of the Assembly ensures that the Assembly holds public consultations on laws. In some cases, the Assembly appoints a working body to organise the public consultation, but it is not a rule. There are no published criteria to determine which laws are of public interest and should be open to public consultation. However, there is a criteria of EU flagged laws that go in a fast-track Assembly procedure, without public consultation.

MPs enjoy immunity for the actions and decisions taken during their mandate, from the day of verification until the end of their mandate.

**INDICATOR 1.2.4 ACCOUNTABILITY (PRACTICE)**

*To what extent do the legislature and its members report on and answer for their actions in practice?*

Score: 50/100

While the Assembly reports on its actions in practice, the response to the events of 2017 regarding the storming of parliament has brought into question the extent to which MPs can be held accountable for breaches of the law.

The Assembly publishes annual reports on its activities, which are publicly available along with financial reports, audit reports and other documents that are relevant for the financing of the Assembly. Annual reports are quite extensive, containing information on the Assembly composition, work of the accompanying bodies, adoption of legal acts, international cooperation, etc.

The Assembly also holds regular plenary sessions and information on them are also publicly available. The Assembly publishes information about the agenda of its sessions, the legal acts that are discussed, minutes of

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131 Interview with the deputy general secretary of the Assembly, Mr. Bojan Vasilevski conducted on 31 March 2023
132 Constitution of Republic of Macedonia, Consolidated version: https://www.sobranie.mk/content/Odluki%20USTAV/UstavSRSRM.pdf, Article 112
136 Rules of procedures of the Assembly, Consolidated version, Article 53
137 Annual reports of the Assembly: https://www.sobranie.mk/godishen-izveshtaj.aspx
discussions, voting records, etc. The same is applicable for the sessions and work of the bodies within the Assembly.

In 2017, three MPs were taken into custody related to the investigation of the forcible entry into the Assembly that same year, although they had immunity. However, the ombudsperson found that, with this intervention, the MPs immunity and the principle of presumption of innocence had been breached.

The president of the criminal court, the judge Ivan Djolev, stated that the court had decided that the MPs should not be privileged and that they should be detained as the other defendants. The measure of detention was imposed on them only after all the procedures in the Assembly for removing their immunity were completed.

In accordance with the rulebook on procedures of the Assembly, the competent authority submits requests for the detention of an MP to the president of the Assembly. The president of the Assembly forwards the request to the commission for mandate-immunity questions, which reviews the request and submits report to the president of the Assembly.

**INDICATOR 1.2.5 INTEGRITY MECHANISMS (LAW)**

*To what extent are there mechanisms in place to ensure the integrity of members of the legislature?*

Score: 75/100

There are legal provisions to ensure the integrity of the legislature; however, there is a need for more precise regulations and sanctions for breaches of ethical principles.

The Assembly has its own ethical code. The code contains general provisions on the ethical principles that should be followed by MPs relating to conflicts of interest and the prevention of corruption. Additionally, the Law on the Prevention of Corruption and Conflict of Interest contains provisions for regulating asset declarations, conflict of interest, receiving of gifts, post-employment restrictions and prevention of corruption, and the SCPC is authorised to impose a fine for non-compliance. The SCPC has the authority to open a case if there is suspicion of a conflict of interest or corrupt behaviour. However, there is no independent body that oversees the ethical behaviour of the Assembly.

The SCPC developed a policy of integrity that should be followed and implemented by state bodies and institutions. This should contribute to the improvement of the political integrity in the Assembly as well.

MPs are obliged to fill out and publish asset declarations on the website of the SCPC. However, this obligation does not apply to technical staff of the Assembly.

In 2021, a new law on lobbying was adopted. The law regulates the conditions for acquiring the status of lobbyist, the registration and obligations of lobbyists, as well as the obligations of the lobbied persons and bodies.

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139 Assembly sessions: https://www.sobranie.mk/plenarni-sednici-parlament.nspx
140 Committee sessions: https://www.sobranie.mk/komisiski-sednici.nspx
141 Faktor. “Djolev claims that the detention of MPs is in accordance with the law” https://faktor.mk/dzolev-tvrdi-deka-priveduvanje-pratenici-e-soglasno-zakon, Accessed: 15 June 2023
142 Ibid
144 Ethical Code of the Assembly: https://www.sobranie.mk/content/Кодекс за етичко однесување на пратениците во Собранието на Република Македонија.pdf
INDICATOR 1.2.6 INTEGRITY MECHANISMS (PRACTICE)

To what extent is the integrity of legislators ensured in practice?

Score: 50/100

Overall, there is a piecemeal approach to ensuring the integrity of legislators. The following elements are still missing: accountability for not participating in sessions; wrongly declared travel expenses; assets not declared; the lack of reporting gifts and lobbyists.

The 2022 Group of States Against Corruption (GRECO) evaluation pointed out that the code of ethics of the Assembly is a solid base for strengthening the integrity and ethical behaviour of MPs but that there is a need to ensure greater clarity and consistency in implementation, thus awareness raising and training of MPs in this regard needs further development. Furthermore, GRECO reports that the Assembly is currently preparing a new draft code of ethics for MPs which cover more areas. GRECO has also recommended that sanctions are provided in the relevant laws for all infringements they contain and that appropriate enforcement action is taken in all cases of misconduct by MPs. It has been found that sanctions have not been applied for some infringements (e.g. engaging in lobbying when in office and one year after entitlement to public remuneration ceases). Thus sanctions do not systematically act as a deterrent. PSP supported the Assembly to improve rules and practices on ethics and integrity. Lawmakers and parliamentary staff were involved in several peer exchanges with the US Congress and the parliaments of Albania and Georgia on their ethics structures, which along with additional research into the best national and international practices in ethics, shaped the development of North Macedonia’s own code of ethics and a detailed manual for its implementation, as well as the development of a training curriculum on ethics and integrity. In February 2022, all documents were finalised and agreed among a relevant group of MPs. As a result of PSP’s technical assistance, the Assembly's draft ethical framework meets the vast majority of recommendations and requirements outlined by the Office for Democratic Institutions and Human Rights (ODIHR) and the Group of States against Corruption (GRECO). Unfortunately, the documents have not yet been adopted.

The remuneration that the MPs receive for travel costs is often a matter of public debate as it is seen as a misuse of public funds. Although many of the MPs that live outside of Skopje have a property in the capital, they still receive remuneration for travel costs for their attendance at Assembly sessions.

The Law on Lobbying came into force in June 2022, the register of lobbyists is public but does not contain any information. Therefore, its implementation in practice and whether the legislature complies with its provisions should be closely monitored.

The asset declarations of 116 out of 120 MPs are publicly available.

INDICATOR 1.2.7 GENDER REPRESENTATION

To what extent are women represented in the legislature?

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151 Statement given by representative of NDO on 20 October 2023
152 Kanal 5, Jana Josifovska, “The problem with MPs’ travel expenses is being brought up again”, https://kanal5.com.mk/povtorno-se-aktuelizira-proBLEMOT-so-pATNITe-tROSHOCI-na-pratenici/a569829, Accessed in April 2023
153 Asset declarations: http://www.dksk.org.mk/imoti_2/
There is a solid gender representation in the Assembly with around 40 per cent of current MP’s being women. The law provides the number of female candidates at the voting ballots; however, the number of the female MPs is dependent on the votes. In practice, there have been cases of a female vice speaker of the Assembly and current general secretary is a woman.

Score: 75/100

The electoral code requires women to have a fair opportunity to be represented in the legislature. In the 2020 parliamentarian elections, a total of 12 political parties and 3 coalitions fielded 1,598 candidates on 78 lists. These included 675 women candidates (42 per cent), and women headed 19 of 78 lists. This is in line with the legal provision of the electoral code which requires that there is at least one candidate of each gender in every third place on the list, with an additional candidate of the lesser represented gender in every 10 (40 per cent of the candidates should be women).

In the current composition of the Assembly, 47 of the 120 representatives are women or around 40 per cent. The president and vice-presidents of the Assembly are men, while the general secretary is a woman. An analysis developed by the OSCE found continuous improvement of women’s representation in the Assembly in the past 20 years.

A group of women parliamentarians was established in 2003 to promote the active participation of women in the decision-making process and in society in general. The Assembly also has a Committee on Equal Opportunities for Women and Men. This committee developed a draft proposal in 2020-2021 for enhancing the gender sensitivity of the Assembly.

ROLE

INDICATOR 1.3.1 EXECUTIVE OVERSIGHT

To what extent does the legislature provide effective oversight of the executive?

Score: 25/100

Although there are legal mechanisms for oversight of the executive by the legislature, there is no effective oversight in practice as the impeachment mechanism is rarely used and has not proven its effectiveness as a controlling mechanism. There are no special committees with a closer oversight function. Also there is a lack of qualitative debate of issues that are of great importance to the accountability of the executive and of MPs.

The constitution, the Law on the Assembly, the Law on the Government and the Rules of Procedure of the Assembly contain legal provisions which establish the legal framework that should ensure effective oversight of the executive. The Assembly elects the government and carries out political monitoring and supervision of the executive.

154 Electoral Code, Official Gazette of RM, number 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19 and Official Gazette of RM, number 98/19, 42/20, 74/21 w 215/21, Article 64, Paragraph 5

155 OIHR. Final Report on the Early Parliamentarian Elections held on 15 July 2020, page 2

156 OSCE. Gender equality is important!, page 35: https://www.osce.org/files/f/documents/d/3/500995.pdf

157 Club of Women MPs: https://www.sobranie.mk/detali-na-klub.nspx?groupId=c547f202-efee-4bd8-a01b-46e04c3849e0

158 According to Article 49 paragraph 1 of the Rule Book, the search after interpellation lasts one working day, until the list of registered MPs is exhausted, and is decided by 24:00 at the latest
government. It can initiate a no-confidence procedure in the government and interpellation of any of its members.

There have been no successful interpellations of officials by the executive. In 2018, there was an interpellation of the prime minister, Zoran Zaev, and the whole government. In 2021 there was an interpellation of the Vice Prime Minister Nikola Dimitrov. In June 2022, there was a proposal for the interpellation of the speaker of the Assembly, Talat Xaferi. Sessions for parliamentary questions are held every last Thursday in the month when MPs can pose questions to the members of the government or any other holder of public office. However, the 2022 EU progress report states that parliamentary questions to ministers are not conducted regularly enough and responses need to be more comprehensive.

Since the government is composed of the parties that have the majority of MPs in the Assembly, and the prime minister is appointed by the majority in the parliament, it is difficult to establish effective and independent oversight.

There is no information on setup committees for inquiries or other special committees. According to the Inter-Parliamentary Union (IPU) there were no parliamentary inquiries in 2021 (the last year for which data is available). There were seven sessions of parliamentary questions in 2021. Such sessions were halted prior to the October 2021 local elections and resumed only in April 2022, more than three months after the new government took office. In 2020, in cooperation with the European Parliament, the Assembly started the Jean Monnet Dialogue, a technical assistance project to establish intra-assembly dialogue to solve the issue where dialogue takes place more in closed rounds between political party leaders outside of the parliament than in the parliament. However, there is a need to implement the proposals for internal reform without further delay, such as the adoption of a new rulebook of procedures for the Assembly agreed upon during the third round of this dialogue.

The Assembly is involved in debating all the stages of the adoption of the state budget in the Assembly. However, there are no debates on public contracting, which is an important gap. For example, the Assembly did not discuss the case of the direct award to Bechtel & Enka for the contract to build the corridor 8 motorway.

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159 Constitution of Republic of Macedonia, Consolidated version, Article 68. 
https://www.sobranie.mk/content/Odluki%20USTAV/UstavSRSM.pdf

160 Constitution of Republic of Macedonia, Consolidated version, Head XII, Point 1 
https://www.sobranie.mk/content/Odluki%20USTAV/UstavSRSM.pdf

161 Constitution of Republic of Macedonia, Consolidated version, Article 72 
https://www.sobranie.mk/content/Odluki%20USTAV/UstavSRSM.pdf

162 Maxfax: “On Wednesday the MPs will vote for trust of the Government”:

163 Express: “Interpellation of the vice-premier Nikola Dimitrov”:

164 Vladimir Kalinski, Slobodna Evropa: “Dhaferi stays on the function, the Assembly did not adopt the interpellation”:

165 Rules of procedures of the Assembly, Consolidated version, Head III, point 4: 

166 EC Progress report for Macedonia for 2022, p.9

167 Inter-Parliamentary Union, Republic of North Macedonia: Data on parliament’s oversight role and activities. 
https://data.ipu.org/node/17/1/law-making-oversight-budget/oversight?chamber_id=13391

168 EC Progress report for Macedonia for 2022, p.10

169 On 12 May 2021, an online meeting was held between the leadership of the Assembly of the Republic of North Macedonia, led by President Talat Xhaferi, and the lead members of the European Parliament, Ilhan Kyuchyuk (Renew, BG), Andreas Schieder (S&D, AT) and Marion Walsmann (EPP, DE). Both the European Parliament and the Assembly of the Republic of North Macedonia remain committed partners in this process, and all interlocutors underlined the importance of the Jean Monnet Dialogue in building confidence, strengthening democratic culture and enhancing parliamentary capacities.

170 Rules of Procedures of the Assembly, Consolidated version, Head III, point 4 and Head IX, Point 15: 

171 Ognen Cancarevjk, Telma TV: “The contract of Behtel & Enka is included with law amendments”:
The Law for the Prevention of Corruption and Conflict of Interest was adopted in 2019\footnote{Law on the Prevention of Corruption and Conflict of Interest. Закон за спречување на корупцијата и судирот на интереси.pdf (dksk.mk)} and, for the first time, the Assembly organised a transparent procedure to select the seven new SCPC commissioners, which could serve as a model for other agencies.\footnote{Republika: "Грковска в работна посета на ДКСК: Начинот на избор на членови на други институции", https://republika.mk/vesti/makedonija/Grkovska-vo-rabotna-poseta-na-DKSK-treba-da-bide-primer-za-izbor-i-na-chlenovi-na-drugi-institucii/, Accessed: 15 June 2023} As well as the SCPC commissioners, the Assembly elects and appoints the ombudsman, the general state auditor, the constitutional court judges and judicial council members. The Assembly has failed to debate responses to the state auditor’s reports and often has long delays before discussing reports from the SCPC, PPO and other bodies that report to the Assembly. A successful oversight hearing was held by the Committee on Political System and Relations among the communities in 2023 covering “The application of the legal provisions of the law on unregistered persons in the birth register”.\footnote{Statement given by representative of NDI on 20 October 2023}

**INDICATOR 1.3.2 LEGAL REFORMS**

*To what extent does the legislature prioritise anti-corruption and governance as a concern in the country?*

Score: 50/100

Anti-corruption is not high on the agenda of the Assembly. SCPC reports are not reviewed on time, neither are the State Audit Office (SAO) reports. In additional appointment of the main figures in the judiciary is also delayed and institutions are not functional.

The Assembly adopted the national strategy for prevention of corruption (2021-2025) and reviews the annual report submitted by the State Commission for the Prevention of Corruption (SCPC) and the SAO. However, there is a lack of qualitative discussion on the fight against corruption in the country, and the reports are only formally adopted with no in-depth assessment of the findings. In 2023, a new interparty group on anti-corruption was established with support from NDI. In total, 64 MPs expressed interest in participating in the new anti-corruption caucus.\footnote{Information provided by the Assembly about the adoption of the 2020 SCPC’s annual report in April 2022: https://www.sobranie.mk/detail-na-materijal.aspx?param=72e6ec55-7583-40c4-ae20-bc1a54bb501a}

The process of reviewing annual reports is often delayed. For example, the Assembly adopted the 2020 SCPC annual report in April 2022,\footnote{Statement given by representative of NDI on 20 October 2023} a delay of one year after its submission to the Assembly. The 2021 report is still pending while the new report for 2022 has already been submitted. Delays to the adoption of the reports is also causing delays to the adoption of necessary changes to the national strategy for prevention of corruption and conflict of interest 2021-2025, which has seen very limited (only 10 per cent) implementation to date.\footnote{Shared at the annual conferences to assess the implementation of the national strategy for prevention of corruption and conflict of interest 2021-2025, attended by representatives of TI Macedonia.}

**INTERACTIONS**

The Assembly’s relationship with the government is regulated by the constitution which provides the possibility for political control over the government. The government can propose items for the agenda of plenary sessions in the Assembly. The government’s cooperation is important for anti-corruption since the policies created in this area are adopted by the Assembly and are discussed by the Assembly’s working groups\footnote{Constitution of Republic of Macedonia: UstavSRSM.pdf (sobranie.mk)} and in sessions within the Assembly, while the government is the executive body that should implement these policies. The Assembly...
and the government should have more proactive role in the fight against corruption by having qualitative discussions on anti-corruption issues and timely reviews of documents and acts in this area.

To strengthen the oversight of the institutions, a memorandum with the SAO was signed. The purpose of this memorandum is to establish professionally sustainable and efficient cooperation and improve the efficiency and transparency of public finance oversight.\textsuperscript{180}

The political parties are represented within the Assembly by MPs. This relationship is regulated by law\textsuperscript{181} and their cooperation is of great importance in the preparation and adoption of effective anti-corruption policies.

The relationship between the Assembly and the SCPC is also regulated by law.\textsuperscript{182} The Assembly elects and appoints the members of the commission, adopts the national strategy for prevention of corruption and conflict of interest and reviews and adopts the annual reports prepared by the SCPC. Regular communication and the exchange of information is of huge importance for the adoption and implementation of anti-corruption policies at state level.

**PILLAR RECOMMENDATIONS**

- The Assembly should conduct debates on and scrutinise public expenditure through public contracting at least once a year.
- The Assembly should review and debate the findings and recommendations of the State Commission for the Prevention of Corruption, state auditor and other specialised agencies’ reports.
- The Assembly should establish deadlines for adopting the annual reports submitted by the institutions that are accountable to the Assembly, such as the SCPC, PPO, and SAO (for example, within three months of the submission of the report).
- The Assembly should implement all GRECO recommendations\textsuperscript{183} regarding integrity as well as the integrity policy developed by the SCPC, such as the adoption of new code of ethics for MPs and of related new guidelines.


\textsuperscript{181} Law for the Assembly, Official Gazette: https://www.sobranie.mk/zakon-za-sobranieto-na-rm.nsp


\textsuperscript{183} GRECO. 2022. Addendum to the Second Compliance Report: North Macedonia. GRECO (coe.int) pg.12 item 64: “Regarding MPs, a number of promising initiatives, such as the elaboration of the new code of ethics for MPs and of related new guidelines are underway. Overall, these represent a suitable framework for promoting the integrity and guiding the ethical behaviour of MPs e.g. with respect to conflicts of interest, engagement with lobbyists, gifts, etc. However, both documents would need further refinement and streamlining so as to render them more user-friendly, eliminate redundant content, ensure greater clarity and coherence and more clearly separate applicable rules from explanations and examples. Moreover, compliance and counselling mechanisms are yet to be designated. As concerns, the Assembly’s Committee on Procedure and Mandate-Immunity Issues, responsible for the implementation of the currently effective code, it does not appear to have carried out any of its related functions yet.”
2. EXECUTIVE

SUMMARY

OVERALL PILLAR SCORE: 69.2
CAPACITY SCORE: 91
GOVERNANCE SCORE: 66.7
ROLE SCORE: 50

Indicators scores: law and practice

The government is composed of the president, four deputy presidents\(^{184}\) and 16 ministers.\(^{185}\) The current government of the Republic of North Macedonia (GRNM) was voted into the Assembly on 16 January 2022. The new ruling coalition is composed of SDSM (Social Democratic Union of Macedonia) together with coalition partners from smaller parties: DUI (Democratic Union for Integration), Alternativa and DPA (Democratic Party of Albanians).\(^{186}\) There were changes in 2023, according to which the current composition includes representatives of SDSM, DUI, AA (Alliance for Albanians, LDP (Liberal Democratic Party).\(^{187}\)

\(^{184}\) First deputy prime minister and minister for political system and inter-community relations, deputy prime minister in charge of economic issues, coordination of economic departments and investments, deputy prime minister for european affairs, deputy prime minister in charge of policies for good governance, https://vlada.mk/sostav-na-vladata

\(^{185}\) Composition of the government: https://vlada.mk/sostav-na-vladata


The president establishes an office to assist in exercising the rights and duties stated in the constitution, the law and the rules of procedure. The general secretariat is the government’s expert service. The government also has two secretariats to provide professional support and coordinate the work of the state administration and other bodies and institutions. These are the Secretariat for European Affairs and the Secretariat for Legislation. The General and Common Affairs Service performs duties of general affairs and services for the president, the government, the ministries and other bodies, secretariats and other professional services of the government and constitutional court of RNM. In addition to ministries, there are organs of state administration according to the Law on Organisation and Operation of State Administration Bodies (LOOSAB) that are independent organs of the state administration and other government bodies, as well as three administrative organisations.

The government determines the economic and development policy of the state, determines measures for its implementation and proposes measures to the Assembly for the implementation of the policy that are within its competence; it determines the policy of execution of laws and other regulations of the Assembly, monitors their execution and performs other tasks established by law. Within the framework of their rights and duties determined by the constitution and by law, the government and each of its members are accountable to the Assembly for their work.

The government of RNM has sufficient capacity to carry out its responsibilities, there is a good legal framework that regulates responsibility and transparency in its operations, but still more transparency is needed in the decisions it makes, as well as in carrying out its responsibilities. In particular, there should be a more transparent way of choosing government functionaries chosen.

At the same time, in practice there are no examples of specific political responsibility of a holder of a public function, for example, a voted interpellation or distrust of the government, which is primarily due to the fact that, in the Assembly, the ruling majority decides. Hence, greater moral responsibility of functionaries (holders of a

188 Law on the Government of the Republic of Macedonia, Official Gazette of RM Article 11, no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19
189 Law on the Government of the Republic of Macedonia, Official Gazette of RM, Article 40- a and Article 39 no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and "Official Gazette of RM No. 98/19
190 Law on the Government of the Republic of Macedonia, Official Gazette of RM. Article 40b no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and "Official Gazette of RM No. 98/19
191 Law on the Government of the Republic of Macedonia, Official Gazette of RM. Article 40 no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and "Official Gazette of RM No. 98/19
193 Law on the Organisation and Operation of State Administration Bodies Official Gazette of RM Article 12, paragraph 1, no. 58/00, 44/02, 82/08, 167/10, 51/11 and Official Gazette of RM no. 96/19 and 110/19, Commission for relations with religious communities and religious groups; Youth and Sports Agency, Agency for Emigration and Agency for Food and Veterinary of the Republic of Macedonia.
194 Law on the Organization and Operation of State Administration Bodies Official Gazette of RM Article 5 paragraph 3 and 4, no. 58/00, 44/02, 82/08, 167/10, 51/11 and "Official Gazette of the Republic of Northern Macedonia" no. 96/19 and 110/19, bodies within the ministries (administration, bureau, service, inspectorate and captaincy). Also see: Organs in the composition of the Government of the Republic of North Macedonia, a total of 40, http://vlada.mk/organi-vo-sostav
195 Article 12, paragraph 2, of the Law on the Organization and Work of State Administration Bodies Official Gazette of RM no. 58/00, 44/02, 82/08, 167/10, 51/11 and Official Gazette of RM no. 96/19 and 110/19, State Archive of the Republic of Macedonia, State Office for Geodetic Works and State Office for Statistics.
196 Article 91 from the constitution, https://www.sobranie.mk/content/Odluki%20USTAV/UstavSRSM.pdf. The responsibilities of the government is also determined in Article 4 and Article 8 of the Law on the Government of the Republic of Macedonia Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19
197 Article 4 of the Law on the Government of the Republic of Macedonia, Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19
public function) is needed, along with greater interoperability between institutions in terms of cooperation and communication between authorities.

CAPACITY

INDICATOR 2.1.1 RESOURCES (PRACTICE)

To what extent does the executive have adequate resources to effectively carry out its duties?

Score: 100/100

The executive has appropriate human, technical and financial resources at its disposal to effectively carry out its duties.

A total of 3.96 per cent of the state budget was set aside for the government 2022. This is a significant increase in approved funds for 2022, with the approved budget being 2.5 times higher than the planned maximum amounts. This is the result of the expansion of the P1 measures for dealing with the COVID-19 crisis and other anti-crisis measures, which were not planned in the preparation of the budget, when the maximum amounts of expenditures were determined at a lower level, by about 50 per cent, compared to 2021.

There is no publicly available data on whether the technical capacities available to the government are sufficient or not for the execution of work, but it is evident from the budget that the government has sufficient funds. The general and common affairs service, Secretariat which performs general affairs and services for the president, the GRNM, the ministries and other bodies, secretariats and other professional services and the constitutional court, but from its final accounts, it is not clear for which institution certain funds were spent.

These secretariats and services had a total of 749 employees for 2022. However, the total number of the employees in the 16 ministries is 4,735, and there are 4,284 employees in the organs within the wider composition of the ministries, and 3,360 employees in the independent bodies of state administration.

The number of employees over the years analysed has changed much, which indicates that the bodies of executive power have sufficient human resources.


200 Final report for the performed audit of financial statements and compliance audit for 2021 on GRNM basic budget account (637), Skopje, May 2023, https://dzr.mk/sites/default/files/2023-06/Vlada_RSM_KOMPLET_2022.pdf; The SAO audited the basic budget of the RSM for 2022, State Audit Office. 2023. Media release-Skopje. https://dzr.mk/mk/230721-dzr-izvrshi-revizija-na-osnoven-budet-na-rsm-za-2022-godina. The auditors point out that, taking into account the scope of competences, the size of the budget, the organisational structure, the staffing of the government, the placement of internal controls, as well as the obligation for continuous monitoring and control over the legal use of the allocated funds based on government programmes, it is necessary for this way of “budgeting” to be re-examined, where with the planning, the realisation of these funds is mostly carried out through the government department and to allocate funds in the budgets of individual institutions according to the legal competences that each exercise separately. From the analysis of the structure of capital expenditures, we found that the biggest increase is in Investments and non-financial assets with over 47 per cent, which are mostly realised through the government sub-programme P1.


Table 2.1: Number of employees\textsuperscript{205}

<table>
<thead>
<tr>
<th>Number of employees in the government, government secretariats and services</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>employees in the ministries</td>
<td>849</td>
<td>828</td>
<td>808</td>
<td>749</td>
</tr>
<tr>
<td>employees in organs in the composition of government</td>
<td>6,266</td>
<td>6,010</td>
<td>5,037</td>
<td>4,735</td>
</tr>
<tr>
<td>employees in the independent bodies of state administration</td>
<td>4,386</td>
<td>4,309</td>
<td>4,523</td>
<td>4,284</td>
</tr>
<tr>
<td>employees in the ministries</td>
<td>3,468</td>
<td>3,306</td>
<td>3,479</td>
<td>3,360</td>
</tr>
</tbody>
</table>

Table 2.2: Budget and number of employees in the government of the RNM \textsuperscript{206}

<table>
<thead>
<tr>
<th>Budget</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>MKD 1,974,768,000</td>
<td>€32,110,049</td>
<td>MKD 6,055,317,000</td>
<td>€98,460,439</td>
<td>MKD 18,473,371,000</td>
</tr>
</tbody>
</table>

Table 2.3: Budget and number of employees in the General and Common Affairs Service\textsuperscript{207}

<table>
<thead>
<tr>
<th>Budget</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>MKD 909,136,000</td>
<td>€1,478,260</td>
<td>MKD 887,124,000</td>
<td>€14,378,022</td>
<td>MKD 1,459,166,000</td>
</tr>
</tbody>
</table>


## Table 2.4: Budget and number of employees in the Legislative Secretariat

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>MKD 14,823,000</td>
<td>€240,243</td>
</tr>
<tr>
<td>2019</td>
<td>MKD 16,639,000</td>
<td>€269,675</td>
</tr>
<tr>
<td>2020</td>
<td>MKD 16,374,000</td>
<td>€265,381</td>
</tr>
<tr>
<td>2021</td>
<td>MKD 19,251,000</td>
<td>€312,009</td>
</tr>
<tr>
<td>2022</td>
<td>MKD 22,532,000</td>
<td>€365,186</td>
</tr>
</tbody>
</table>

## INDICATOR 2.1.2 INDEPENDENCE (LAW)

To what extent is the executive independent by law?

**Score: 100/100**

There are comprehensive laws to ensure the independence of the executive. There are no provisions which restrict the independence of the executive in its decision-making and allow encroachment of other branches of government.

The government is independent in its operations from other branches of government and is subject only to parliamentary control from the Assembly and judicial control for the legality of the acts it passes. While the president enjoys immunity, parliament decides on this immunity. The function of the prime minister and minister is incompatible with performing other public functions or professions. The organisation and way of working of the government is regulated by law.

The president represents the republic, determines the mandate for the composition of the government and is the supreme commander of the armed forces of Macedonia. The presidential powers are exercised based on and within the framework of the constitution and laws, but does not interfere in the work of the government.

The government performs its tasks independently within the framework of the constitution, laws, and ratified international agreements, and based on the principles of transparency, efficiency and protection of human rights and freedoms. The ministers independently manage their ministry, monitor it and are responsible for the implementation of laws and other regulations. The bodies of the state administration perform their tasks...

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211 Article 79 of the Constitution of the Republic of Macedonia, https://www.slvesnik.com.mk/content/Ustav%20na%20RM%20-%20makedonski%20-%20FINALEN%202011.pdf. Pursuant to Article 84, the president of the Republic of Macedonia: determines the mandate for the composition of the government; appoints and dismisses by decree the ambassadors and deputies; receives the credentials and letters of revocation of foreign diplomatic representatives; proposes two judges to the constitutional court; proposes two members to the judicial council; appoints three members to the security council; appoints and dismisses other holders of state and public functions determined by the constitution and by law; awards decorations and recognitions in accordance with the law; grants pardons in accordance with the law; and performs other functions determined by the constitution.

212 Article 2 of the Law on the Government of the Republic of Macedonia, Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19.

213 Article 13 of the Law on the Government of the Republic of Macedonia, Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19.
independently based on and within the framework of the constitution and laws and are responsible to the government.\textsuperscript{214}

According to the constitution, parliament exercises political control and supervision over the government.\textsuperscript{215} Political control is achieved through several mechanisms, such as parliamentary questions, interpellation, vote of no confidence in the government and other mechanisms.\textsuperscript{216} The government and each of its members are accountable to the parliament,\textsuperscript{217} and the government relates to the Assembly and the president within the framework of the rights and duties determined by the constitution and laws.\textsuperscript{218}

There are no provisions that limit the independence of the executive power in its decision-making and allow intrusion into other branches of the government, but still there are control mechanisms for the legality of its operation.

**INDICATOR 2.1.3 INDEPENDENCE (PRACTICE)**

*To what extent is the executive independent in practice?*

Score: 75/100

The executive operates mostly freely from any interference by other actors. There are no examples of other actors (for example, the legislature) unduly interfering with the activities and decisions of the executive. However, the executive is a coalition influenced by party politics.

The government is independent and has no influence from other authorities; for example, from the holders of legislative or judicial power, except for their powers to perform a control function over its operation in terms of the legal performance of its powers. Namely, parliament performs political control, and the courts control the legality of the decisions and the legal actions of the officials/ functionaries and employees.

However, in practice, it can be said that there is influence from political parties.\textsuperscript{219} For example, in the past three years, the government had to reorganise as new, smaller coalition partners stepped in. The changes in political composition of the government led to changes of ministers. For example, the ministers for informatic society and administration,\textsuperscript{220} and the minister of justice have been changed three times.\textsuperscript{221} There was also change in the cabinet at the Ministry of Health, Ministry of Education and others. Until one year ago, there was a cabinet in the vice prime minister for anti-corruption,\textsuperscript{222} while from February 2023, there is now a deputy prime minister in charge

\textsuperscript{218} Article 25 and Article 26 of the Law on the Government of the Republic of Macedonia, Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19
\textsuperscript{219} The law was delayed for years and was not adopted because political parties refused to support a law that would "tie their hands" in the selection and appointment of high-ranking officials. See: https://meta.mk/vladata-vo-akcija-za-legaliziranje-na-partiskite-imenuvanja-preku-skandalozni-zakon-za-direktori-i-struchni-rakovoditel/
\textsuperscript{220} Sitel, “Zaev’s coalition partners are dissatisfied with the agreement for new ministers without a portfolio and revision of court rulings”, Koalicijonsite partneri na Zaev nezadovoljni od dogovor za novi ministri bez resor i revizija na sudski presudi | Сител Телевизија (sitel.com.mk), Accessed in October 2023
\textsuperscript{221} Prof Tupancevski become minister of justice in January 2022, Профesorот Тупанчевски предложен за нов министер за правда - Академик (akademik.mk) Krenar Lega become minister in February 2023 И официјално, Кренар Лога е кандидат за нов министер за правда, а Фатмир Меџити за здравство (a1on.mk), Accessed in October 2023
\textsuperscript{222} Government of RM website, Info section for the members of the Government: Љубчо Николовски | Влада на Република Северна Македонија (vlada.mk)
of good governance policies.\textsuperscript{223} These frequent changes in the cabinets bring changes to government policy priorities due to political party interests. This can also be seen in the legislative procedure, if we take into account the times when draft laws were withdrawn from parliamentary procedure, not only due to pressure from certain political parties but also due to pressure from the public\textsuperscript{224} during the submission of numerous amendments to draft laws,\textsuperscript{225} and during the implementation of political control mechanisms.

**GOVERNANCE**

**INDICATOR 2.2.1 TRANSPARENCY (LAW)**

*To what extent are there regulations in place to ensure transparency in relevant activities of the executive?*

Score: 75/100

Comprehensive regulations are in place to allow the public to obtain relevant information on the organisation and functioning of the executive, but not how it makes decisions.

The government is obliged to inform the public about its work and about the implementation of its annual work programme.\textsuperscript{226} In accordance with the rules of procedure, the president informs the public and gives details on the realisation of the annual programme. The government informs the public by: issuing announcements and bulletins about the most important issues from government sessions and about its the views and conclusions; organising conferences for the media. Decrees, decisions and government instructions have to be published in the Official Gazette of the Republic of Macedonia.\textsuperscript{227}

The Law on Free Access to Public Information requires information holders (including the government and state administration bodies) to publicly disclose a wide range of information. This includes details on their competencies, contact information, responsible persons, organisational documents, strategic plans, financial reports, service offerings, procurement documentation, programme proposals, and various other information relevant to their work and responsibilities. Citizens can use the Law on Free Access to Public Information to get relevant information on government activities.\textsuperscript{228}

There was a government transparency strategy (2019-2021),\textsuperscript{229} but on 1 August 2023 the government published a draft transparency strategy with an action plan for 2023-2026,\textsuperscript{230} an open data strategy (2018-2020)\textsuperscript{231} and a

\textsuperscript{223} Government of RM website, Info section for the members of the Government: Slavica Grkovska | Влада на Република Северна Македонија (vlada.mk)
\textsuperscript{224} Lider, under public pressure: The draft law on textbooks was withdrawn from parliamentary procedure, https://lider.mk/pod-pritisokot-na-javnost-povlechen-predlog-zakonot-za-uchebnici-od-soobrana-procedura/; Accessed in October 2023
\textsuperscript{225} Meta, More than 40 amendments have been submitted for the proposed law on public prosecution, https://meta.mk/podneseni-nad-40-amandmani-za-predlog-zakonot-za-%D1%98avno-obvinitelstvo/; Accessed in October 2023
\textsuperscript{226} Law on the Government of the Republic of Macedonia, Article 7, Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 138/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19.
\textsuperscript{227} Article 120 to Article 124, Rules of Procedure of the Government of the Republic of North Macedonia, Official Gazette of RM no. 38/01, 98/02, 9/03, 47/03, 64/03, 67/03, 51/06, 5/07, 15/07, 26/07, 30/07, 58/07, 105/07, 116/07, 129/07, 157/07, 29/08, 51/08, 86/08, 114/08, 42/09, 62/09, 141/09, 162/09, 40/10, 83/10, 166/10, 172/10, 95/11, 151/11, 170/11, 67/13, 145/14, 62/15, 41/16, 153/16 and 113/17 and Official Gazette of RM no. 228/19, 72/20, 215/20, 309/20, 41/21, 56/21 and 70/22.
\textsuperscript{228} Law on Free Access to Public Information, Official Gazette of RM No. 101/2019.
\textsuperscript{229} Article 120 to Article 124, Rules of Procedure of the Government of the Republic of North Macedonia, Official Gazette of RM no. 38/01, 98/02, 9/03, 47/03, 64/03, 67/03, 51/06, 5/07, 15/07, 26/07, 30/07, 58/07, 105/07, 116/07, 129/07, 157/07, 29/08, 51/08, 86/08, 114/08, 42/09, 62/09, 141/09, 162/09, 40/10, 83/10, 166/10, 172/10, 95/11, 151/11, 170/11, 67/13, 145/14, 62/15, 41/16, 153/16 and 113/17 and Official Gazette of RM no. 228/19, 72/20, 215/20, 309/20, 41/21, 56/21 and 70/22.
\textsuperscript{230} Law on Free Access to Public Information, Official Gazette of RM No. 101/2019.
national partnership action plan for open government 2021-2023.\textsuperscript{232} There is also an open data portal and a special open government tab on the government’s website. The transparency of the institutions is also included in the national strategy for the prevention of corruption and conflict of interest 2021-2025\textsuperscript{233} and draft text of the strategy for public administration reform 2023-2030.\textsuperscript{234}

The state budget is public information and should be publicly published on the government’s website\textsuperscript{235} and on the Ministry of Finance website. Pursuant to the Law on Budgets,\textsuperscript{236} the Assembly adopts the state budget for the following year, and after its adoption, the Ministry of Finance publishes it on its website with all accompanying documents.

The Ministry of Finance also publishes: a monthly report on the execution of the state budget; quarterly report on the execution of municipal budgets; consolidated quarterly report on the execution of the state and municipal budgets. The minister of finance submits reports to the government on the execution of the budget, and the government is obliged to submit the report to the fiscal council and parliament. The final account of the budget is published in the Official Gazette of the Republic of North Macedonia, and the financial report on the execution of the budget on the website of the Ministry of Finance within one month of its adoption at the latest.\textsuperscript{237}

The Law on Prevention of Corruption and Conflict of Interests regulates that the assets of officials in the executive should be disclosed.\textsuperscript{238} The public disclosure is carried out by the SCPC.\textsuperscript{239}

**INDICATOR 2.2.2 TRANSPARENCY (PRACTICE)**

To what extent is there transparency in relevant activities of the executive in practice?

**Score: 50/100**

*The public is able to readily obtain relevant information on the organisation and functioning of the executive, but not for how decisions of government are made. The government proactively disseminates key information on its activities to the entire citizenry and particularly to those groups, which are most affected by the respective activities.*


\textsuperscript{235} Article 10 of the Law on Free Access to Public Information, Official Gazette of RM no. 101/2019

\textsuperscript{236} Article 37 of the Law on Budgets, Official Gazette of RM No. 203/2022

\textsuperscript{237} Article 91, Article 92 and Article 94 of the Law on Budgets, Official Gazette of RM No. 203/2022

\textsuperscript{238} Article 82 Law on the Prevention of Corruption and Conflict of Interest, Official Gazette: 12/2019

(1) An elected or appointed person, a responsible person in a public enterprise, a public institution or another legal entity that has state capital, a notary, an executor, an administrative servant of category A established by law or a person employed in the offices of the president of the Republic of Macedonia, the president of the Assembly, the vice-presidents of the Assembly, the president of the government, the deputies of the president of the government, the ministers and the general secretary, for the purpose of performing the tasks of a special adviser during the election, submits a statement of property status and interests no later than within 30 days from the day of the election.

\textsuperscript{239} Article 87 Law on the Prevention of Corruption and Conflict of Interest, Official Gazette: 12/2019

(1) The data from the statement of property status and interests and the application for change in property status and interests represent information of a public nature, except for data protected by law.

(2) The data from the statement of property status and interests and reports on changes in property status and interests, submitted to the state commission, except for data protected by law, are published on the website of the state commission.
The government publishes data on its activities on its website (https://vlada.mk/otvorena-vlada)\(^{240}\). Minutes of government sessions are published there,\(^{241}\) and there is a tool for accounting for the expenses of holders of a public function,\(^{242}\) the salaries of the president of the government, the deputy presidents and the ministers.\(^{243}\) Survey sheets are also published,\(^{244}\) along with the state budget,\(^{245}\) and other information in accordance with the Law on Free Access to Public Information. The government website is in both Macedonian and Albanian languages.

The government submits an annual report on requests for free access to public information to the Agency for Free Access to Public Information. According to data from this 2022 annual report, the government received 58 requests, of which it responded positively to 57 requests, and only one request was rejected. There were only five appeals filed against first-instance decisions. Three appeals were accepted by the Agency for Free Access.\(^{246}\)

The government has published data for two years of government (2017-2019)\(^{247}\) but has not published an annual report on its operations; it has published the 2022-2024 work programme,\(^{248}\) and the programmes for 2018 to 2022 have also been published\(^{249}\), but there are no reports on what has been achieved. While the report on the implementation of the annual work plan of the general secretariat for 2021 has been published,\(^{250}\) not all reports prepared by the government and other bodies of the executive power have been published in one place.

The 2021 ENER (National Electronic Regulations Registry) monitoring annual report notes that "ministries do not publish more than half of ENER draft laws. Although the ministries are obliged to publish on ENER all draft laws that are passed by regular or abbreviated procedure, they did not fully respect the rules of procedure of the government. Namely, in 2021, a total of 117 draft laws were submitted by the government to parliament for which there was an obligation to be submitted to ENER, and for only 48 of them (41.03\%) was published. Consequently, the public was denied the opportunity to be informed about the content of draft laws in more than 50\% of cases".\(^{251}\)
In 2020, the Council for Coordination and Monitoring of the Open Government Partnership process and the National Action Plan for Open Government Partnership 2018-2020 were established.\textsuperscript{252}

On the government website, as well as on other state administration bodies, the decisions they make are not published in one place, nor the decisions for or against when legal protection was requested; that is, how many of the decisions were contested, how the procedure was completed, and, for example, when a judicial decision goes against a government decision.

The government publishes a list of public information on its website, as well as annual reports on requests for free access to public information.\textsuperscript{253}

Since the rules of procedure of the government stipulate that basic and temporary, as well as a collegium of state secretaries are formed in the government, more transparent publication of information from the operation of these bodies is needed in the future.

**INDICATOR 2.2.3 ACCOUNTABILITY (LAW)**

To what extent are there provisions in place to ensure that members of the executive have to report and be answerable for their actions?

*Score: 75/100*

There are provisions to ensure that members of the executive have to report and be answerable for their actions. Regular reporting on relevant executive activities to other state bodies is required. However, the government does not have to submit an annual report on operations, but only a report on the implementation of the annual work plan of the general secretariat.

Ministries submit a report on the implementation of the annual work plan to the secretariat of the government\textsuperscript{254} in accordance with the obligation of the methodology for strategic planning and preparation of the annual work programme of the government of the RNM\textsuperscript{255} and the guidelines for the way ministries and other state administration bodies act in the process of monitoring, evaluating and reporting on such plans,\textsuperscript{256} and one is prepared by the general secretariat.\textsuperscript{257}

The constitution of the RNM regulates that the government and each of its members are accountable to the Assembly for their work. Parliament can have a vote of no confidence in the government.\textsuperscript{258} The constitution also provides that the Assembly conducts elections; appointments and dismissals of other holders of public and other functions; exercises political control and supervision of the government and over other holders of a public


\textsuperscript{253} Access to public information, https://vlada.mk/InfoJavenKarakter


\textsuperscript{255} Methodology for strategic planning and preparation of the annual work program of the government of the Republic of Macedonia, https://vlada.mk/sites/default/files/dokumenti/zakoni/Методологија за стратешко планирање и подготовка на ГПРВРМ.pdf

\textsuperscript{256} Guidelines for the way ministries and other state administration bodies act in the process of monitoring, evaluating and reporting on the implementation of the strategic plan and the annual work plan, https://vlada.mk/sites/default/files/dokumenti/zakoni/upatstvo_za_nacin_na_postapuvanje_na_ministerstvata_i_organite_vo_procesot_na_sl edenjeocenuvanje_i_izvestuvanje_za_sproveduvanje_na_strateski_plan_i_godisen_plan_zabaza.pdf


\textsuperscript{258} Article 92 of the Constitution, https://www.sobranie.mk/content/Odluki%20USTAV/Odluka%20za%20proglasuvanje%20na%20Ustavot%20na%20RM.pdf
function. The constitution and the Rules of Procedure of the Assembly establish the mechanisms for political control such as interpellation, parliamentary questions, votes of confidence, legislative procedure and other mechanisms. Since the government appears as the most frequent proposer of laws, it should publicly announce them, especially to ENER, such as the report on the assessment of the impact of the regulation, as well as draft laws, except laws that are adopted as a matter of urgency, where there is an absence of public debate.

The Law on the Government of the RNM provides that the government and each of its members are responsible for their work before the Assembly, and that the government supervises the work of the ministries and other state and administrative organisations.

According to the Law on the Organization and Operation of State Administration Bodies (LOOSAB), the director who manages the independent body of the state administration – the administrative organisation – is personally responsible to the government and the organisation they manage, as well as for the situation in the appropriate area within the competence established by law. The director of the body within the ministry is personally responsible for the work of the body before the government and the minister.

Regarding the control of the legality of the decisions in the Law on the Government, it is provided that the government can withhold the execution of a regulation adopted by a minister if it considers that it is not in accordance with the constitution, law and other regulation and proposes to the minister within a certain period to modify or withdraw the regulation.

The State Audit Office audits the government budget. The SCPC is empowered to conduct anti-corruption reviews of laws and regulations, act upon reports from individuals and legal entities about suspicions of corruption and conflict of interest, instigate initiatives before the competent authorities for determining the liability of officials, instigate initiatives before the competent authorities on the basis of reports from the State Audit Office, act in cases of conflict of interest, record and monitor the assets and interests, checks the data from the declarations of assets and interests, keeps a register of elected and appointed persons, and performs other activities as determined by law.

Every citizen has the right to engage in public functions and submit petitions to state authorities and other public services, with the expectation of receiving responses. According to the Law on the Government, directors of state administration bodies, administrative organisations, public enterprises, citizen associations, foundations and other legal entities can attend government sessions upon the president of the government’s invitation. They are invited to provide input, opinions and proposals on specific matters but do not have decision-making authority during these sessions. According to the LOOSAB, government entities are required to engage citizens in the legislative process by: i) publicly announcing details, content and deadlines for the development of laws and regulations; ii) hosting public forums; iii) seeking input and opinions from relevant citizen associations and legal entities. Also, a series of by-laws regulate this issue, such as: the rules of procedure of the government of RNM.

260 Article 4 of the Law on the Government of the Republic of Macedonia, Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19)
261 Article 30 of the Law on the Government of the Republic of Macedonia, Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19)
262 Article 50 of the Law on the Organization and Operation of State Administration Bodies Official Gazette of RM no. 58/00, 44/02, 82/08, 167/10, 51/11 and Official Gazette of RM No. 96/19 and 110/19
263 Article 29 and Article 30 of the Law on the Government Official Gazette of RM No. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19)
264 Article 22 of the State Audit Law Official Gazette of RM no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16 and 83/18 and Official Gazette of RM No. 122/21)
266 Article 22 of the Law on the Organization and Operation of State Administration Bodies. Official Gazette of RM no. 58/00, 44/02, 82/08, 167/10, 51/11 and Official Gazette of RM no. 96/19 and 110/19
the strategy of the government for cooperation with and development of the civil sector,\textsuperscript{269} the code of good practices for the participation of the civil sector in the policy-making process,\textsuperscript{270} the methodology for the assessment of the impact of the regulation,\textsuperscript{271} guidelines for the way ministries and other state administration bodies act in the process of monitor, evaluate and report on the implementation of the strategic plan and the annual work plan,\textsuperscript{272} and the rulebook for the organisation of public consultations when starting a legislative process.\textsuperscript{273}

**INDICATOR 2.2.4 ACCOUNTABILITY (PRACTICE)**

*To what extent is there effective oversight of executive activities in practice?*

**Score: 50/100**

Mechanisms for the responsibility of the executive branch are mostly applied, but not effectively, in that the public is not transparently informed about the effects of the application of certain control mechanisms, especially on court disputes by areas, acts and court decisions, as well as the execution of decisions.

The government regularly reports on its activities, in accordance with the legal regulations.\textsuperscript{274} Mechanisms for political control are rarely used by members of parliament; sessions are held on parliamentary questions, and questions of confidence are asked, although very rarely, but in practice, there are only a few examples of a vote for no confidence in the government, none of which were successful. Also, there has been no replacement of an official as a result of the application of some mechanism for political control. This is because the opposition has fewer votes than the ruling coalition, which has the parliamentary majority in the Assembly. Hence, a lot depends on the moral responsibility of officials.

Some of the government's decisions contain an explanation, although it is quite short and insufficient.\textsuperscript{275} The constitutional court decides on the compliance of other regulations and collective agreements with the constitution and laws.\textsuperscript{276}

The State Audit Office regularly submits its audit reports to the Assembly\textsuperscript{277} and they are published on the Assembly website.\textsuperscript{278} The government publishes the audit reports on the revision of the government on its website, but the last one published was in 2012.\textsuperscript{279}

It has not been noted if there has been any interference while the auditor general's office is completing the audit.


\textsuperscript{270} Code of good practices for the participation of the civil sector in the policy-making process, Official Gazette of RM. no: 99/2011 from 22.07.2011 https://rm.coe.int/16802eedd2

\textsuperscript{271} Methodology for assessing the impact of the regulation, Official Gazette of RM. No. 107/2013 of 30.07.2013

\textsuperscript{272} Guidelines for the way ministries and other state administration bodies act in the process of monitoring, evaluating and reporting on the implementation of the strategic plan and the annual work plan, https://vlada.mk/sites/default/files/dokumenti/zakoni/upatstvo_za_nacin_na_postapuvanje_na_ministerstvata_i_organite_vo_procesot_na_sl edenjocenuvanje_i_izvestuvanje_za_sproveduvanje_na_strateski_plan_i_godisen_plan_za_rabota.pdf


\textsuperscript{274} Media center, https://vlada.mk/media-center?page=1


\textsuperscript{276} Article 110 from the constitution, https://www.sobranie.mk/content/Odluki%20USTAV/ustavSRSM.pdf

\textsuperscript{277} Annual report on the performed audits and the work of the State Audit Office, https://www.sobranie.mk/detali-na-materijal.aspx?param=60bcbcf-4ebf-4805-9888-24eaa71e8781

\textsuperscript{278} Audit reports, https://vlada.mk/revizija

\textsuperscript{279} Audit reports, https://vlada.mk/revizija
The executive power is audited on an annual basis, but from different aspects and different bodies that are part of the executive power.280

In practice, the requests for public consultations are respected and, in particular, laws that are proposed for adoption are published on ENER, with the exception of laws that are adopted after an abbreviated procedure.281

In the 2021 annual report on the work of the public prosecutor's offices, an increased number of reports on crimes related to the abuse of an official position and authority is recorded, but according to the data published in this report, it is not possible to determine how many of those reports refer to public office holders.282 It also emphasises that the public prosecutor's office acts indiscriminately and does not succumb to political influences.283

The 2022 EC progress report states that the council for cooperation between government and civil society continues to be the main structural channel for consultation and involvement of civil society in political dialogue and decision-making. The report highlighted that the council faced challenges and that civil society representatives boycotted the activities from March 2022 due to the redistribution of the finances that were dedicated for the work of the CSOs.284

Additionally, standard state funding for the annual cooperation programme with civil society was not reinstated in the 2022 state budget supplement.285 Despite adopting the 2022-2024 strategy for enhancing civil society,286 which aims to improve the legal and financial support for civil society organisations, there is a need for an effective monitoring framework for strategy implementation. The report encourages local authorities to engage civil society organisations in decision-making processes.287

Civil organisations that are part of the council, as elected representatives of the civil sector, expressed dissatisfaction with the attitude of the government towards the council and towards civil society in general.288 The 2021 SIGMA report notes that North Macedonia has one of the highest rates of processing and enactment of laws in abbreviated or urgent procedures, which remains a major concern (60 per cent in 2020).289 It is also stated that monitoring and reporting on the government work is only partially regulated, and the implementation is weak. The government does not prepare regular reports on the implementation of major planning documents, such as government annual work plan (GAWP) and national programme for the adoption of the acquis (NPAA). There is no formal requirement for monitoring and reporting on the implementation of sector strategies. The quality of reports on sector strategies is poor. There is no legal requirement for reports on planning documents to be publicly available, and with the exception of the budget report, no other report is published.290

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280 Audit reports, https://dzr.mk/mk/revizorski-izvestai
282 The efficiency in the actions of the prosecutor's offices in the criminal acts in the field of corruption and its suppression and prevention is also observed in the proceedings conducted during 2021 for the criminal act, abuse of official position and authority from Article 353 of Chapter XXX, and criminal acts against official duty. It is evident the increase in the number of persons against whom proceedings were initiated in 2021, with a total of 1,728, in contrast to 2020, when there were 1,298 people prosecuted for this crime. In 2021, criminal charges were filed for these crimes against a total of 4,009 people, of which 1,728 people are newly registered and for 2,281 people who remained in work from the previous period. In 2021, the public prosecutor's offices filed charges against 263 people, and the courts passed verdicts against 207 people, and for 49 people, verdicts were passed on the basis of guilty pleas. https://jorm.gov.mk/wp-content/uploads/2022/08/izveshta%D1%98-finalen-2021-1.pdf, p.51
290 A medium-term government planning system was established, but it has gaps, particularly in the area of sector strategy development and monitoring, and the quality of the planning documents is still weak. Despite recent efforts of the GS, the preparatory process of the new
INDICATOR 2.2.5 INTEGRITY (LAW)

To what extent are there mechanisms in place to ensure the integrity of members of the executive?

Score: 100/100

There are comprehensive regulations to ensure the integrity of members of the executive. Examples are a code of conduct, rules regarding conflicts of interest, rules on gifts and hospitality and post-employment restrictions.

The mechanisms for integrity and the fight against corruption for the state administration are formally defined in the Law on the Prevention of Corruption and Conflict of Interest\(^{297}\) (LPCCI), and in the Law on the Protection of Whistleblowers (LPW),\(^{292}\) as well as in the Law on Administrative Servants\(^{293}\) (LAS), the code for administrative servants,\(^{294}\) the code of ethical conduct for members of the government and holders of public offices (function) appointed by the government\(^{295}\) in which there are also anti-corruption provisions,\(^{296}\) and in the criminal code.\(^{297}\)

One of the deputy prime ministers is in charge of good governance policies.\(^{298}\)

According to code of ethical conduct for members of the government and holders of public offices (function) appointed by the government, the holders of executive functions cannot receive gifts while performing their functions and duties, except in the cases limited in the amount and in the manner determined by the Law on the Use and Disposal of State-Owned and Municipal-Owned Items.\(^{299}\) on the basis of which a decree was adopted proscribing the criteria of giving and receiving gifts, the reporting of gifts, the method of evaluating gifts, the method of additional payment for a personal gift, as well as the use, storage and records of things that became state property by way of a gift\(^{300}\) and according to the provisions in the Law on the Prevention of Corruption and Conflict of Interest.\(^{301}\)
The code stipulates that the holders of executive functions perform the function as a basic and unique duty, in
that they must not perform any other activity that may affect the impartial exercise of their powers and duties and
must consistently comply with the provisions of the Law on the Prevention of Corruption and the Conflict of
Interests, which prohibits performing other activities, restricts activities during the performance of the office,
supervision and performing activities after the termination of the office.302

This code regulates the manner of conduct and work of the president of the government, ministers, deputy
ministers and other holders of executive functions appointed by the government to ensure respect for
constitutionality, legality, professional integrity, efficiency, loyalty, responsibility, transparency and the protection
of human rights and freedoms when performing their functions or duties within the framework of the constitution,
laws and ratified international agreements. The code determines that the holders of executive positions may not
use their position to gain personal benefit or the benefit of close persons, as well as the benefit of a political party
and another entity. This code contains a provision on avoiding conflict of public and private interests and for
receiving gifts.303

The Law on the Protection of Whistleblowers regulates protected reporting, that is disclosure, which, in
accordance with this law, conveys a reasonable suspicion or knowledge that a punishable, unethical or other
illegal or impermissible act has been committed, is being committed or is likely to be committed which injures or
threatens the public interest. This law regulates protection of whistleblowers, as well as the actions and duties of
institutions (legal entities reporting in the public and private sectors), for the purpose of protecting the public
interest and ensuring the protection of whistleblowers.304

The Law on Lobbying305 regulates the conditions for acquiring the status of a lobbyist and a lobby organisation,
the registration of lobbyists and lobby organisations, the obligations of lobbyists and lobby organisations and the
obligations of the persons and bodies that are lobbied, with the aim of transparency of the processes of
preparation, adoption and modification of public policies: programmes, laws, by-laws or other general acts.

INDICATOR 2.2.6 INTEGRITY (PRACTICE)

To what extent is the integrity of members of the executive ensured in practice?

Score: 50/100

In practice, there is a dearth of published information about the enforcement of integrity provisions for public
officials, with limited data available on only conflict-of-interest rules and whistleblower protection, but this
insufficiency in information regarding the consequences of violations and reports erodes public confidence in
governmental institutions.

The SCPC received the most reports in 2021 on corruption: 583306 and 44 related to the Law on Whistleblowers,
and received 9 reports from whistleblowers for external reporting.307

There is no data on disciplinary procedures for administrative servants conducted due to violation of provisions of
the code for administrative servants, no information on the responsibility of officials due to violation of provisions

302 See also Article 46-47 of the Law on Prevention of Corruption and Conflict of Interest
303 See Article 12 and Article 17 of the code of ethical conduct for members of the government and holders of public offices appointed by the
304 Article 1 and Article 2 of the Law on Protection of Whistleblowers. Official Gazette of RM no. 196/15 and 35/18 and Official Gazette of
RM no. 257/20)
305 Law on Lobbying, Official Gazette of RM no. 122/2021
and 45
in the code of ethical conduct for members of the government and holders of public offices, and there is no information on the completion of the procedure following a report by a whistleblower.

INDICATOR 2.2.7 GENDER REPRESENTATION

To what extent are women represented in the different levels of the executive (Cabinet and other presidential appointments or equivalent)?

Score: 75/100

Legal provisions exist and in practice are routinely followed. A strategy to promote equal participation of women is in place but only around one-third of the members of the executive are women.

The legal framework that guarantees gender equality in the RNM is regulated by the Law on Equal Opportunities for Women and Men,308 and gender equality is provided for in numerous other regulations such as the Law on Prevention and Protection from Discrimination, the Law on Labour Relations, the Law on Budgets, and national strategies for gender equality are adopted. In 2020, a new Law on Prevention and Protection from Discrimination was adopted.309

In 2022, according to the administrative servants from the government, out of a total of 272 employees, 168 (61.76 per cent) are women and 104 (38.24 per cent) are men.310 In ministries, there are 2,214 women and 2,521 men. The government prepares an annual report on the activities undertaken and the progress achieved for the establishment of equal opportunities for women and men in the general secretariat.311 However, in total, there are four women ministers, compared to 12 men who are ministers. In the government (2022), 19 per cent of ministers, 12 per cent of deputy ministers and 36 per cent of state secretaries are women.312 In 2023, this was 25 per cent of ministers, 31 per cent of deputy ministers, and 29 per cent of state secretaries were women. Women held 15 per cent of the executive positions in different government bodies and agencies. Women represented 56.29 per cent of all public service employees, according to the register of public sector employees.313

The department for equal opportunities was established in 2007 under the Ministry of Labor and Social Policy,314 and is responsible for initiating and implementing policies and activities related to gender equality and non-discrimination, as well as the implementation of the Law on Equal Opportunities for Women and Men and promoting gender equality at the central and local levels. The role of the department is to ensure a full approach of the government in providing better economic and social benefits for women. Coordinators and deputy coordinators for equal opportunities for women and men have been appointed in all ministries and municipalities.

308 The first National Strategy for Gender Equality 2013-2020 Official V. of RM. no: 27/2013 of 22.02.2013. In 2022, the Assembly adopted the second national strategy for gender equality 2022-2027, Official Gazette of the RSM no. 170/2020, which defines the strategic priorities of the state in terms of gender equality and the establishment of equal opportunities. It is significant to mention that for the first time this strategy defines a strategic goal and activities related to gender equality and climate change in particular, with notes related to the environment and pollution as well as help and support to women from rural areas, especially women farmers.

309 Law on Prevention and Protection from Discrimination, Official Gazette of RM No. 258/2020


313 Report on North Macedonia for 2022, https://translate.google.com/?sl=mk&tl=en&text=%D0%92%D0%BE%20%D0%92%D0%BD%D0%BD%D0%B8%D0%BB%D0%BC%D0%B5%D0%BD%D0%B8&op=translate

314 Government website: https://www.mtsp.gov.mk/WBStorage/Files/Sektor_za_Ednakvi_moznosti_MKD%5B1%5D.pdf
They are civil servants, with obligations and responsibilities prescribed by the Law on Equal Opportunities for Women and Men, and in the Assembly, a commission for equal opportunities for women and men was formed, consisting of MPs.\textsuperscript{315}

**ROLE**

**INDICATOR 2.3.1 PUBLIC SECTOR MANAGEMENT (LAW AND PRACTICE)**

*To what extent is the executive committed to and engaged in developing a well-governed public sector?*

**Score: 50/100**

The executive is somewhat active, but rather unsuccessful in developing a public sector which is governed by high levels of transparency, accountability, integrity and inclusiveness. This is due to the fact that in practice the control mechanisms are ineffective, and not all stakeholders are involved jointly in creating certain decisions.

According to the Law on Government\textsuperscript{316}, the president is responsible for leading and overseeing the government's work, collaborating with various authorities, public entities and institutions. They guide the actions of the government and its members based on programme objectives, sign government regulations and acts, and ensure their enforcement. The prime minister can establish an office for assistance and cooperate with commercial companies, citizen associations and other legal entities in the fulfilment of their constitutional and legal responsibilities.\textsuperscript{317} Also, according to this law, members of the government have the right and responsibility to actively engage in the government's activities. They can propose laws, regulations and acts within the government's authority, suggest decisions, and participate in various governmental functions based on government resolutions and established procedures.\textsuperscript{318}

Ministers have autonomous management of their respective ministries, ensuring the enforcement of laws and regulations. The Law on Government also allows directors of government bodies, representatives from public entities, citizen associations and other legal entities to attend government sessions at the invitation of the prime minister. They can participate in discussions, offer opinions and proposals but do not have decision-making authority in these sessions.\textsuperscript{319}

The government's interaction with the Assembly, as defined by the constitution and the law, involves the government providing its opinions on matters within its jurisdiction. Additionally, when the Assembly receives law proposals from other authorised sources, the government must deliver its opinion within 15 days of receiving these proposals.\textsuperscript{320}

The government's interaction with the president is based on constitutional and legal provisions. The government keeps the president informed about its activities and can also seek the president's input on specific matters related to their respective executive powers.

In order to monitor the goals set in the 2018-2022 public administration reform (PAR) strategy, as well as for the coordination of the overall PAR process, at the political level, a public administration reform council is being


\textsuperscript{316} Law on the Government of the Republic of Macedonia. Official Gazette of RM No. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19

\textsuperscript{317} Article 11 of the Law on the Government of the Republic of Macedonia. Official Gazette of RM No. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19

\textsuperscript{318} Article 12 of the Law on the Government of the Republic of Macedonia. Official Gazette of RM no. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19

\textsuperscript{319} Article 22 of the Law on the Government of the Republic of Macedonia. Official Gazette of RM No. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19

\textsuperscript{320} Article 25 of the Law on the Government of the Republic of Macedonia. Official Gazette of RM No. 59/00, 26/01, 13/03, 55/05, 37/06, 115/07, 19/08, 82/08, 10/10, 51/11, 15/13, 139/14, 196/15, 142/16, 140/18 and Official Gazette of RM No. 98/19
established, chaired by the president of the government and composed of deputy presidents, ministers and other managers from institutions - bearers and participants in the activities determined in the action plan of the strategy for PAR 2018-2022. This council is also foreseen in the strategy for PAR 2023-2030.

The government’s 2017-2020 work programme prioritised establishing a professional, efficient, accountable and transparent public administration that delivers high-quality services to citizens and businesses while safeguarding their rights. This would be achieved by emphasising fairness and expertise in staff selection, objectivity in promotions and rewards, and ensuring a non-partisan administration dedicated to addressing citizen and business issues while upholding legality and impartiality in its duties.

The prime minister presides over the council for public administration reform which has PAR secretariat for administrative support.

The Ministry of Informatic Society and Administration (MISA) is preparing a national plan for quality management in the public sector.

There is an agency for administration as a separate independent state body that takes care of publishing announcements for the employment of administrative officers, organising procedures for the selection of administrative officers, dealing with complaints and objections of administrative officers in the second degree, and other matters established by law.

An interoperability framework for Macedonian services was developed, which was adopted in 2016. The framework covers all levels of interoperability - technical, semantic, organisational and legal. Pursuant to the Law on Electronic Management, a functional interoperability platform was established in which 53 institutions currently have the opportunity to securely exchange data through developed web services.

There is no publicly available data that the executive provides incentives for the public sector to carry out its activities in a transparent, accountable and inclusive manner, for example, through transparency awards, financial incentives, monitoring systems/scorecards.

**INDICATOR 2.3.2 LEGAL SYSTEM**

**Score: 75/100**

While there are a number of reforms, initiated and promoted by the executive, to counter corruption and promote integrity, it is necessary to work on a more effective application of the legal solutions.

The Law on Prevention of Corruption and Conflict of Interest is a relatively new law passed in 2019. Since then, there have been no legal changes in this regulation. In 2021 on a Unique National Electronic Register of Regulations of the RNM (ENER) attached a notice on the start of the process for the preparation of a proposal to

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321 Monitoring and reporting on the PAR process is carried out by the Ministry of Information Society, which submits a report on the implementation of the action plan of the PAR strategy 2018-2022 to the council for PAR every six months, and once a year to the government of the Republic of Macedonia. The reports are published on the website of the ministry of Information Society and the government of the Republic of Macedonia. After the publication of the reports on the web page, and before their consideration at the sessions of the council for PAR, consultations will be conducted with representatives from civil society organisations. The evaluation will be done by independent experts in the medium term (every two years), as well as after the expiration of the 2018-2022 council for PAR strategy timeframe. Based on the reports on the degree of implementation and the findings of the evaluation, an audit will be undertaken, which will be part of the Action Plan of the Strategy for PAR 2018-2022, that is, defining the basis for the next strategy.


and https://mioa.gov.mk/?q=mk/node/1320
amend and supplement the law, but no amendments have been made.\textsuperscript{326} As for the Law on Protection of Whistleblowers, in 2022, notice was given for the start of the process for the preparation of a draft Law for the Protection of Whistleblowers\textsuperscript{327} and a working group was formed in 2023 to prepare the draft.\textsuperscript{328}

In July 2023, the government adopted a decision on the establishment of an interdepartmental body for the coordination of anti-corruption activities. The body is established for the purpose of strengthening inter-institutional cooperation and coordination of activities for: creating policies to promote the prevention and fight against corruption, including providing technical support; implementation of measures or activities foreseen by national or international strategic or programme documents in the area of anti-corruption; coordinated collection and processing of data for monitoring corruption situations and providing contributions for the preparation of reports and other materials for reporting to international organisations and bodies regarding the implementation of recommendations and standards in the area of anti-corruption.\textsuperscript{329}

In 2020, the government prepared ACTION 21: A Plan to Fight against Corruption,\textsuperscript{330} and there was a deputy prime minister for the fight against corruption and crime. But by 2022, the plan had not been realised. However, in January 2022, a new position of deputy prime minister in charge of good governance policies was established. The government has adopted the plan for good governance policies 2022\textsuperscript{331}. In the government's work programme for 2022-2024\textsuperscript{332}, the government commits to following fundamental principles of good governance, such as responsibility, efficiency, accountability, honesty, inclusivity and accessibility. The government places anti-corruption, order, discipline and the rule of law at the core of its policies. It aims to enhance its fight against corruption through an updated anti-corruption plan structured around four pillars: digitisation, an independent and efficient judiciary, professionalisation of institutions and preventive measures.\textsuperscript{333}

The state programme for the prevention and repression of corruption and reducing the occurrence of conflicts of interest with the action plan 2016-2019,\textsuperscript{334} the SCPC prepared a methodology for assessing the risk of institutional corruption in November 2021.\textsuperscript{335}

The office of the deputy prime minister in charge of policies for good governance, in cooperation with USAID, implemented a process of training trainers who will be able to independently provide training on the code of ethics and integrity, which is in line with the policy of the cabinet to create sustainable systemic solutions.\textsuperscript{336}

\textbf{INTERACTIONS}

\textsuperscript{328} Transparency International Macedonia. Meeting of the working group for the preparation of the draft Law for the Protection of Whistleblowers, https://transparency.mk/2023/05/10/sostanok-na-rabotnata-grupa-za-podgotovka-na-predlog-na-zakon-za-zashhita-na-ukazhuvachi/
\textsuperscript{329} Article 2, Decision on the establishment of an interdepartmental body for the coordination of anti-corruption activities, Official Gazette of RM, no. 145/2023. Otherwise, it is noted that the body was established in 2006 and that the interdepartmental body for the coordination of anti-corruption activities has not done anything since 2013 and has not once given a report to the government, https://www.mkd.mk/node/520613.
\textsuperscript{331} Good governance policy plan 2022, https://vlada.mk/sites/default/files/dokumenti/ggpp2022_final_mk.pdf
\textsuperscript{334} The state programme for the prevention and repression of corruption and reducing the occurrence of conflicts of interest with the action plan 2016-2019, https://dksk.mk/mk/%D0%B6%D1%80%D0%B6%D0%B0%BD%D0%B2%D0%B0%BD%D0%B8-%D0%BF%D1%80%D0%BE%D0%B3%D1%80%D0%B0%BC%D0%B8, https://dksk.mk/wp-content/uploads/2021/12/Drzavna_programa_2016-2019.pdf
\textsuperscript{335} Methodology for assessing the risk of institutional corruption in November 2021, https://dksk.mk/fileadmin/user_upload/2019/Metodologi_a_za_procenka_na_rizite_od_korupci_a_02.10.2019_mk.pdf
The executive cooperates with all pillars, but it is closest to the public sector, the legislature and the judiciary.

Cooperation with the public sector is reflected in the fact that the members of the government are the ministers who head a certain department. They inform the government about the situation in a certain area and appropriate decisions are made at government sessions. Cooperation with the legislature is usually realised during the legislative procedure, that is, when passing laws, because the government proposes most laws. Also, cooperation with this pillar is reflected in the implementation of parliamentary control. The cooperation with the judiciary primarily appears in the role of the court as a controller of the legality of the operations and decisions made by the government. All these relationships are regulated by appropriate legal regulations.

In the future, cooperation between the government and other pillars should be strengthened, primarily in the field of effective implementation of legal provisions in practice; in other words, visibility should be strengthened in relation to the practical application of mechanisms for integrity, accountability and transparency. At the same time, the role of the non-governmental sector should not be neglected, which should especially be strengthened during the implementation of certain projects, preparation of anti-corruption programmes and the preparation of strategies, and so on.

**PILLAR RECOMMENDATIONS**

The government should strengthen its transparency by publishing on its website:

- government decisions in a separate tab, divided by different areas, and reasons for decisions should be given
- the reports for which the government is responsible in one place and in a timely manner, and update the reports submitted by SAO and information on acting on audit reports and to state the consequences of not acting on the reports. This obligation should be foreseen for both the government and the State Audit Office.
- all reports on the work of the ministries in one place
- state data (including measures, decisions, training, cooperation with institutions, adopted plans and programmes, sanctioned irregularities, implementation of activities) on the measures that have been taken to prevent corruption and strengthen the integrity of the government and the effects that have been achieved.
- information on court decisions, in relation to disputed government decisions.
- information on the execution of government projects published regularly.
The judicial system in North Macedonia is composed of 25 basic courts of general jurisdiction; 3 specialised courts: the administrative court, basic court Skopje 1 (criminal law court), basic courts Skopje 2 (civil law court); 4 Appellate level courts, 1 higher administrative court, Supreme Court and the constitutional court. Several separate laws regulate the work of the judiciary, such as the Law for the Courts, Law for the Salaries of Judges, Law for the Judicial Budget and the Law for the Judicial Council.

The judiciary’s budget is insufficient for its needs, not even reaching the legally prescribed minimum allocation. Also, the human and infrastructural capacity is insufficient and underdeveloped.
The judiciary's commitment to combating corruption can be questioned due to the low number of successfully completed cases. Reports suggest systemic problems within the judiciary and prosecution services, where there is influence from the ruling parties and a lack of proper accountability and integrity mechanisms.

Even though North Macedonia's constitution and laws emphasise a high level of judiciary independence, surveys indicate judges' scepticism about transparent promotion processes, and tensions within the judicial council have led to illegitimate dismissals.

While the judiciary maintains active and transparent websites, consolidated information about the judicial budget is challenging to obtain, and key information as well as consolidated data and case statistics are missing from the MoJ website.

The practice of holding members of the judiciary accountable is deemed insufficient and ineffective due to mistrust, a high number of complaints and low number of cases reviewed.

Mechanisms to ensure the integrity of judiciary members exist but are also considered insufficient and lack provisions for post-judiciary employment restrictions. Advisory bodies provide advice on integrity/ethical issues upon judges' request but receive few inquiries. The SCPC lacks the capacity to fully validate asset declarations.

The judiciary's mechanisms also lack gender sensitivity. While data is collected on gender equality within the judiciary, gender-sensitive protocols and guidelines are absent. Training and awareness raising for gender-sensitive mechanisms are also lacking.

**CAPACITY**

**INDICATOR 3.1.1 RESOURCES (LAW)**

*To what extent are there laws to ensure appropriate salaries and working conditions in the judiciary?*

Score: 100/100

The laws provide for appropriate salaries and budget for the working conditions of the judiciary. The judiciary budget is determined to be at least 8 per cent of GDP, and the judiciary is actively involved in determining the needs and the criteria for the creation of the budgetary amount for the year.

The Law for the Salaries of the Judges is the main regulation that governs the judicial salaries. Judges' salaries cannot be reduced by law or decision of a state authority. It may only be reduced in the event of an established disciplinary liability in accordance with the law. The basis for calculating judges' salaries is the same as that for prosecutors and other selected and appointed persons. A judge's salary is calculated by multiplying the basis with the salary determination coefficient with the coefficient from 2.8. up to 3.7. The law regulates the system of salaries, salary allowances, other compensation and admissions of judges, but does not contain a mechanism for securing adjustment in line with inflation. A 2018 legal amendment enabled an increase in the salaries up to 100/100.

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to 35 per cent for extended working hours and work on holidays. The constitutional courts decision from 23 March 2023 re-established the mechanism for securing salary adjustment in line with inflation.

Judiciary has the right to be appointed no less than 0.8 per cent of GDP and the amount cannot be lowered by rebalancing the budget. The judiciary budget council, composed of 10 members (including the minister of justice, president of the supreme court, president of the judicial council, director of the academy for judges and prosecutors), was established to deal with issues in the judicial budget.

The Law for the Judiciary Budget is a separate law that regulates the procedure for the preparation, determination and execution of the judiciary budget. The Judicial Budget Council (JBC) has to prepare the judicial budget proposal and deliver it to the Finance Ministry which consults the chair of the JBC before sending the proposal to the government.

INDICATOR 3.1.2 RESOURCES (PRACTICE)

To what extent does the judiciary have adequate levels of financial resources, staffing and infrastructure to operate effectively in practice?

Score: 50/100

The judiciary is lacking both budget and human resources needed for its effective operations. The judicial budget has been constantly reduced and has not reached the 0.8 per cent of the GDP. The number of judges is insufficient, with only 65 per cent of positions filled, supported by 45 per cent of the required judiciary staff (clerks).

In the past three years, the judicial council has reported insufficient funding.

Table 3.1: Judiciary budget for 2023, 2022, 2021 and 2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Requested</th>
<th>Total received for the year after the rebalance</th>
<th>Remaining debts at the end of the year*</th>
<th>% of GDP</th>
</tr>
</thead>
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<tr>
<td>2023</td>
<td>2,578,376,000 DEN</td>
<td>2,578,376,000 DEN</td>
<td>43,697,799 DEN</td>
<td>0.30**</td>
</tr>
<tr>
<td>2022</td>
<td>3,362,500,000 DEN</td>
<td>2,342,277,000 DEN</td>
<td>33,322,111 DEN</td>
<td>0.31**</td>
</tr>
<tr>
<td>2021</td>
<td>2,070,444,000 DEN</td>
<td>2,070,444,000 DEN</td>
<td>33,322,111 DEN</td>
<td>0.27</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>37,537,111 DEN</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Remaining debts are for the experts’ opinions, judicial medicine expertise provided upon the court request.
**Calculation based on GDP forecast as latest data 2021.

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345 Law for Amendments and Competition of the Law for the Judicial Budget, Official Gazette No 145 from 05. 11. 2010
346 Law for the Judicial Budget, Official Gazette of the RM, No 145 from 05. 11. 2010
347 Ibid Art 15.
348 Law for the Judicial Budget, Edit purified text, containing the basic text of the law, Official Gazette 60/03; Law for Amending the Law for the Judicial Budget Official Gazette 6p,37/06; Law for Amending of the Law for the Judicial Budget Official Gazette 103/08 and Law for Amending of the Law for the Judicial Budget Official Gazatte145/10
A judge’s average salary is MKD 1,271,212 (€21,000) per year, which is adequate for the Macedonian economic situation and roughly commensurate with salaries for practicing lawyers. However, according to survey results, 82 per cent of judges believe that a salary increase for judges will reduce corruption, considering that judges in North Macedonia currently receive the lowest salaries in the region. However, due to the constitutional court decision no. 113 from March 2023, which increased salaries, the Judicial Budgetary Council published a decision and described the inability to ensure April and May payments of the subsidies as provided in the Article 7-b of the Law.

The academy for judges and prosecutors provides a library, which acts as an e-academy and is accessible online. It contains legislation, explanatory documents, judgements from European Court on Human Rights and other relevant information.

The judicial council reported expenditures for improving the IT system. While the majority (62 per cent) of judges expressed satisfaction with the technical resources (computer equipment, e-mail, telephone) at their disposal, evaluations of the national judicial digitalisation process revealed that some judges use obsolete equipment, experience inadequate internet connectivity, and lack adequate technical and ICT support. The academy for judges and prosecutors (AJP) provides sufficient training for judges and prosecutors, including court and case management, judgement writing and conflicts of interest. The law provides for the right and obligation for training a judicial officer. The AJP reported that in 2022 it had organised 21 training and 1014 judicial (and prosecutorial officials).

The 2022 judicial council annual report states that there is an insufficient number of clerks, with only 46.26 per cent of the positions filled at the end of the year.

The number of judges is also insufficient as only 409 out of 639 positions are filled, which is only 64 per cent of the required judges.
INDICATOR 3.1.3 INDEPENDENCE (LAW)

To what extent is the judiciary independent by law?

Score: 100/100

The constitution and law provide for high level of independence of the judiciary in the Republic of North Macedonia. The legal framework generally contains international standards for an independent and impartial judiciary and the proper functioning of the justice system. The new Law on the Judicial Council\(^\text{366}\) as well as the Law on Amendments to the Law on Courts,\(^\text{367}\) provided for additional legal interventions to ensure greater independence, efficiency and impartiality in the work of the judicial council and the judiciary.

The role of the judiciary is anchored in the constitution,\(^\text{368}\) which provides that courts are independent, the organisation of the judiciary is unified and emergency courts are banned. The constitution also guarantees the independence of the judges who are appointed without limitation of term and without the right to be transferred to other courts unless it is personally requested.\(^\text{369}\)

Amending the constitution is a complex and comprehensive procedure of three stages. In the first stage, the Assembly has to decide by a two-thirds majority (at least 80 votes to accede to amending the constitution). The second phase establishes draft amendments, and a simple majority of MPs votes, 61, is enough. The third phase is the adoption of the amendments, which again requires a two-thirds majority.

Judges are appointed by the judicial council which provides constitutional protection for the appointment and removal of judges.\(^\text{370}\) The judicial council is an independent body of the judiciary that provides and guarantees the independence of the judiciary.\(^\text{371}\) The judicial council is composed of 15 members, including the minister of justice and the president of the supreme court who do not have the right to vote. Eight council members are elected by the judiciary in a general vote, three are elected by the Assembly and two by the president of the republic.\(^\text{372}\) Elected members of the judicial council have a six-year term with the right to another term, but only after at least six years from the termination of the previous term of office. Council members elected by the Assembly have a six-year term with the right to another term.\(^\text{373}\) The Law for the Judicial Council prescribes the criteria and the procedure for the selection, appointment and dismissal of judges.\(^\text{374}\) Participation of civil society in the appointment of judges is not envisaged.

A judge can be dismissed from a judicial post due to a serious disciplinary grievance proscribed by the law, unworthy of the performance of the judicial function or for incompetent and unconscionable performance of the judicial function, as determined by law.\(^\text{375}\) The proceedings in this regard are urgent and confidential.

The legal foundation for the highest courts is stable, and the latest amendments to the Law on Courts\(^\text{376}\) has not affected the independence of the judiciary. However, the 2021 amendment of the Law on Labour Relations\(^\text{377}\)
created a distortion in human resources in the judiciary, retiring a large number of judges and public prosecutors, which affected the efficient operation of judicial institutions.378

The Law on Courts establishes gross influence and interference in the exercise of the judicial post of another judge as a gross disciplinary violation.379

INDICATOR 3.1.4 INDEPENDENCE (PRACTICE)

To what extent does the judiciary operate without interference from the government or other actors?

Score: 25/100

Despite the comprehensive legal framework and the introduction of new criteria, methodologies and rules to ensure the independence and impartiality of the judiciary and proper functioning of the justice system, the latest surveys and practice have shown extensive influence in the judiciary, mainly by parties that have access to the certain positions in the judiciary, such as the lawyers’ and judges’ relatives and networks.

For the implementation of the new Law on the Judicial Council, on 4 February 2020, the council adopted rules to rank candidates for higher court, and on 18 December 2020, the council adopted a methodology for the qualitative evaluation of judges and presidents of the courts.380 However, a 2022 survey381 indicates that a significant proportion of judges (73 per cent) disagree with the notion that the promotion of judges is carried out in a manner that adheres to objective, measurable and equitable criteria.382 According to the survey, a majority of judges (59 per cent) do not believe that the current mechanisms are effective in safeguarding the judicial function from external pressures or attempts to influence383

On 31 March 2023, the judicial council established a working group with the president of the supreme court, presidents of the four courts of appeal and the president of the association of judges. The group’s primary objective is to safeguard the autonomy and independence of judges, particularly in protecting their integrity and addressing any challenges that arise within the judicial system.384 However, recent activities that presented a clear example of undue interference in the work of the judicial council have raised questions about the credibility and independence of the council among international representatives who presented their opinion without “the gloves of diplomacy”385 and announced the withdrawal of ongoing technical assistance.386 The president of the republic also raised concerns saying the “judicial council had embraced itself” 387

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378 European Policy Institute, Skopje; Shadow Report for Chapter 23 for the period between October 2021 and September 2022 Shadow_report_eng.pdf (epi.org.mk)
380 Annual Report 2020 Judicial Council, p. 25 Судскиот совет на Република Македонија, согласно со член 64 од Законот за Судски совет, на седницата одржана на ———годи (sud.mk)
381 Survey conducted in October 2022, 427 questionnaires for judges for the Corruption Risk Assessment of the Judiciary in North Macedonia, p.9
383 Corruption Risk Assessment of the Judiciary in North Macedonia p.17
384 Извештај во сенка за Поглавје 23 за периодот октомври 2021 - септември 2022 - EPI Извештај во сенка за Поглавје 23 (October 2021, September 2022), EPI Shadow Report for chapter 23, Shadow_report.pdf p.15
385 US Ambassador Angela Ageler addressed a letter to the Judicial Council and the Appeal Court: "Every day I am increasingly concerned and disappointed by the large number of cases (of high profile) that the Court of Appeal has returned to the first-instance retrial. The obvious inability of the courts to quickly prosecute cases through the court proceedings and their shift back and forth between the Court of Appeal and the Basic Court further reduces the low confidence the public has in the courts."
386 Netherlands puts on hold a big project for the Judicial Council Заврши времето на пораки во дипломатски ракавици – DW – 29.05.2023
387 DW. 2023а. Пендаровски: Судскиот совет се посрамоти – DW – 29.05.2023
Tensions within the judicial council occurred precisely in the run-up to the initiative to determine the responsibility of appeal judge Enver Bexheti, who was found to have been holding in his drawer the Target-Fortress mass wiretapping case for nine months. Some of the heads of the judicial council allegedly demanded that the initiative to assess the accountability of the judge be put to a session and other judicial Council members were keen to prevent it. The controversy resulted in the illegitimate dismissal of the judicial council president Vesna Damevska. In this case, the judicial council decided to exclude the publicity from the decision process.

A 2022 Survey showed that 72 per cent of judges believe the judicial council has failed in safeguarding judicial independence. This is an increase from 2009 when 66 per cent of judges expressed the same opinion. The following year, the 2010 EU progress report criticised the role of the minister of justice in the judicial council, stating that it caused “serious concerns about the interference of the executive in the work of the judiciary” (EC, 2010: 12).

The latest survey data from 2022 found an increase in attempts to influence judges from colleague judges, judges of higher rank, and judicial council members compared to the 2009 survey included in the OSCE legal analysis of independence of the judiciary; meanwhile, there was a slight decrease (-7 per cent) in influence attempts from representatives of the executive branch, indicating some progress in upholding the constitutional division between the executive and judicial branches of power.

Independence and impartiality is the lowest rated area of evaluation in the matrix of indicators with a common average score of 2.2. in all categories of respondents.

GOVERNANCE

INDICATOR 3.2.1 TRANSPARENCY (LAW)

To what extent are there provisions in place to ensure that the public can obtain relevant information on the activities and decision-making processes of the judiciary?

Score: 100/100

The laws relevant to the work of the judiciary contain comprehensive provisions to ensure that the public can obtain relevant information on the activities and decision-making process.

All judges, as appointed persons, are obliged to submit asset and interests declarations to the State Commission for the Prevention of Corruption, who has to publish all asset declarations on the SCPC website.

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388 DW. 2023b. Заврши времето на пораки во дипломатски ракавици – DW – 29.05.2023
389 Milka Ristova former judge in the supreme court
390 DW. 2023c. Весна Дамева: На јавноста и е јасно зошто сум разрешена – DW – 5.05.2023
391 Survey conducted in October, 2022, 427 questionnaires for judges for the Corruption Risk Assessment of the Judiciary in North Macedonia, p. 21 pdf
392 Survey conducted in October, 2022, 427 questionnaires for judges for the Corruption Risk Assessment of the Judiciary in North Macedonia p.21
393 Survey conducted in October, 2022, 427 questionnaires for judges for the Corruption Risk Assessment of the Judiciary in North Macedonia
395 Assessment of Use of Electronic Opportunities in Judiciary, Association for Criminal Law and Criminology and OSCE Mission to Skopje, December 2020 p. 7 545929_0.pdf (osce.org)
396 Corruption Risk Assessment of the Judiciary in North Macedonia, p. 17
397 Article 87 Law for the Prevention of Corruption and Conflict of Interest, Official Gazette No. 12/2019
The judiciary is required to provide information on judgements, judicial statistics, court hearing records/transcripts, membership of relevant organisations and other relevant activities to the public in a timely manner.

One example of control in the work of the judiciary is from the supreme court, which reports on the quality and timeliness of its own work and of the work of other courts. The supreme court has to submit an annual report to the judicial council by the end of the February for the previous year. The judicial council is obliged to submit an annual report to the Assembly by 30 April at the latest, covering the previous year.

Public hearings are required by the Law on Courts. In the courts, it is mandatory to have a public relations office, and every court has to inform the public about the results of the judges’ work at least once in a year. The Law on Criminal Procedure mandates the audio or audio-video recording of court hearings.

Judicial council sessions also have to be public and the public may only be excluded from a council decision if it is to protect the reputation and integrity of the judge or candidate for judge. The decision to exclude the public from sessions has to be adopted by two-thirds majority vote of the total number of members of the council with the right to vote. The council will dismiss a judge by decision for a serious disciplinary injury committed under Article 76 of the Law on Courts. Such a decision is adopted by the council by a two-thirds majority of the total number of members of the council. Notes from the council meetings, voting and all decisions for appointment, moving and removal of judges are public.

**INDICATOR 3.2.2 TRANSPARENCY (PRACTICE)**

*To what extent does the public have access to judicial information and activities in practice?*

Score: 75/100

The judiciary, to a large extent, gives public access to judicial activities and information. There are active and transparent websites where all information is presented in a timely manner. However, it has been difficult to obtain...
consolidated information on the judicial budget, and the information (decisions and annual reports) published on the judicial council website are not in a user-friendly format.

The judiciary regularly publishes reports on its activities, spending and governance. The reports are comprehensive, containing detailed information about the activities of the courts, academy for judges and prosecutors, the employees and the budget. However, the reports are not in a user-friendly format, and it has been difficult to obtain information about the judicial budget. The reports are published on the websites of each of the institutions. The public is entitled to information on the number of cases disposed of annually, and it is easy to obtain this information from these websites. There is also the judicial portal where citizens can obtain information about the court’s decisions. In each court, data on the number of the case, judge, date, time and courtroom where the hearing is being held should be displayed in a public and prominent place. At least once a year, each court informs the public about the results of the work of the court and judges and publishes daily information about cases of public interest.

In its session held of 21 December 2022, the supreme court determined that “Courts, decisions (judgements and decisions) that are not final (legal) and relating to cases of public interest shall be published on the court’s website.”

Even though the law requires audio or audio-video recording of court hearings, this possibility has not been provided, even though 64 per cent of judges believe that audio or audio-video recordings can enhance transparency and impartiality in court proceedings.

Asset and interests declarations of all judges, as appointed persons, are published on the SCPC website.

**INDICATOR 3.2.3 ACCOUNTABILITY (LAW)**

To what extent are there provisions in place to ensure that the judiciary has to report and be answerable for its actions?

Score: 50/100

*While a number of provisions exist, they do not cover the accountability of the judiciary in an effective and efficient manner. The system is rather dispersed with the involvement of the Ministry of Justice, supreme court and the judicial council, with different authorities to review different aspects of the work of the judiciary.*

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409 All reports can be found at the Judicial Council website Извештаи (месечен, квартален, полугодишен, годишен) (sud.mk)
410 Supreme Court Статистика (sud.mk), Оценки+и+заключения+2021+година+.pdf (sud.mk)
411 Одлуки на судови (vsrm.mk)
412 Article 97 Law on Courts
413 Основен кривичен суд Скопје Почетна (sud.mk)
414 based on Article 101 of the Constitution of the Republic of Northern Macedonia, Article 37 paragraph 1(1) and (3) of the Law on Courts, Official Gazette, No. 58/06... 198/18 and No. 96/19), Articles 63, 65 and 66 of the Clerk of the Supreme Court of the Republic of Northern Macedonia, at the General Session held on 21.12.2022
An explanation of a verdict is an important element of a judgement, according to the Law on Criminal Procedure (CPC) and the Litigation Law (LLP). Without an explanation, or an insufficient or vague explanation, makes the verdict illegal and is a core violation of the proceedings.

The minister of justice can create a separate commission, composed of two representatives from the MoJ and one from the supreme court, to examine the work of the courts, particularly in long-lasting proceedings and in delays and to provide a detailed report in 30 days.

Also, any citizen has the right to file a complaint with the judicial council for inappropriate behaviour of a judge in official communication with the participants in the proceedings, and to receive a response for it. The Law on the Prevention of Corruption provides protection for the complainants but has not been proven to be effective in practice (see 3.2.4).

The Code of Judicial Ethics determines the role of the association of judges as the body to advise judges on issues related to ethical behaviour. It is established as an ad hoc advisory body, which publishes its advisory opinions on the websites of the association of judges and the Supreme Court.

In March 2022, the judicial council adopted the procedure for the whistleblower reporting and immunity does not apply to corruption and other criminal offences.

There are different type of formal complaints and disciplinary procedures for different categories of judges: the supreme court at the general session decides to submit a request for starting a disciplinary procedure; the 2019 Law on Judicial Council provides the opportunity to directly submit a request to initiate a procedure for disciplinary responsibility of a member of the judicial council if there are 20 signatures. The procedure for deciding on a proposal for disciplinary decisions is determined by the law. Among other authorities, the judicial council can decide on the disciplinary responsibility of a member of the council, determine the responsibility of a judge and the president of the court and can strip a judge of immunity.

A judge can be dismissed from a judicial post for a serious disciplinary injury committed under law, for unworthy performance in a judicial function and for incompetent and unconscionable performance in a judicial function, as determined by law.
INDICATOR 3.2.4 ACCOUNTABILITY (PRACTICE)

To what extent do members of the judiciary have to report and be answerable for their actions in practice?

Score: 25/100

The practice of holding members of the judiciary accountable and to be answerable to their actions is insufficient and ineffective due to the high level of distrust in the judiciary, high number of citizen complaints and the very small number of reviewed cases and dismissals.

To a significant extent (42.4 per cent), judges consider the quality of court decisions to be good, 27.6% say it is very good, while many lawyers (44.7%) consider the quality insufficient. Usually, there are no sanctions imposed if the judges fail to provide reasons for their decisions. However, failure to provide reasons for their decisions can be considered in law as incompetent and unconscionable performance of the judicial function.

In 2022, the judicial council dismissed six judges and imposed four measures for a more serious disciplinary violation.

Complainants are not effectively protected in practice or provided with acceptable remedies in the court’s procedures. However, the Law for the Prevention of Corruption provides protection to complainants, but that has not been proven to be effective.

Following the legal amendments, in the reporting period September 2021 to October 2022, three decisions were adopted to dismiss judges and presidents of courts. Out of adopted decisions on dismissal, two decisions refer to acting presidents of courts, and one decision refers to a judge. The grounds for dismissal in two of the decisions are unprofessional and negligent performance and one for a more serious disciplinary violation.

In the same reporting period, the Judicial Council (JCRNM) acted upon 570 applications from citizens and legal entities about the work of courts, court presidents and judges. An analysis of allegations show that most of the submitted applications discussed by the judicial council relate to the manner of conducting proceedings by judges, the time period of conducting the proceedings, and unprofessional and negligent actions. However, only 2.5% of them were accepted as having grounds.

INDICATOR 3.2.5 INTEGRITY MECHANISM (LAW)

To what extent are there mechanisms in place to ensure the integrity of members of the judiciary?

Score: 25/100

There are some but still insufficient mechanisms to ensure the integrity of members of the judiciary. The law does not provide a clear procedure for reporting and taking measures against a judge who has a conflict of interest, and there is no restriction for post-judiciary employment.

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433 The Judicial Council declared one judge from Ohrid Basic Court incompetent and unconscionable due to failing for more than a year to complete judgements for a case.

434 Law for the Judicial Council of the RM, Official Gazette, No. 102/19 Article 60

435 Annual Report 2020 Judicial Council, p. 8 Судски совет на Република Македонија, согласно со член 64 од Законот за Судски совет, на седницата одржана на -------годи (sud.mk)

436 Shadow Report for Chapter 23 for the period between October 2021 and September 2022 Shadow_report_eng.pdf (epi.org.mk)

437 Ibid p. 28

438 Ibid p. 29
In September 2019, the supreme court adopted the code of judicial ethics for judges at the general session and at the proposal of the association of judges.\footnote{Dimitar Aspasiev. Article 37, Law for the Courts. Consolidated text containing the Law for the Courts. Official Gazette 58/2006; Correction from the Assembly Commission 2006; Law for Amending of the Law for the Courts Official Gazette 35/08; Law for Amending of the Law for the Courts Official Gazette 83/18; Law for Amending of the Law for the Courts Official Gazette 198/18; Law for Amending of the Law for the Courts Official Gazette 96/19; as well as the two annulling Decisions of the Constitutional Court No. 256/2007 (16.IV.2008) and 74/2008 (10.IX.2008), published in the Official Gazette 61/08 и 118/08} The code\footnote{Code of Judicial Ethics, Adopted by the Supreme Court, Кодекс за етика на судиите и судиите поротници.pdf (sud.mk)} is comprehensive and regulates judges, their families and connected persons from receiving reimbursements, compensation and honoraria in connection with the profession, it regulates gifts and hospitality for the judiciary but does not mention privately sponsored trips.\footnote{Code of Judicial Ethics, Adopted by the Supreme Court, Кодекс за етика на судиите и судиите поротници.pdf (sud.mk) p.7} The code also contains regulations governing conflicts of interest for the judiciary and lay judges.\footnote{Code of Judicial Ethics, Adopted by the Supreme Court, Кодекс за етика на судиите и судиите поротници.pdf (sud.mk) p.11}

Citizens can challenge the impartiality of judges by filing a report to the judicial council.\footnote{Law for the Judicial Council of the Republic of Macedonia, Official Gazette, No. 102/19 Article 34 p.1}

There is no restriction on judges entering the private or public sector after leaving the judiciary. However, selected or appointed persons are obliged to report to the SCPC within 30 days if, within three years from the cessation of their exercise of public powers or duties, they establish a trading company or are engaged in a profit-making activity in the area in which the person worked as an official.\footnote{Law on the Prevention of Corruption and Conflict of Interest Article 45}

As with other elected and appointed officials, judges are obliged to declare their assets to the State Commission for the Prevention of Corruption.\footnote{Law on the Prevention of Corruption and Conflict of Interest Article 45}

\textbf{INDICATOR 3.2.6 INTEGRITY MECHANISM (PRACTICE)}

\textit{To what extent is the integrity of members of the judiciary ensured in practice?}

Score: 25/100

\textit{The integrity of the members of the judiciary is not scrutinised in practice. The judicial ethics advisory body acts only upon the request of judges, and in four years, has issued only two opinions. The State Commission for the Prevention of Corruption has no capacity to validate the asset declarations, and there are no post-employment restrictions. Moreover, citizens are not able to challenge judges if they do not step down from a case.}

The judicial ethics advisory body was established by the governing board of the association of judges, with a mandate of two years and tasked with the consistent application of the principles of the code of judicial ethics, but it does not scrutinise whether existing codes of conduct, gift and hospitality regulations, post-employment restrictions, conflict of interest policies, integrity bodies, and so on are enforced or ensure the ethical behaviour of judges in practice.\footnote{Law for the Prevention of Corruption and Conflict of Interest, Article 45}

Judges are subject to review and advice from the judicial ethics advisory body, which provides advisory opinions on their request.\footnote{TV 24, Aleksandar Todevski, 22 February 2022, Телевизија 24: Советодавното тело за судска етика спровело само две постапки за судии} The advisory opinions are published on the website of the association of judges and the supreme court along with the facts and circumstances on which they are based, appropriate anonymisation of persons, places and other data that could lead to the identification. The advisory body provides an annual report...
on its activities to the management board of the association of judges and the general session of the supreme court.\footnote{Code of Judicial Ethics, Supreme Court, Кодекс за етика на судиите и асамблеите на судиите и поротниците.pdf (sud.mk)}

From its establishment in 2018 until February 2022, only two judges reached out to the judicial ethics advisory body to ask if it is ethical to have social media accounts and be members of a rotary club.\footnote{TV 24, Aleksandar Todeski, "The Advisory Body on Judicial Ethics has conducted only two proceedings for judges", Телевизија 24: Совететодавното тело за судска етика спровело само две постапки за судии, Accessed in December 2023}

Judges regularly disclose their assets and the State Commission for the Prevention of Corruption (SCPC) is responsible for scrutinising and validating these asset declarations\footnote{Law for the Prevention of Corruption and Conflict of Interest, Article 92} only when acting upon a specific case or as part of an annual plan. The annual plan for 2022 envisages scrutinising the asset declarations of 10 judges selected at random.\footnote{Annual Plan for Scrutinizing Declaration of Assets and Interests for 2022 02-7454-2.pdf (dksk.mk)}

\textbf{INDICATOR 3.2.7 GENDER}

\textit{To what extent are the judiciary’s mechanisms gender-sensitive?}

Score: 00/100

Judiciary mechanisms are not gender-sensitive.

The judicial council produces gender-disaggregated data on gender equality within the judiciary on aspects such as the number of appointed judges and number of appointed presidents of the courts,\footnote{Annual Report Academy for Judges and Prosecutors Izvestaj ASJO 2022 print (1).pdf p. 22} but not whether their mechanisms, such as complaints mechanisms, are gender-sensitive. There are, in fact, no gender-sensitive protocols and guidelines for complaints and investigation mechanisms where they have to include front-facing female staff or produce gender-disaggregated data on, for example, complaints filed by gender women or men, processing times of complaints filed by women or men, complaints solved or disregarded by women or men. There is also no training or awareness-raising material for officials and staff for the optimal implementation of gender-sensitive mechanisms.

In November 2022, the OSCE organised a study visit entitled Women in Justice in Northern Macedonia and Uzbekistan in Skopje to exchange experiences.\footnote{Constitution of Republic of North Macedonia, Article 106, Устав на Република Северна Македонија (mfa.gov.mk)}

\textbf{ROLE}

\textbf{INDICATOR 3.3.1 EXECUTIVE OVERSIGHT}

\textit{To what extent does the judiciary provide effective oversight of the executive?}

Score: 50/100

The constitutional court has a wide range of competencies to control legal acts; however, the law does not provide the opportunity for preventive controls. While the judiciary is somewhat active in overseeing the actions of the executive, the effectiveness of its actions is limited due to insufficient financial and administrative independence, which is imperative for greater functional efficacy.

According to the constitution, the constitutional court is responsible for reviewing and deciding on the compliance of new laws, collective agreements and other regulations are within the constitution and existing laws.\footnote{Constitution of Republic of North Macedonia, Article 106, Устав на Република Северна Македонија (mfa.gov.mk)} Control
of the constitutionality and legality of regulations is achieved as abstract and aposterior, i.e. it is possible only on valid acts. The Constitution does not provide possibility for a preventive control, even for international treaties. Anyone can submit an initiative to initiate a procedure for assessing the constitutionality of the law or the constitutionality and legality of by-laws and general acts (actio popularis). Acting on the initiative, the constitutional court may decide on the introduction or non-confession of the procedure. The constitutional court is also responsible for deciding on conflicts of jurisdiction between the holders of legislative, executive and judicial powers, as well as conflicts of jurisdiction between the authorities of the republic and local self-government units. 455

Further, the constitutional court decides on the responsibility of the president of the republic in cases of violating the constitution and laws in the exercise of their rights and duties, if proposed by the Assembly. The constitutional court can also evaluate constitutional compliance on its own initiative. 456

Judgements that overturn decisions by the executive are regularly implemented. 457

In the five-year period, from 1 January 2015 until 31 December 2019, the court had a total of 1,298 cases in operation, or an average of 260 cases annually, out of which is gave decisions on an average of 154 cases per annum. 458 This indicates the slowness of its operations and the delays in procedures for resolving cases and the inefficiency of the court. 459

The administrative court is competent to decide upon the legality of individual acts adopted in the election procedure and on individual acts referring to elections, appointments and dismissals of holders of public offices, as defined by law, as well as on acts on appointment, designation and dismissal of managerial civil servants, unless otherwise defined by law. 460 It is also competent to act in cases against individual acts of state administrative bodies, the government, other state bodies, municipalities and the City of Skopje, organisations established by law, and legal entities and other entities in the exercise of public powers (holders of public powers), when another legal protection does not provide for resolution in the second instance of such an act. There is only one first-instance administrative court and one second instance administrative court competent to preside over all administrative disputes. 461

Administrative courts show an increase in the number of judges with rising workloads. However, a rise in the number of staff does not appear to significantly follow an increase in clearance rates. Disposition times and backlog show a tendency to increase even as the number of staff increases. 462 A functional analysis of the constitutional court showed concerns about the high number of decisions for non-implementation of proceedings and decisions to reject the initiative/demand in relation to the number of abolishing and annulment decisions. 463 This is mainly a result of the insufficient financial and administrative independence, which is essential for greater functional efficacy. 464

455 Ibid
456 Constitution of Republic of Macedonia: https://www.sobranie.mk/content/Odluki%20USTAV/UstavSRSM.pdf, Article 87
459 Ibid p.42
460 Article 34 Law for the Courts
462 Second Instance Administrative Commissions and the Administrative Courts Efficiency in the Republic of North Macedonia. [accessed 2 Sep 2023].
463 Functional Analysis of the Constitutional Court, p. 41 Funkcionalna analiza_Ustaven sud_2020.pdf (ihr.org.mk)
Not to proceed: 290 cases and to reject the initiative: 338 cases. Decided: 84 cases
464 Ibid p. 45
INDICATOR 3.3.2 CORRUPTION PROSECUTION

To what extent is the judiciary committed to fighting corruption through prosecution and other activities?

Score: 25/100

The commitment of the judiciary to fight corruption is very low, evidenced by the low number of successfully completed cases.

It is difficult to confirm the judiciary’s commitment to effectively fight corruption. A major scandal with illegally intercepted communications and conversations465 of more than 20,000 telephone numbers, revealed systemic problems, initiating European Commission support for the recruitment of a group of independent senior rule-of-law experts to carry out a rapid analysis of the situation and provide recommendations to address these issues.466

The group, led by retired commission director, Reinhard Priebe, has identified significant shortcomings in the judiciary and prosecution services.467 Following the Priebe Report in May 2015 and the Pržino Agreement,468 the special public prosecutor’s office was established.469

However, the conclusion of the issued second Priebe report (Second SGE’s Report)470 two years later indicated that “the failure to implement most of the recommendations is a cause for serious concern”.471 The main problem in the system is that it is a captured state.472

Transparency International’s report on state capture,473 illustrates how patronage and clientelist networks and schemes operate both at country and local levels to abuse public office. The cases demonstrate that the power of political parties and the loyalty they command are key ingredients in the success of such networks. The effectiveness of prosecuting these cases is determined by the political influence of ruling parties over the judiciary. Their power often results in biased judges and prosecutors, weak investigations, long delays and acquittal or lighter sentences for defendants.474

The most explicit demonstration of state capture in North Macedonia is the Skopje 2014 case, which is still pending prosecution.475 This case involved the estimated expenditure of €685 million of public money on grand monuments in the capital Skopje for the Skopje 2014 project.476 The Ministry of Culture transferred funds to municipalities for projects initiated by local councils. The government chose to work through local municipal councils to exclude parliament, which required a majority the ruling coalition could not secure.477

465 In February 2015, the opposition leader Zoran Zaev released a series of audio excerpts – what he called “bombs” – from 670,000 secretly recorded conversations of more than 20,000 telephone numbers.

466 The Former Yugoslav Republic of Macedonia: Recommendations of the Senior Experts’ Group on Systemic Rule of Law Issues Relating to the Communications Interception Revealed in Spring 2015

467 Ibid p. 2

468 Text of the Przino Agreement Przino_Agreement.pdf (europa.eu) PDF

469 Parliament established the Special Public prosecutor’s office (SPO) in September 2015 with Law on Public Prosecutor’s Office for Prosecuting Cases Related to and Arising from the Content of the Unauthorized Interception of Communications, Official Gazette of the RM, No 159/15 No 196/2015


471 Ibid p. 1


473 Nieves Zúñiga. 2020. Examining State Capture: Undue Influence on Law-Making and the Judiciary in the Western Balkans and Turkey examining_state_capture.pdf (transparency.mk). This Transparency International report examines two key enabling factors of state capture in the Western Balkans and Turkey: impunity for high-level corruption and tailor-made laws. The report provides insight into how the judiciary ineffectively handles grand corruption and other corruption by high-level officials. It also shows how this problem and undue influence on law-making in the service of private interests help to achieve and maintain state capture.

474 Ibid.

475 Dona Dimov, Slagjana Taseva, State capture - illustration through „Skopje 2014” project, (Skopje: Transparency international Macedonia, 2018) state_capture.pdf (transparency.mk)

476 The “Skopje 2014 project”, an umbrella term covering the 137 memorial objects erected in North Macedonia’s capital city of Skopje

In situations where first-instance courts complete proceedings related to corrupt acts within a reasonable timeframe, time obstacles and inundated by secondary courts and their actions lead to prolongation and very often the ageing of cases.\(^{478}\)

On account of the statistics of high corruption cases that were led by the Special Public Prosecution (SPP), which, after 17 charges were filed in 2017 against 94 people, out of which only 10 indictees are now serving, and several of whom are in asylum.\(^{479}\)

Unlike the public prosecution, the courts keep a more organised set of statistics about their work, although it is not enough for extensive analysis as the reports mainly present number of cases and not data related to hearings, number of appeals and convictions. For example, data for 2021 from the basic criminal court in Skopje in the specialised department for organised crime and corruption show the current state of the cases (how active they are, how many have been completed, how many have continued from the previous year).\(^{480}\) The data show that the degree of success in conducting corruption cases is very low.

**INDICATOR 3.3.3 MUTUAL LEGAL ASSISTANCE**

*To what extent do judicial authorities cooperate with foreign law enforcement agencies to provide and receive mutual legal assistance?*

Score: 25/100

*There is a comprehensive legal framework and institutional networking for providing and receiving mutual legal assistance. However, there is no consolidated data and no statistics of cases published on the Ministry of Justice website (which is the central authority), and it is difficult to establish the effectiveness of the mutual legal assistance. The 2021 semi-annual report on the functioning of the liaison office of the Republic of North Macedonia in Eurojust shows a lack of resources and effectiveness in mutual legal assistance.*\(^{481}\)

The Law on International Cooperation in Criminal Matters\(^{482}\) and the Law on Criminal Procedure\(^{483}\) are the cornerstones of the national legal framework for mutual legal assistance (MLA) in criminal matters. Macedonia has ratified all the required international treaties and regional treaties of the Council of Europe related to international legal assistance.\(^{484}\) Moreover, although not a member of the EU, it has aligned most parts its legislation to the EU’s relevant directives ruling the matter.

At a regional level, there is a broad spectrum of signed bilateral agreements that specifically target issues of international legal cooperation in criminal matters.\(^{485}\) Macedonia has two contact points for Eurojust: one from the Ministry of Justice (MoJ) and one from the prosecution service. There is a signed cooperation agreement with Europol,\(^{486}\) and the country is a member of Interpol.\(^{487}\) International Legal Cooperation Unit (ILECU),\(^{488}\) Southeast European Law Enforcement Centre(SELEC/SEEPAG)\(^{489}\) and other regional networks and bodies like the Prosecutors Network of the Western Balkans, he PCC convention and the related regional body, the RCC.

\(^{478}\) ОТКАКО НИКОЈ НЕ ОДГОВАРАШЕ ЗА ПРЕДМЕТИТЕ ВО ФИОКА, НОВА ТУРА ПРВОСТЕПЕНИ ПРЕСУДИ ЗА ВИСОКА КОРУПЦИЈА ДРЕМЕ ВО АПЕЛАЦИЈА СКОПЈЕ - Сакам Да Какам (sdk.mk)

\(^{479}\) (АНАЛИЗА) Две и пол години подоцна - до каде се истражите на СЈО - 360 степени (360stepeni.mk) Viewed 15 August 2023

\(^{480}\) Оценки+и+заключоци++2021+година+.pdf (vsrm.mk) page 12–13


\(^{482}\) Law on International Co-Operation in Criminal Matter April 2021

\(^{483}\) Law for the Criminal Procedure, Official Gazette 150/10

\(^{484}\) IPA 2014 project ”International Cooperation in Criminal Justice: Prosecutors’ Network of The Western Balkans”. International Judicial Cooperation in Criminal Matters PYR Macedonia (prosecutorsnetwork.org)

\(^{485}\) At the end of 2008, a cooperation agreement with Eurojust was signed

\(^{486}\) North Macedonia | Eurojust | European Union Agency for Criminal Justice Cooperation (europa.eu)

\(^{487}\) North Macedonia (interpol.int)

\(^{488}\) Preview (migrationpartnershipfacility.eu)

\(^{489}\) About SEEPAG - Southeast European Law Enforcement Center (selec.org)
The national MLA structure resembles the structures of all the countries whose framework is based on the related internationally ratified treaties. The Ministry of Justice is the central authority for the transmission of outgoing and incoming MLA requests and the decision-making body in specifically indicated cases; the public prosecution service, the courts and the relevant law enforcement agencies are referred to as national authorities.

The Ministry of Justice does not publish statistics on MLA cases. In the 2021 and 2022 annual reports from the prosecutor Lence Ristoska, as the representative and person responsible for the cooperation with Eurojust, the lack of a proactive relationship between domestic authorities using the mechanisms offered by Eurojust is seen in the decreased number of cases in which the competent authorities of Northern Macedonia have asked for assistance compared to the previous year. It should be noted that no assistance has been sought for any subject of international cooperation in a criminal matter from the unit for international cooperation in the public prosecutor's office.

Based on these reports, the number of cases in 2022 decreased to 61 from 71 in 2021. Of these 61 ongoing cases, 13 were requests from North Macedonia and 48 from the foreign countries. According to these reports, the timely responses and the quality of the responses are key issues for resolving the cases that involve collecting information and evidence based on international cooperation. The public prosecutor's office does not share information about where the requests have been sent. This makes it difficult to trace requests, which affects the quality of the information provided and any international legal assistance received.

The biggest challenge for the Eurojust office in 2022 was to carry out their work efficiently since the offices used by the public liaison prosecutor did not have an internet connection.

**INTERACTIONS**

Interaction between the judiciary and other agencies responsible for the prevention and fight against corruption is mainly at the policy level.

The judiciary has most of its interactions with the prosecution service when processing corruption related cases. The proceedings are regulated by the criminal procedure law. These interactions are to determine the facts and evidence for the conviction of a defendant in a criminal case.

The judiciary also cooperates with the SCPC when discussing the risk of corruption in the judiciary and cooperating at the policy level to increase the capacity of the judiciary for the fight against corruption.

Further the judiciary also cooperates at the policy level with the Ministry of Justice, which is responsible for drafting and implementing the judicial reform strategy.

Cooperation with all three pillars have a positive influence on the work of the judiciary in anti-corruption cases. Cooperation with the SCPC has increased at the level of judicial integrity and ethics, with training provided for the judges at the academy for judges and prosecutors, and there is cooperation in conducting corruption risk assessments in judiciary, which aims to increase citizen trust in the accountability of the judiciary.
PILLAR RECOMMENDATIONS

- **The supreme court needs to**
  - revise the code of ethics to include a sustainable and permanent body for its implementation
  - strengthen the mechanism for its implementation and accountability, and more effective monitoring of the implementation of the code of ethics

- **The judicial council needs to**
  - adopt new procedures for receiving citizen reports related to conflicts of interest and other inappropriate and unethical behaviour in judges
  - establish a whistleblower’s protection and reporting channel to enable judges with integrity or other interested parties to report on cases of influence over the judges and their decisions

- **The government needs to ensure sufficient financial and human resources for the judiciary**

- **The supreme court and judicial council need to**
  - publish consolidated information on the judicial budget
  - ensure that decisions and annual reports published on the judicial council’s website are in a user-friendly format
4. PUBLIC PROSECUTOR

SUMMARY

OVERALL PILLAR SCORE: 38.9
CAPACITY SCORE: 50
GOVERNANCE SCORE: 41.7
ROLE SCORE: 25

Indicators scores: law and practice

The public prosecutor’s office (PPO) is the core institution in the criminal justice system in the Republic of North Macedonia.

The PPO is defined as a unique and independent state institution that prosecutes perpetrators of crimes and other punishable acts sanctioned by law and performs other duties as stipulated by law. It is organised in accordance with the principles of hierarchy and subordination, and was established and can be abolished by law. The PPO can act before the Supreme Court. The head of the office is the Public Prosecutor’s of the Republic of North Macedonia. There are four higher public prosecutor’s offices (HPPO’S) that act before the four appellate courts.

The Basic Public Prosecutor’s Office for Organised Crime and Corruption (BPPOOCC) is responsible for the investigation of corruption and organised crime cases and is part of the judicial system that represents the state in criminal courts. The BPPOOCC acts in the whole territory of the Republic of North Macedonia with its headquarters in Skopje. The head is the chief prosecutor of the BPPOOCC. There are 22 basic public prosecutor’s offices (BPPOs), of which 10 have basic competence (acting on criminal cases punishable with imprisonment of
up to five years as a main sentence) and 12 with expanded competence (acting on criminal acts punishable with imprisonment of over five years as a main sentence). Specialised departments with a professional service can be set up in the BPPOOCC and in any public prosecutor’s office for a court with expanded jurisdiction.

The legal framework provides appropriate salaries. However, there are significant resource gaps in the prosecution, with the budget not meeting the legally required minimum percentage. There is also a shortage of human resources, with many positions remaining unfilled.

There are comprehensive laws to ensure the independence of the prosecution. However, the public prosecutor is appointed by the Assembly, potentially subjecting that person to political influence. The prosecutorial council is an independent body to appoint and dismiss public prosecutors. In practice, prosecutors are often removed from their positions before their term ends, and appointments have been criticised for non-transparency and political influence. Citizen trust in the public prosecution is exceptionally low, with only 3 per cent of citizens trusting the institution “a great deal”.

The legal framework for the governance mechanisms needs improvement as the prosecutorial council is dependent on the decisions of the public prosecutor. The law and the code of ethics for public prosecutors, in combination with the Law for the Prevention of Corruption, provide mechanisms to ensure integrity. However, they do not cover hospitality or reimbursements for privately sponsored trips, and the ethics council's activities are not transparent or well-documented. There is no public information about the initiatives and opinions of the ethics council and no information on whether the State Commission for the Prevention of Corruption (SCPC) receives reports on post-government private sector employment from prosecutors. The PPO is not transparent as it does not provide information and statistics about cases. It does not respond to requests from other institutions and does not provide timely information about the reports sent from other agencies.

The achievements of the prosecution in corruption cases are limited, and convictions in high-profile corruption cases are rare. The special prosecutor's office (SPO), established in 2015 to investigate corruption cases, did not preserve its integrity and was dissolved in 2020. The return of cases to the public prosecutor's office has not resulted in significant progress. Corruption cases often face obsolescence due to lengthy legal processes. Investigations and charges related to corruption are ongoing, but few high-value assets have been seized.

**CAPACITY**

**INDICATOR 4.1.1 RESOURCES (LAW)**

**To what extent are there laws to ensure appropriate salaries and working conditions of prosecutors?**

Score: 100/100

*The legal framework provides ground for the appropriate budget and salaries of the public prosecutors, prosecutorial professional administrative staff and the performance of their role in investigations and prosecution.*

According to the Law for the Public Prosecution, the budget for the PPO has to be at least 0.4 per cent of the state budget for the current year if this does not affect the funds planned for all budget expenditure rates. The public prosecutor is entitled to propose the PPO budget to the Ministry of Finance. In addition, the chief

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498 Law for the Public Prosecution, Official Gazette of the RNM 42 from 16.2.2020 Article 101 p. 1
499 Law for the Public Prosecution, Official Gazette of the RNM 42 from 16.2.2020 Article 101 p.2. According to this article, the proposal on the amount of funds for the work of the public prosecutors contains an assessment of the regular and extraordinary matters carried out by the public prosecutor's office, the required number of public prosecutors and prosecutorial officials, and other indicators relevant to determine the amount of funds necessary for the work of the public prosecutor's office in that year.
The basis for calculating the salary of public prosecutors is the same as for other appointed public officials, in accordance with the Law on Salary and Other Allowances of Elected and Appointed Persons. The public prosecutor's salary is calculated in a way that multiplies the basic salary with a salary determination coefficient. Public prosecutors' salaries are divided into five groups, with a coefficient of 2.8 up to 3.7. In May 2022, the government adopted a package of laws for increasing the salaries in the judiciary and prosecution.

The Law for the Salaries of the Public Prosecutors regulates the system of salaries, salary allowances, other compensation and admissions of public prosecutors, but up until 2023, it did not contain a mechanism for securing adjustment in line with inflation. Article 4 determined the public prosecutor's salary depending on the type of public prosecutor's office, the department and type of cases on which it acts, internal duties in the public prosecutor's office, years of service, scientific and professional titles and specialisation and the results achieved in the performance of the function of public prosecutor. A constitutional court decision from March 2023 abolished Article 4 of the salaries law and enabled the salaries to be determined according to the average salary from 2022. This will enable adjusting salaries to inflation rates.

The public prosecutor's salary may only be reduced in the event of a disciplinary responsibility (see 4.2.5).

**INDICATOR 4.1.2 RESOURCES (PRACTICE)**

*To what extent does the public prosecutor have adequate levels of financial resources, staffing and infrastructure to operate effectively in practice?*

Score: 25/100

The prosecution has significant resource gaps, with the budget not meeting the legally required minimum percentage and over half of the public prosecutor positions not being filled. This leads to ineffectiveness in carrying out prosecutorial duties.

Even though the budget has increased since 2020, it is still below the amount of 2019 and does not meet the legally defined threshold of 0.4% of the state budget and thereby actively breaking the law (see 4.1).
Table 4.1: Budget of the PPO, 2019 - 2023

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount in MKD</th>
<th>Amount in EUR</th>
<th>% increase/decrease compared to the previous year</th>
<th>% of the total revenues of the state budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>675,446,000</td>
<td>10,982,862</td>
<td>5.07</td>
<td>0.24</td>
</tr>
<tr>
<td>2022</td>
<td>642,832,000</td>
<td>10,452,557</td>
<td>11.92</td>
<td>0.27</td>
</tr>
<tr>
<td>2021</td>
<td>574,361,000</td>
<td>9,339,203</td>
<td>6.73</td>
<td>0.25</td>
</tr>
<tr>
<td>2020</td>
<td>538,164,000</td>
<td>8,750,634</td>
<td>-27.08</td>
<td>0.24</td>
</tr>
<tr>
<td>2019</td>
<td>738,018,000</td>
<td>12,000,292</td>
<td></td>
<td>0.35</td>
</tr>
</tbody>
</table>

The salaries of public prosecutors are adequate compared to other appointed officials.

Public prosecution has a constant shortage of human resources (see Table 4.2). As per the 2020 annual report, the public prosecutor's office should have 1,126 working positions, but only about 354 are filled. For example, of the 197 public prosecutor’s office managers envisaged, only 11 are filled, which makes it particularly difficult for public prosecutors to work.

Table 4.2 Human resources of the public prosecution, 2019-2023

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of systematised staff positions</th>
<th>Number of filled staff positions</th>
<th>% of unfilled staff positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>1,126</td>
<td>385</td>
<td>66%</td>
</tr>
<tr>
<td>2021</td>
<td>1,126</td>
<td>354</td>
<td>69%</td>
</tr>
<tr>
<td>2020</td>
<td>1,180</td>
<td>345</td>
<td>71%</td>
</tr>
<tr>
<td>2019</td>
<td>1,165</td>
<td>338</td>
<td>0.29%</td>
</tr>
</tbody>
</table>

According to the prosecutorial council, the staff shortage is due to the legal requirement that a public prosecutor position in a basic public prosecutor's office should only employ a person who has completed training at the academy for judges and prosecutors.

As well as training from the academy for judges and prosecutors, public prosecutors also receive training through international cooperation. However, in spite of the diversified training provided, the 2022 prosecutorial council annual report notes that there is a need for additional funding for training on legal skills, including court and case management, and conflicts of interest.

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507 Public prosecutor’s office budget for 2023, Published in the Official Gazette on 27 December 2022 buџet-2023.pdf (jorm.gov.mk)
508 Annual Report PPORNIM p.11 izveshtaj-finalen-2021-1.pdf (jorm.gov.mk) viewed 1 April 2023
509 Based on the annual reports published by the public prosecution: https://jorm.gov.mk/category/dokumenti/izvestai/
510 the Law for the Public Prosecution, Article 61 p. 1 line 8 Zakon-za-javnoto-obvinitelstvo-16-02-2020.pdf (pravdiko.mk)
511 Interview with the prosecutor of the Republic of Macedonia, Ljubomir Joveski, 2 January 2022
513 Ibid p.16 List of training
514 Ibid p.18
INDICATOR 4.1.3 INDEPENDENCE (LAW)

To what extent is the public prosecutor independent by law?

Score: 75/100

There are comprehensive laws to ensure the independence of the prosecution. However, the public prosecutor is appointed by the Assembly instead of a purely professional body, and there is no room for the participation of civil society in this process.

The constitution defines the PPO as a single and independent state body. In amending the constitution is a complex and comprehensive procedure in three stages, which further secures the prosecutor's independence.

The public prosecutor is appointed by the Assembly on the proposal of the government for six years, with the right to reappoint. The government has to ask the prosecutorial council for an opinion on all candidates and then propose an approved candidate to the Assembly. This process often gets criticized for making the public prosecutor subject to political influence in practice (see 4.1.3). There is also no room for the participation of civil society in appointment proceedings.

Other public prosecutors are appointed by the prosecutorial council, such as higher public prosecutors and heads of the basic public prosecutor's office, who are selected for a term of four years, after a general vote by all public prosecutors with the right to re-election.

The prosecutorial council is composed of 11 members: the public prosecutor; one member elected by the office of the public prosecutor from its members; four members elected by the prosecutors in the four higher public offices (Skopje, Gostivar, Bitola and Stip); one member of a community that is not in the majority in the country and selected by all public prosecutors in the republic; and four are appointed by the Assembly from the university law professors, lawyers, former constitutional court judges, international judges, and other prominent lawyers.

The law provides security of tenure and prevents prosecutors from being threatened with arbitrary termination of their position. Conditions for termination of the prosecutor's position are provided by the Law on Public Prosecutor's Office; for example, if a prosecutor is sentenced by a final court decision to a prison term of at least six months. In the cases referred to the public prosecutor, the termination of that office is determined by the Assembly. However, a public prosecutor may be removed for the duration of criminal proceedings against them or when a disciplinary procedure is initiated.

A disciplinary procedure for removal is clearly defined by law in cases of more severe disciplinary grievances. Article 91 of the Law on Public Prosecutor's Office defines 12 serious disciplinary grievances, such as: violations of public order; not submitting an asset declaration; failure to apply rules for exemption from a case; if convicted with a sentence shorter than six months for the case related to revealing classified information; if a major

516 In the first stage, the Assembly, by a two-thirds majority (at least 80 votes), decides to accede to amending the constitution. The second is a phase of establishment of draft amendments when a majority of MPs, 61 votes, is enough. The third final phase is the adoption of amendments and again requires a two-thirds majority or at least 80 votes.
517 If the Council will not give a positive opinion of any of the candidates, the Assembly has to repeat the call
519 Ibid Article 65
522 Ibid, Article 81
professional mistake is committed with intention and without justification. Also, before the disciplinary procedure
starts, a five-member commission will ask the accused public prosecutor to provide a written statement on the
allegations.523

Public prosecutors are not allowed to exercise any public or private, paid or unpaid duties, which are contrary to
the function.524 However, there is no requirement for public prosecutors to report their interests, membership in
relevant organisations and other relevant activities.

INDICATOR 4.1.4 INDEPENDENCE (PRACTICE)

To what extent does the public prosecutor operate without interference from the government or other actors?

Score: 0/100

It is common for prosecutors to be removed from their position before the end of their term, and appointments
have been criticised for non-transparent procedures and influence by personal networks within the prosecution,
as was indicated in the appointment of the chief prosecutor of the BPPOOCC. The trust in the public prosecution
by citizens is exceptionally low.

The selection and appointment process for the chief prosecutor of the BPPOOCC in November 2022 has raised
controversy. Most of the 163 votes from prosecutors were given to the only candidate who had not presented any
programme or made any statement before the elections, Islam Abazi. In an official statement, the US Embassy
considers his selection "confusing", and notes a non-transparent procedure and political influence.525 There were
other cases where the prosecutorial council’s decision for dismissing and appointing prosecutors have been
alleged to be related to proceedings on certain cases, such as: the case of a prosecutorial council member voting
to dismiss the prosecutor leading the case against her husband;526 head of the council participating in appointing
his relative,527 which had been criticised by the public prosecutor who said that the head should have excluded
himself. The public prosecutor in this instance also led the case against the biggest bank and its management,
who was then dismissed for speaking out in public,528 and her case was given to the newly selected prosecutor.
The two cases are related to high banking officials, and banks that finance political activities.529 The appointments
have been under scrutiny of the State Commission for the Prevention of Corruption.530

In August 2022, the chief prosecutor of the BPPOOCC, Vilma Ruskoska, was suspended when the administration
of the financial police announced it was filing criminal charges against her,531 and prosecutors Ivana Trajcheva
and Elizabeta Josifovska were filed for abuse of their official duty to conduct a search of the administration for
financial police. The case against Ruskoska is ongoing. In September 2022, the public prosecutor submitted a
proposal to initiate disciplinary proceedings against all three public prosecutors.532 The prosecutor’s disciplinary

523 Law on Public Prosecutor’s Office. Official Gazette of the RM, Articles 90 - 95 80/92, 19/93, 9/94 and 9/96, 38/04, 150/07 and Law for the
Public Prosecution, Official Gazette of the RNM 42/20.
525 360 Stepeni. Ambassador Angela Ageler said on 360 Degrees: The citizens of North Macedonia deserve an independent judicial sector
in which positions are filled by merit and quality, through transparent processes, regardless of whether they are in the prosecution, judiciary
or any other public institution. There is no place for political interference in these proceedings https://360stepeni.mk/sad-se-zbuneli-od-
izborot-na-islam-abazi-osobeno-po-potrosheni-milioni-dolar-za-obuka-na-obviniteli/
526 Обвинителка одлучувала дали ќе биде реизбрана колешката што го гони нејзиниот сопруг за перење пари (makfax.com.mk)
527 По Ниеден Закон Не Требаше Да Се Изземам При Изборот На Внука Ми, Вели Коле Штериев, Претседател На Советот На
Обвинители Сакам Да Кажам (sdk.mk)
528 Истрагата за случајот „Банки“ и понатаму ја води Обвинителството за организиран криминал – Фокус (fokus.mk)
529 (АРХИВА) „Фокус“ истражува – Колку партиските каси се празнат за плати и за кредитни рати? – Фокус (fokus.mk)
530 ДКСК на седница ќе одлучува дали има судир на интереси во изборот на внуката на Штериев - Локално (lokalno.mk)
531 360 Stepeni. The Financial police filed a compliant against the prosecutors from the Prosecutor’s Office for the Prosecution of Organized
Crime: https://360stepeni.mk/upravata-za-finansiska-politsija-podnese-krivichna-prijava-protiv-obvinitelitte-od-obvinitelstvoto-za-gonene-
organiziran-kriminal-za-pretresot-od-18-juli/
532 Idol (online). Vilma Ruskoska suspended form work: https://idol.mk/archives/22684, viewed 2 April 2023
committee decided to seek the dismissal of Vilma Ruskovska from her post. The commission claims to have identified a serious professional error and thus a serious disciplinary violation in its operation.\(^\text{533}\)

In June 2020, the former special prosecutor Katica Janeva was convicted for the abuse of office and sentenced to seven years in prison.\(^\text{534}\) The court of appeal has confirmed the sentence and she started her time in prison in July 2021.\(^\text{535}\)

Even though there are no clear examples of undue external interference in the work of prosecutors, according to a 2022 survey by Brima market research, citizens’ trust in the prosecutorial office has decreased significantly to only 3 per cent of citizens trusting the public prosecution service “a great deal”.\(^\text{536}\)

**GOVERNANCE**

**INDICATOR 4.2.1 TRANSPARENCY (LAW)**

*To what extent are there provisions to ensure that the public can obtain relevant information on the activities and decision-making processes of the public prosecutor?*

Score: 50/100

A number of legal provisions allow the public to obtain relevant information on the organisation and functioning of the public prosecutor. The law also determines how the cases are to be distributed electronically. However, the law does not determine the length of the pre-investigating procedure, and status of a case in this stage cannot be revealed. There is also no legal provision that will allow publishing information after the legal term of three months for pre-investigation ends.

The prosecutorial council must submit an annual report to the Assembly.\(^\text{537}\) However, there is no legal obligation to publish the annual report on the website of the council.

The law determines the content of the report. The report has to contain data on the number of public prosecutors, the number of disciplinary proceedings conducted and completed, the staff of the PPO, material and financial situation of the public prosecution service, data on acting on representations and proposals from citizens and legal entities, and other data from the prosecutorial council’s work. The new law on public prosecution determines that a system for electronic distribution will be used for the distribution of cases,\(^\text{538}\) and the public prosecutor has adopted a rulebook to do that.\(^\text{539}\) Also, the law does not determine the status of a case if it is in the pre-criminal

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\(^{536}\) National Pool of North Macedonia, September-October 2022 International Republic Institute (IRI) PDF p. 24 National Pool of North Macedonia, September-October 2022 International Republic Institute (IRI) PDF. The survey was conducted on behalf of the Center for Insights in Survey Research by the Brima market research firm (member of Taylor Nelson Sofres and Gallup International). A nationally representative sample of 1,207 respondents aged 18 and over was surveyed between 23 September and 13 October 2022. The margin of error was ± 2.8 points at a 95 per cent confidence level. The response rate was 69 per cent. The national sample was prepared according to 2021 census data from the state statistical office for the population aged 18 and older.


\(^{539}\) Rulebook for the distribution of cases in the PPO pravilnik-za-raspredelba-na-predmetite.pdf (jorm.gov.mk)
investigation procedure and it does not determine what will happen to the case if the pre-criminal procedure is not completed in three months, therefore hindering transparency of these cases.\textsuperscript{540}

According to the latest amendments to the law, the prosecutorial council’s decisions on appointing, moving and removal of prosecutors must be reasoned, and they must be published on the council’s website.\textsuperscript{541}

**INDICATOR 4.2.2 TRANSPARENCY (PRACTICE)**

*To what extent does the public have access to information on the activities and decision-making processes of the public prosecutor in practice?*

Score: 25/100

*Even though annual reports are regularly published, the public cannot obtain relevant information on spending, governance and case management. Also, the non-publication of the council’s meeting minutes limits the public ability to receive information on decisions that concern them and how these decisions were made. Digitalised distribution of the cases has not been implemented, and there is no practice of informing the public after the legal length of three months for the pre-investigating procedure ends.*

The prosecutorial council published annual reports on the work of public prosecutions from 2009 to 2021 and reports on the application of special investigative measures from 2019 to 2021 on its website.\textsuperscript{542} However, due to the lack of a legal deadline for publishing such reports, the annual report for 2021 was only published in June 2022\textsuperscript{543} and the annual report for 2022 has been published in July 2023.\textsuperscript{544}

In terms of content, annual reports do not contain information on spending, governance (such as information on disciplinary proceedings) and case management. The latest data on the prosecutorial council’s financial operations are from 2017.\textsuperscript{545} The reports also do not contain information on case management, only statistics on cases and prosecutorial activities.\textsuperscript{546}

Based on daily insights from the prosecutorial council’s website, it can be seen that there is a need for greater continuity in the publication of appointment announcements. During the appointment process for the chief prosecutor of the BPPOOCC in December 2022, relevant information on the candidates was not published in a timely manner to be reviewed by public.\textsuperscript{547} The prosecutorial council further publishes data for its sessions on its website in a timely manner. However, announcements for the day and time of the sessions are often on the same day of the session or after it.\textsuperscript{548} The same refers to the publication of the minutes of the sessions held. The minutes are not published regularly, and it has been determined that sometimes a record has been published from a later session, while the record of the previous session has not been made public.\textsuperscript{549}

\textsuperscript{540} Law on the Criminal Procedure Article 275 p.1 Zakon-za-krivichnata-postapka-18-11-2010.pdf (pravdiko.mk)

\textsuperscript{541} Law for Amending the Law on the Council of Public Prosecutors of the Republic of Macedonia. Official Gazette. Article 5 No. 42/20,

\textsuperscript{542} Public Prosecutor’s Office of the Republic of North Macedonia, Reports. https://jorm.gov.mk/category/dokumenti/izvestaji/

\textsuperscript{543} Годишен извештај за работата на јавните обвинителства во 2021 година – Јавно Обвинителство На Република Северна Македонија (jorm.gov.mk)


\textsuperscript{546} Prosecutorial Council. Annual report. pp.49 and 50.

\textsuperscript{547} Institute for Human Rights. Policy paper. p.13. Транспарентност, отчетност и ефективност на советот на јавни обвинители на Република Северна Македонија dokumentjavnipolitikijo-1.pdf (ihr.org.mk)

\textsuperscript{548} Institute for Human Rights. Policy paper. p.11. Транспарентност, отчетност и ефективност на советот на јавни обвинители на Република Северна Македонија dokumentjavnipolitikijo-1.pdf (ihr.org.mk)

\textsuperscript{549} Institute for Human Rights. Policy paper. p.11. Транспарентност, отчетност и ефективност на советот на јавни обвинители на Република Северна Македонија dokumentjavnipolitikijo-1.pdf (ihr.org.mk)
INDICATOR 4.2.3 ACCOUNTABILITY (LAW)

To what extent are there provisions to ensure that the public prosecutor service has to report and be answerable for its actions?

Score: 75/100

The legal framework contains comprehensive provisions which enable the accountability of individual public prosecutors. However, there is no independent body to investigate complaints, and there are no provisions to protect the complainant. The regulation on the oversight of public prosecutors between the prosecutorial council and the public prosecutor of the republic is unclear and partly overlapping. Moreover, the role and the mandate of the prosecutorial council in disciplinary cases is not clear and does not determine if it will act in all cases or only at their discretion.

The prosecutorial council has a legal obligation to address citizen complaints. However, based on the law, the public prosecutor of the republic is the only body responsible for reviewing the work of prosecutors.550

There is a separate by-law to regulate the procedure for determining the liability of the public prosecutor. The by-law determines the composition of the disciplinary commission as a five-member commission established by the public prosecutor from the elected public prosecutors with a term of four years.553 The commission makes its decisions by a majority, and the decision can be appealed to the prosecutorial council within eight days.

Neither the law or the by-law do not contain provisions for protecting the complainants.

The disciplinary commission is responsible for deciding disciplinary responsibility. However, the law determines the composition of the commission (five members: one from each of the four higher prosecutorial offices and one from the public prosecutor’s office), but it does not use the term “disciplinary commission” and does not determine the length of the mandate of the members. The selection and mandate of the commission is determined by the by-law. Its decisions are not final as the prosecutorial council can change and annul the decision even if there is no appeal of the decision. The prosecutorial council holds the responsibility of deciding when to terminate the position of a public prosecutor. It then determines the course of action following the establishment of disciplinary responsibility with a proposal for a dismissal, which includes deciding whether the public prosecutor’s performance is deemed incompetent or unethical. Therefore, the prosecutorial council has no real role in the oversight of public prosecutors. The council is also responsible for monitoring the work of public prosecutors on the basis work assessments in accordance with the Law on Public Prosecutors.

Public prosecutors have immunity, but this is not applicable in cases where they have committed criminal offences. A public prosecutor cannot be detained or called to account for action taken, opinions expressed or
decisions made, unless they have committed a crime. The Law on Public Prosecution precisely defines the disciplinary infringements and the disciplinary procedure under which the public prosecutors are responsible for their actions. Disciplinary measures can include suspension, dismissal or salary reduction. The Law on Public Prosecution determines that public prosecutors can only be suspended and removed from their position due to serious infringements or if they are a member of a political party.

**INDICATOR 4.2.4 ACCOUNTABILITY (PRACTICE)**

*To what extent do prosecutors report and answer for their actions in practice?*

Score: 25/100

*There is a low level of effectiveness in accountability mechanisms for the prosecutorial office in practice, partly due to the insufficient role of prosecutorial council in reviewing the work of public prosecutors.*

There is no known case of the effective protection of a complainant in practice. Also, there is no data on the number of citizen complaints or related decisions published in any reports by the public prosecutor.

This is partly due to the complexity of the legal provisions regarding the mandate of the prosecutorial council when it comes to reviewing the work of a public prosecutor (see 4.2.3). The laws contain comprehensive provisions on the accountability of public prosecutors; however their application in practice is not visible and at a low level.

The chief prosecutor of the BPPOOCC is rarely be seen in public or in the media, even when there the public has concerns about the work of public prosecution. The low level of accountability and reporting by the public prosecutor is also recognised by the public, and in the latest analysis, only 3 per cent of citizens trust the public prosecution “a great deal”.

There are not many cases of public prosecutors’ dismissal due to misconduct or misuse of their position. In the most recent case from 2022, the disciplinary commission asked for the dismissal of the former chief prosecutor of the BPPOOCC on the basis of serious disciplinary grievances. Article 86 of the Law for the Public Prosecution determines that the public prosecutor can be dismissed if they are sentenced to more than six months in prison. However, Article 89 determines the possibility for a dismissal due to serious disciplinary misconduct, and according to Article 91 that can happen if they intentionally and unjustifiably make a major professional mistake, whereby the different interpretation of the law and the facts cannot be a basis to determine the responsibility of the public prosecutor (see 4.1.4). Chief prosecutor of the BPPOOCC was convicted and sent to jail for misuse of official position.

Such disciplinary measures were sought for only one other public prosecutor. Also, in 2020, the special public prosecutor’s office, established in 2015, ceased to exist.

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560 Ibid
561 Law on Public Prosecution, Article 95
562 Law on Public Prosecution, Articles 69 to 75
563 Law on Public Prosecution, Article 87
564 Ibid
565 National Poll September-October 2022, conducted on behalf of the Center for Insights in Survey Research (a project of the International Republican Institute) by Brima, p.24:https://www.iri.org/resources/national-poll-of-north-macedonia-september-october-2022/ the question is:
566 Law for the Public Prosecution, Official Gazette. No 42/20
567 Meta.mk. 2020. Former Special Prosecutor Katica Janeva sentenced to seven years in prison, Bojan Jovanovski to nine | Meta.mk viewed 2 April 2023
INDICATOR 4.2.5 INTEGRITY MECHANISM (LAW)

To what extent are there mechanisms to ensure the integrity of prosecutors?

Score: 50/100

The law and code of ethics for public prosecutors, in combination with the Law on the Prevention of Corruption, provide mechanisms to ensure the integrity of prosecutors. However, some of the integrity measures are not embedded in the existing integrity regulations.

The prosecutorial council adopted the code of ethics for public prosecutors in 2021 after adopting the new Law on Public Prosecution.

For supervision of compliance and interpretation of the code of ethics, the ethics council of public prosecutors was established. Members of the ethics council serve for four years, with the right to another re-election. Members enjoy immunity and cannot be held accountable for voting, expressing an opinion or acting as a member of the council.

The law and the code of ethics regulate conflicts of interest and gifts but do not contain provisions for hospitality and for preventing prosecutors from receiving reimbursements, compensation and honoraria in connection with privately sponsored trips. Also, there is no possibility for citizens to challenge the impartiality of a prosecutor if they fail to step down from a case, and there is no restriction for prosecutors entering the private or public sector after leaving the prosecution service. However, if a prosecutor, as an appointed official, plans to establish a trading company or engage in a profit-making activity in the area they worked in within three years after the end of their appointment, they are obliged to report to the SCPC within 30 days.

As with other appointed officials, public prosecutors are obliged to declare their assets to the SCPC. There is no legal requirement for disclosing assets to a prosecutorial body.

INDICATOR 4.2.6 INTEGRITY MECHANISM (PRACTICE)

To what extent is the integrity of members of the prosecution ensured in practice?

Score: 25/100

In practice, the integrity of members of the prosecution has only been checked to a very small extent. The existing regulations have loopholes (see 4.2.5) and are therefore not effective in ensuring ethical behaviour by prosecutors. For example, the prosecutorial council decided in a closed session to reject the appeal of the

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569 Code of Ethics for the Public Prosecutors.
570 Ibid, Article 27. The ethics council consists of the president, deputy president and four members of the public prosecutor's office.
571 Ibid
572 Ibid
574 Law on the Prevention of Corruption and Conflict of Interest. Article 82. Закон за спречување на корупцијата и судирот на интереси. In accordance with Articles 84 and 85, the statements are to be submitted within 30 days of the day of appointment, within 30 days of the day of leaving the position or dismissal. The same time deadline of 30 days applies to reporting any increase in property of a value exceeding 20 average net salaries in the last three months.
chief prosecutor of the BPPOOCC and did not allow an external review of the decision by the public prosecutor to suspend the chief.575

The ethics council gives its own opinion on the compliance of a particular public prosecutor’s behaviour with the principles of the code of ethics. However, there is no information about the ethic council’s operation in the annual reports nor on the prosecutor’s website, which lack information on governance (see 4.2.2).576

There is no public information about the initiatives of the ethics council and its opinions as the relevant office in which the public prosecutor holds the post. Also, there is no information on whether the SCPC receives any reports on prosecutors’ post-government private sector employment.577

The public prosecutors’ website does not contain any information or guidance that would encourage citizens to challenge the impartiality of a prosecutor or to report any other breach of the code of ethics or law. Citizens can file a complaint to the prosecutorial council that will be checked by the ethical council. Such cases have not been indicated in the public prosecution reports.

Prosecutors regularly disclose their assets in practice. However, the SCPC is responsible for scrutinising and validating asset declarations578 only when a case against the public prosecutor is indicated or reported,579 or when there is an annual plan. The annual plan for 2022 envisages scrutinising the assets of 10 public prosecutors randomly chosen.580 The annual plan for 2021 did not envisage scrutinising the assets of any public prosecutors,581 while the annual plan for 2023 will cover five public prosecutors. However, the effectiveness is questionable as, in the SCPC’s annual report for 2022, it is stated that proceedings on the cases for selected officials are ongoing due to the time needed to provide the necessary documentation from different institutions and the analysis.582 If established, breaches of asset disclosure are sanctioned,583 but there is no specific data on sanctioned prosecutors.

**INDICATOR 4.2.7 GENDER**

*To what extent are the prosecution’s mechanisms gender-sensitive?*

Score: 25/100

*Prosecution mechanisms are not gender-sensitive, but there is some training on gender sensitivity.*

The prosecution service’s complaint and investigation mechanisms have no explicit gender-sensitive protocols or guidelines. There is also no procedure for collecting gender-disaggregated data on complaints filed, processing times of complaints, complaints solved or disregarded, and so on.

The number of female prosecutors in the prosecutorial council is five of nine members, and the public prosecutor’s office has only three women out of nine prosecutors.584

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576 Initiative of TI M for an interview has been diverted to sending a request for the FIIO.
577 Law for the Prevention of Corruption and Conflict of Interest, Article 45
578 Law for the Prevention of Corruption and Conflict of Interest, Article 92
580 Annual plan for scrutinising declaration of assets and interests for 2022 02-7454-2.pdf (dksk.mk)
582 Annual report on the work of the SCPC in 2022, p.31 GI-2022-конечен.pdf (dksk.mk)
583 Ibid p.33, paragraph 3.8.
The prosecution service provides prosecutors and staff with training and awareness-raising material for optimal implementation of gender-sensitive prosecution. The 2021 public prosecution annual report contains information on training provided on: the role of women and the importance of implementing UN Resolution 13/25; the application of the Law on Free Legal Assistance and the Law on Monetary Compensation of Victims of Crimes of Violence and the practical application of the provisions of the Istanbul Convention.

**ROLE**

**INDICATOR 4.3.1 CORRUPTION PROSECUTION**

*To what extent does the public prosecutor investigate and prosecute corruption cases in the country?*

Score: 25/100

Achievements of the Basic Public Prosecution Office for Organised Crime and Corruption in investigating and prosecuting corruption related cases are insignificant considering the number of cases presented in public based on official reports of independent institutions and investigative media.

As a response to the inefficiency of the PPO in 2015, a special prosecutor’s office (SPO) was established to investigate corrupt officials and restore trust in the law and judicial system. However, the SPO did not preserve its integrity, with its head prosecutor receiving a seven-year prison sentence for abusing his official position in a case related to the office’s work (see 4.1.4). The SPO was dissolved on 30 June 2020, and its cases were formally returned to the already dysfunctional PPO. According to the text in the law, the prosecutors from the SPO will return to their home prosecutor’s offices or the BPPOOCC. The intercepted conversations will no longer serve as evidence and thus as a basis for new charges, but will only serve as circumstantial evidence. The SPO cases that were brought before June 2017 will continue to be conducted in accordance with the old legal regulations and intercepted conversations will be used as evidence.

SPO cases continue to be followed by the BPPOOCC. However, very few grand corruption cases have resulted in successful convictions. A few high ranking officials received only the minimum sentence.

At the end of 2022, the Skopje court of appeals overturned the Target-Fortress case verdict, and this case of mass wiretapping in Macedonia returned to retrial. The Target-Fortress case has to be completed before becoming obsolete in early 2025. However, in the existing context, to complete that case before then, with a new first-degree verdict that is permissible, seems highly unlikely. In 2021, 14 defendants in the Titanic election fraud case, who the SPO had declared were members of a criminal association, could not be held accountable for this...
crime because it had expired. In April 2023, the case for electoral fraud, Titanic 2, also became obsolete. Absolute obsolescence for this crime that of unlawful influence, usually occurs after 10 years, but the latest amendments to the criminal code meant all these cases could be dismissed.

In 2021, the BPPOOCC opened investigations into seven cases of alleged corruption against 25 suspects (14 high-profile investigations involving 49 individuals in 2020). Investigations are ongoing against 21 individuals regarding alleged abuse of official positions. Charges were filed in eight cases against 38 individuals.

In 2021, the financial police office investigated 27 cases, which led to criminal charges related to corruption. In three cases, high-value movable and immovable assets were temporarily frozen. In four cases, valuable assets totalling approximately €256,000 were confiscated after the first-instance judgements. Prosecutors reported ongoing investigations against nine individuals on alleged money laundering.

**INTERACTIONS**

The PPO cooperates with law enforcement (criminal police, financial police, financial intelligence unit), the government and the State Audit Office.

Cooperation is based on the legal obligation for cooperation as judicial police is composed of law enforcement officials from the Ministry of Interior (police) and other law enforcement agencies such as the customs authority and financial police. In February 2023, the public prosecutor of the republic and the president of the SCPC signed a memorandum for cooperation. However, there is no such memorandum between the BPPOOCC and the SCPC and therefore a lack of processes for everyday communication on corruption related offences.

Prosecutors participate in different forums where the government and civil society organisations (CSOs) are developing policy documents and legislative reforms related to criminal prosecution.

**PILLAR RECOMMENDATIONS**

- The BPPOOCC and the SCPC need to establish everyday communication and cooperation on corruption related offences by signing a memorandum.
- The government needs to provide financial resources for additional human resources to the public prosecutor’s office and investigative centres in charge of investigating corruption.
- The chief prosecutor of the BPPOOCC needs to regularly report to the Assembly on the implementation of accountability mechanisms, such as disciplinary cases, citizen complaints and dismissals due to the violation of official duties.
- An independent disciplinary commission needs to be established to create an independent body to investigate complaints against public prosecutors and to ensure accountability.

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594 For fourteen defendants in the “Titanic” election fraud case, one offence is obsolete. https://prizma.mk/na-14-obvineti-vo-titanik-im-zastare-po-edno-delo/
• The government needs adopt regulatory provisions to protect a person who files a complaint against a public prosecutor.
• The public prosecutor’s office needs to provide a protected reporting channel for whistleblowers based on the Law on the Protection of Whistleblowers.
• The public prosecutor’s office should create a separate ethical committee that will ensure that citizen can make complaints about public prosecutors’ conduct in private, especially regarding their contacts, hospitality or interests.
5. PUBLIC SECTOR

SUMMARY

OVERALL PILLAR SCORE: 68.75
CAPACITY SCORE: 75
GOVERNANCE SCORE: 75
ROLE SCORE: 56.25

Indicators scores: law and practice

In the Republic of North Macedonia, the public sector is extensive both in terms of the number of institutions and the number of employees in these bodies. The public sector includes a wide range of bodies, governed by the Law on Organization and Operation of State Administration Bodies (LOOSAB) and other special laws.601 The

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601 Example, for bodies established by special laws: the Administration for the Protection of Cultural Heritage, as a body within the Ministry of Culture with the Article 144, of the Law on the Protection of Cultural Heritage, Official Gazette of RM No. 20/04, 71/04, 115/07, 18/11, 148/11, 23/13, 137/13, 164/13, 38/14, 44/14, 199/14, 104/15, 154/15, 192/15, 39/16, 11/18 and 20/19; the Bureau for Representation of the Republic of Macedonia before the European Court of Human Rights with the Law on Representation of the Republic of Macedonia before the European Court of Human Rights (Article 3 and Article 22), Official Gazette of RM No. 67/09, 43/14 and 64/18; the inspectorate for the use of languages as a body within the Ministry of Justice, with the Law on the Inspectorate for the Use of Languages, Official Gazette of RM No. 220/19 and 42/20; the Inspection Council by the Law on Inspection Supervision; the Energy Agency of the RNM, by the Law on the Establishment of the Energy Agency of the Republic of Macedonia; the Agency for Mandatory Oil Reserves, by the Law on Mandatory Oil Reserves, the Real Estate Cadastre Agency, by the Law on Real Estate Cadastre and other substantive laws establishing state administration bodies.
bodies of the state administration include ministries, other bodies of the state administration and administrative organisations.\(^602\) The public sector has 1,354 institutions\(^603\) in which 129,374 people are employed.\(^604\)

In terms of integrity, responsibility and transparency in the operation of public bodies, there is a good and comprehensive legal framework that regulates the responsibility of administrative servants and the responsibility of holders of public functions. Additionally, more attention is being paid to legal texts, codes of ethics and other documents. Transparency in the operation of the institutions is greater, and increasingly individuals and legal persons use the mechanisms for obtaining public information. What is missing is greater visibility of the results of the applying control mechanisms, such as reasoned decisions on the election of holders of public functions, publication of court decisions in one place that refer to the work of an official or administrative servants, as well as effective political control over elected persons.

The legal framework that regulates the status of employees in the public sector (administrative servants) primarily consists of the Law on Public Sector Employees (LPSE) and the Law on Administrative Servants (LAS). There is no special law for senior management of the service, which determines the criteria and selection procedures for candidates for management positions (although notice for the preparation of a draft law on senior management service was published in May 2022.)\(^605\) The process and conditions for the selection of the directors of certain institutions according to the applicable legal framework are regulated by the Law on Public Enterprises\(^606\) and special material laws that regulate the relevant area.\(^607\)

**CAPACITY**

**INDICATOR 5.1.1 RESOURCES (PRACTICE)**

To what extent does the public sector have adequate resources to effectively carry out its duties?

Score: 75/100

*The public sector has an adequate financial, infrastructural and human resource base to effectively carry out its duties. However, there is a need to strengthen or increase resources such as spatial conditions, vehicles IT equipment, and so on, and there is a need for professional staff.*

The expenditure from the RNM Budget for salaries increases every year.

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\(^{602}\) Article 5, Law on Organization and Operation of State Administration Bodies, Official Gazette of RM, no. 58/00, 44/02, 82/08, 167/10, 51/11, 96/19 and 110/19

\(^{603}\) According to the type of institutions, this number includes: public institutions 920; public enterprises 155; municipalities 81; independent bodies of state administration 36; courts 34; bodies within the ministry 30; public prosecution 28; ministries 16; legal entities with public powers 17; independent state bodies 13; regulatory bodies 10; independent professional bodies 2; secretariats in the government of RNM 2; government of RNM 1; Ombudsman 1; special body of state administration 1; president of RNM 1; service (office) in the government of RNM 1; Assembly of RNM 1; Council of Public Prosecutors 1; judicial council 1; constitutional court 1; report from the Register of Public Sector Employees for 2022, pp.11-12, accessed on 15 November 2023, https://www.mioa.gov.mk/sites/default/files/pbl_files/documents/reports/finalen_izveshtaj_za_2022_godina_30.03.2022_godina.pdf


\(^{606}\) Article 23 of the Law on Public Enterprises, Official Gazette of RM No. 38/96, 9/97, 6/02, 40/03, 49/06, 22/07, 83/09, 97/10, 6/12, 119/13, 41/14, 138/14, 25/15, 61/15, 39/16, 64/18 and 35/19 and Official Gazette of RM No. 275/19, 89/22 and 274/22

\(^{607}\) For example, Article 29 of the Law on Culture, Official Gazette of RM, No. 31/98, 49/03, 82/05, 24/07, 116/10, 47/11, 51/11, 136/12, 23/13, 197/13, 44/14, 61/15, 154/15, 39/16, 11/18 and 111/18
In 2022, there was an increase in salaries for public sector employees, especially with the adoption of the minimum wage law. On 5 January 2023, a draft law on the salary system in the public sector was published that should establish a single system of salaries and allowances for employees in public sector institutions.

There is interest in employment in the public sector, which can be seen in the number of public announcements published by the Agency for Administration (AA). In 2021, the AA published 784 public announcements for employment for 2,319 executors, and 17,531 electronic applications were submitted. In 2022, the AA published 800 public announcements for 1,771 jobs, and for a total of 2,075 executors, for which 17,422 electronic applications were submitted.

According to the data from the annual reports on employees in the public sector, it can be seen that, for seven years in a row, the number of employees has been constantly changing, but the approximate number is around 130,000.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of employees in the public sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>129,374</td>
</tr>
<tr>
<td>2021</td>
<td>132,088</td>
</tr>
<tr>
<td>2020</td>
<td>131,183</td>
</tr>
<tr>
<td>2019</td>
<td>132,900</td>
</tr>
<tr>
<td>2018</td>
<td>132,068</td>
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<tr>
<td>2017</td>
<td>128,722</td>
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<tr>
<td>2016</td>
<td>129,653</td>
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</tbody>
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611 Law on Minimum wage, Official Gazette of RM no. 11/12, 14/14, 30/15, 81/15, 129/15, 32/17, 140/18, 124/19, 239/19 and 41/22,
615 Annual report on the work of the Agency for Administration for 2022, pp. 16 and 19 https://aa.mk/content/pdf/Drugi dokumenti/Povazni dokumenti/Izveshtaj za radotata na AA/Izveshtaj za radotata na Agencijata za administracija za 2022 godina.pdf
The institutions point out that they need to strengthen or increase other resources such as spatial conditions, vehicles, IT equipment, all of which differs in each institution, and can be seen from the functional analyses prepared by the institutions. At the same time, there is a need for professional staff and training to strengthen their knowledge and skills in the interests of professional development, which is currently very weak, both in terms of training activities and strategy.

Since 2019, to strengthen the efficiency and effectiveness of public services delivery, there is a national portal for e-services. The number of digital services in the national platform for services reached 245, and the number of registered users reached 110,229.

In 2013, a special law introduced a quality management system and a common framework for assessing the operation and provision of services in the civil service, and all institutions are obliged to implement the following two quality standards: ISO 9001 and the Common Framework for Assessment – CAF. In 2019, the Law on the Central Population Register, the Law on Electronic Management and Electronic Services and the Law on Electronic Documents, Electronic Identification and Confidential Services were adopted.

In February 2021, the Ministry of Information Society and Administration (MISA) approved a new methodology for assessing the quality of institutions, which is expected to be applied once a year to a range of institutions.

In the national portal for e-services at https://uslugi.gov.mk/, the number of registered users reached 110,229.627

The legal basis for the operation of the portal is provided by the Law on Electronic Management and Electronic Services (Official Gazette of RM, No. 98/19 and 244/19) Law on Electronic Documents, Electronic Identification and Confidential Services were adopted.

The national portal for e-services is https://uslugi.gov.mk/.

The legal basis for the operation of the portal is provided by the Law on Electronic Management and Electronic Services (98/2019), which defines the electronic exchange of data and the manner in which it should be implemented, the provision of e-services, the operation of intermediaries and more. In the national portal, the projects are led by IT personnel from the Agency for Electronic Communications. Accessed on 3 November 2023.

For example, in the functional analysis of MISA, it is stated that the ministry faces a shortage of professional staff, p.13 and p.20, https://mioa.gov.mk/sites/default/files/pbl_files/documents/Funkcionalna%20analiza_MIOA.pdf


For example, in the functional analysis of the Ministry of Justice, p.100, https://www.pravda.gov.mk/content/pdf/Strategija%202023-2030.pdf

For example, in the functional analysis of the State Administrative Inspectorate p.29, https://duinspektorat.mioa.gov.mk/sites/default/files/Funkcionalna%20analiza.pdf


For example, in the functional analysis of the Ministry of Justice, p.100, https://www.pravda.gov.mk/content/pdf/Strategija%202023-2030.pdf

For example, in the functional analysis of the State Administrative Inspectorate p.29, https://duinspektorat.mioa.gov.mk/sites/default/files/Funkcionalna%20analiza.pdf


For example, in the functional analysis of the Ministry of Justice, p.100, https://www.pravda.gov.mk/content/pdf/Strategija%202023-2030.pdf

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For example, in the functional analysis of the State Administrative Inspectorate p.29, https://duinspektorat.mioa.gov.mk/sites/default/files/Funkcionalna%20analiza.pdf


For example, in the functional analysis of the Ministry of Justice, p.100, https://www.pravda.gov.mk/content/pdf/Strategija%202023-2030.pdf

For example, in the functional analysis of the State Administrative Inspectorate p.29, https://duinspektorat.mioa.gov.mk/sites/default/files/Funkcionalna%20analiza.pdf

selected by the government at the suggestion of MISA, but it has not yet been applied as the methodology is very recent. MISA has also drafted various documents (service delivery standards, guidelines for service optimisation, methodology for involving end users) that could lay down the foundations for a more uniform approach in improving the quality of public services. However, these documents have been pending adoption since the beginning of 2020.

According to a 2019 survey of citizens' satisfaction with the delivery of public services: “citizens (respondents) are generally satisfied with the delivery of the public service they received... the respondents generally see the lack of expertise of employees, the relationship of employees with citizens, the lack of timeliness in the delivery of services and partisanship in public administration. [As for] the highest priorities in the reform of the delivery of public services, respondents consider that the price of public services should be corrected, the expertise of officials should be improved and the time for the delivery of services should be reduced”.

**INDICATOR 5.1.2 INDEPENDENCE (LAW)**

To what extent is the independence of the public sector safeguarded by law?

Score: 100/100

There is a comprehensive legal framework which ensures the independence of the public sector.

Prevention of inappropriate political interference in the appointment and promotion of employees in the public sector is well regulated by laws such as the LAS, the LPSE, the Law on Prevention of Corruption and Conflict of Interest (LPCCI) and the code of ethics for administrative servants (CEAS).

This is confirmed by the 2021 SIGMA report, which notes that merit-based recruitment, demotion and dismissal of administrative servants are adequately regulated. Specifically, the LAS, regulates the procedure for the employment and promotion of administrative servants, while the horizontal movement of employees from one workplace to another within the same group of workplaces is regulated by the LPSE. The LPCCI prohibits undue influence in the selection, appointment and dismissal of management positions.

“As for the senior management service, the only provisions pertain to public announcements and general prerequisites, rather than offering specific guidelines for criteria for candidate selection for managerial roles. There are no clear rules for appointment and dismissal, nor for competition for a significant portion of managerial...”

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Law on Administrative Servants, Official Gazette of RM, No. 27/14, 199/14, 27/16, 35/18, 198/18, 143/19 and 14/20

Law on Public Sector Employees, Official Gazette of RM No. 27/14, 199/14, 27/16, 35/18, 198/18, 143/19 and 14/20


Code of ethics for administrative servants, Official Gazette of RM, No. 183/ 2014


Article 30, Law on Administrative Servants, Official Gazette of RM, No. 27/14, 199/14, 27/16, 35/18, 198/18, 143/19 and 14/20

Article 24, Law on Public Sector Employees, Official Gazette of RM, No. 27/14, 199/14, 27/16, 35/18, 198/18, 143/19 and 14/20

Article 39 and 40, Law on Prevention of Corruption and Conflict of Interest, Official Gazette of RM, No.12/2019.0
Legal protection of the rights, obligations and responsibilities of administrative servants are regulated by the LAS. A political party or a person acting on behalf of a political party may not influence the employment, assignment and termination of employment of a civil servant. A person who has been dismissed against the law under pressure from a political party, as well as a candidate for election or appointment who has been harmed by an election or appointment carried out under such pressure, may request the annulment of the act of election, appointment or dismissal before a competent court with a lawsuit. There is also a possibility to submit a petition to the ombudsman or submit a petition to the State Administrative Inspectorate (SAI). The SSCPC may request from the competent authority a review or annulment of the decision that was made under the influence of a political party or a person acting on behalf of a political party.

The LAS regulates disciplinary procedures if an administrative servant expresses and represents a political belief in the performance of tasks, participation in election activities or other public appearances of such a nature during working hours, questioning one’s status as an administrative servant by performing party activities, wearing or displaying party symbols in the office.

If the SAI finds evidence that the violation of the regulations is a crime, a misdemeanour or a more serious violation of official duty, it is obliged to file a criminal report, a request to initiate a misdemeanour procedure or an initiative to initiate a disciplinary procedure.

The Law on Lobbying provides for the possibility of influencing the processes of preparation, adoption and amendment of: laws, by-laws or other general acts or public policies, such as programmes adopted by the bodies that are lobbied, especially when those policies or programmes refer to spatial and urban planning, development and allocation or the distribution of public funds.

**INDICATOR 5.1.3 INDEPENDENCE (PRACTICE)**

**To what extent is the public sector free from external interference in its activities?**

Score: 50/100
Activities in the public sector are mainly carried out by personnel selected through a public announcement and procedure prescribed by law, but there is occasionally external influence in the appointment of senior management positions (directors, secretaries) who were appointed by the government (acting directors) and ministers or heads of institutions (in the appointment of secretaries).

In the public sector, after the change of government or by the end of the mandate of the appointing official, category A administrative servants – the secretaries in institutions – can be changed since they are appointed persons. There is a certain discretion in the appointment of category A administrative servants, state secretary, general secretary, secretary of the City of Skopje, secretary of a municipality with headquarters in a city and secretary of a municipality with headquarters in a village, who are not selected by advertisement but are appointed.

Frequently, acting directors, a role meant exclusively for addressing unforeseen situations, are appointed without the need for a public announcement or an extension of their tenure until a permanent director is selected. The State Audit Office (SAO) report states that in the period from 2018 to 2021, 52 percent of the total number of managers appointed by the government are acting directors/deputies. In the SCPC report, it is stated that a large number of applications were submitted to the SCPC for multiple appointments as acting director. The 2021 SIGMA report states that the discretionary appointment and dismissal of senior managers remains the weakest area.

There are no records of how many administrative servants are dismissed or reassigned to another post after the change of government. But one of the indicators that can indicate whether or not there is new employment before the elections or after the elections are, for example, changes in the regulations for internal organisation that can establish or abolish new organisational units or changes to the regulations for the systematisation of workplaces.

According to the 2022 AA, 524 civil servants submitted complaints or objections, of which 81 were for selection by public announcement, 99 were submitted by public servants, of which 16 were for selection by public announcement. For 2021, there were 56 complaints submitted for the assignment of a job, and 91 complaints by choice per advertisement, out of a total of 377 complaints/objections that were submitted by administrative servants. In 2020, 628 complaints/objections were submitted, of which 109 complaints were based on the selection of an advertisement, and 50 were based on job assignment. In 2019, a total of 700 complaints/objections

660 From the received documents, the illegal actions of the management bodies were confirmed, but the SCPC realistically has no possibility of initiating initiatives before the competent courts because none of the mentioned laws, nor the Law on Local Self-Government foresee sanctions for this kind of action, p.19, https://dksk.mk/wp-content/uploads/2021/04/%d0%93%d0%98-%d1%84%d0%bb%d0%bd%d0%b0%d0%bb.pdf
were submitted, of which 128 were for selection by advertisement, and 116 were for job assignment. In 2018, 774 complaints were submitted (612 from civil servants and 162 from public servants), of which 127 were for job placement, and 98 were for selection based on an advertisement.  

There is a provision in the LPSE for fixed-term employment, but only in certain cases. However, in practice, there is a high number of such placements. For example, through temporary employment agencies, in the institutions of the public sector, in 2020, a total of 2,425 people were employed, in 2019 it was 3,222, in 2018, 2,439 people, and in 2017, 1,624, who have no status as employee in the public sector and are not included in the analyses contained in this report.

The AA established a department for candidate selection for administrative servant employment and a selection commission following public announcements. However, political influence on commission members cannot be determined.

Despite the LAS requirement for institutions to submit annual reports on disciplinary and material liability, the MISA website lacks these reports, and some institutions fail to submit them.

In the SCPC, abuse of official duties is also reported mostly for employment, the issuing of various permit decisions (for construction), the existence of a conflicts of interest, when making court decisions, and so on.

The only data available the decisions of the courts in regard to disciplinary sanctions comes from the MoJ. The MISA does not follow these decisions and does not keep statistics on them. From the data provided by the MoJ, only 31 per cent of the court decisions on disciplinary sanctions were fully or partially in favour of the administration. This means that appealing parties were successful in their appeals in 69 per cent of cases. It is not known whether the causes of the negative rulings were procedural problems or substantive factors, but the particularly low percentage of court confirmations is a sign of weaknesses in the management of the disciplinary process or, even worse, unfair disciplinary sanctions.
GOVERNANCE

INDICATOR 5.2.1 TRANSPARENCY (LAW)

To what extent are there provisions to ensure transparency in financial, human resource and information management of the public sector?

Score: 100/100

There are comprehensive provisions that ensure transparency of the public sector.

According to the LPCCI,670 data from asset declarations, including changes in assets, have to be published on the SCPC website.671 The SCPC has to verify the property status and interests data, either on the basis of an annual plan or based on a specific request.672

The Law on Free Access to Information of a Public Character (LFAIPC)673 regulates the entire procedure for exercising the right to free access to information of a public nature (freedom of information requests). One inconsistency is that the Agency for the Protection of the Right to Free Access to Public Information (APRFAI), as the authority that provides legal protection, cannot provide the party with the information that only the owner possesses. In this case, the agency only has the authority to issue a fine. Under the LFAIPC, an official/servant of the owner of information of a public interest is required to keep records of requests for information and is obliged to prepare an annual report on the implementation of this law, submit it to the APRFAI and publish it on the website of the information holder.674 This law also contains precise deadlines within which a decision should be made on the request.675

The obligation to keep records for public procurement is stipulated in the Law on Public Procurements (LPP),676 the rulebook for keeping records of public procurement procedures, as well as the content of the record book.677 The contracting authority, in accordance with the LPP, adopts a plan for its total procurement needs in the current year by type of goods.

LAS and LEPS contain provisions that the procedures to fill jobs are transparent and carried out on the basis of a previously published announcement. The Law on Institutions678 and the Law on Public Enterprises679 state that the selection of the director of a public institution or public enterprise is carried out on the basis of a previously published public announcement.

670 Head 8, Law on the Prevention of Corruption and Conflict of Interest, Official Gazette of RM, no. 12/2019
671 Article 87, Law on the Prevention of Corruption and Conflict of Interest, Official Gazette of RM, no. 12/2019
672 Article 92, Law on The Prevention of Corruption and Conflict of Interest
675 Article 21, The owner of the information is obliged to respond immediately to the request, and no later than 20 days from receipt of the request, Law on Free Access to Information of Public Character, Official Gazette of RM, no 01/2019.
676 Article 129, Law on Public Procurement, Official Gazette of RM, no 24/19 and 87/21
677 Rulebook on the way of keeping records of public procurement procedures, Official Gazette of RM, no. 64/2019
678 Article 49 of the Law on Institutions, Official Gazette of RM No.o. 32/05, 120/05 and 51/11 and Official Gazette of RM, No. 99/22
679 Article 23 of the Law on Public Enterprises, Official Gazette of RM No.o. 38/96, 9/97, 6/02, 40/03, 49/06, 22/07, 83/09, 97/10, 6/12, 119/13, 41/14, 138/14, 25/15, 61/15, 39/16, 64/18 and 35/19 and Official Gazette of RM, No. 275/19, 89/22 and 274/22
INDICATOR 5.2.2 TRANSPARENCY (PRACTICE)

To what extent are the provisions on transparency in financial, human resource and information management in the public sector effectively implemented?

Score: 75/100

The transparency of the public sector is satisfactory, but there are institutions that still do not have their own websites. APRFAPI publishes its annual reports with the number of cases it acted upon, the number of submitted complaints, entities that have submitted the most complaints, the most common basis for complaint and other details.

In 2022, the agency reported that it had received a total of 343 complaints and acted upon 343 cases in accordance with its legal competences. In 2021, it received 798 complaints, 608 were submitted by legal entities, that is, by citizens’ associations and foundations, while 190 complaints were submitted by natural persons/individuals; 359 complaints were related to a lack of response from the administration (44.99 per cent), 356 were related to decisions by the information holders (44.61 per cent) and were 82 related to the response/notification from the information holders (10.28 per cent).

The personal assets of elected and appointed officials are published on the SCPC website. There is also an official accountability tool for greater digital transparency of holders of public functions that publishes the official expenses of appointed directors and deputy directors of public enterprises, independent bodies of the state administration, legal entities with public powers, state-owned joint-stock companies and bodies within ministries. The data is published on the open finance portal.

Information on public procurement is published on the electronic system for public procurement, which is used to increase efficiency, transparency and economy in the field of public procurement.

In practice, the provisions for the mandatory publication of public and internal announcements are respected. Regarding the procedures for the employment of administrative servants, all data are published on the AA
INDICATOR 5.2.3 ACCOUNTABILITY (LAW)

To what extent are there provisions to ensure that public sector employees have to report and be answerable for their actions?

Score: 100/100

There are comprehensive provisions regulating the accountability of employees in the public sector.

According to the Law for the Protection of Whistleblowers690 and the Rulebook for Protected Internal Reporting in Public Sector Institutions693, a protected report/disclosure can take various forms (internal, external or public) and may be submitted anonymously or confidentially. The report must be made in good faith, with a reasonable belief in the information’s accuracy. Disclosing a whistleblower’s identity is strictly prohibited unless mandated by a court decision during a legal procedure. The law also offers protection to both the whistleblower and their close associates from rights violations, including responsibility determination, sanctions, and termination of employment, job suspension, unfavourable job assignments, discrimination or any adverse actions arising from their protected reporting. The responsibility for providing this protection lies with the institution or legal entity where the report was filed. If the institution fails to provide protection, the whistleblower can report this to various authorities, such as the SCPC, the ombudsperson, the inspection council, the Ministry of Interior and the Public Prosecutor’s Office. These authorities are obliged to take appropriate action according to their specific areas of responsibility.

Additionally, the Bureau of Public Procurement, operating within the Ministry of Finance, is responsible for enhancing the public procurement system to ensure efficiency, transparency and rationality. Complaints related to public procurement should be submitted electronically through the electronic system for public procurement to both the State Commission for Public Procurement Appeals and the relevant contracting authority.694 The legal protection of public procurement within the domestic legal system is regulated by the criminal code and involves offences such as “abuse of official position and authority” and “abuse of the procedure for public invitation, awarding of a contract for public procurement or public-private partnership”.695 However, with the latest amendment to the criminal code,696 paragraph 5 of Article 353 (covering the abuse of an official position and powers in the execution of public procurement or to the detriment of the budget and public funds with a possible sentence of at least five years in prison) was cut. According to the current legal solution, the article is more general and the penalty has been reduced. Namely, Article 353 now reads: officials who will take official action that exceeds the limits of their official powers or will not perform their official duties with the intention of obtaining property, benefit or inflicts damage, or seriously infringes the rights of another, shall be punished by imprisonment from six months to three years.

The criminal code covers several crimes against official duty, including extortion, bribery, corruption and abuse of privileged state information.697

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690 Agency of Administration: https://aa.mk/
692 Articles 2-5, Law on the Protection of Whistleblowers, Official Gazette of RM, No. 196/15, 35/18 and 257/20
693 Rulebook for Protected Internal Reporting in Public Sector Institutions, Official Gazette of RM, No. 46/ 2016
694 State Commission for Complaints in the Public Procurement: https://dkzjn.mk/tag/mk-zalbi-postapka
696 Law for the Amendments to the Criminal Code, Official Gazette of RM, No. 23. 7 September 2023
697 Criminal code. Official Gazette of RM No. 37/96, 80/99, 4/02, 43/03, 19/04, 81/05, 60/06, 73/06, 7/08, 139/ 08, 114/09, 51/11, 135/11, 185/11, 142/12, 166/12, 55/13, 82/13, 14/14, 27/14, 28/14, 41/14, 115/14, 132/14, 160/14, 199/14, 196/15, 226/15, 97/17 and 248/18. See: Article 353, 353-a, 353-b, 353-c, 354,355,356, 357, 358, 358-a, 359, 359-a, 360, 360-a, 361, 362, crimes against official duty: abuse of official position and authority, violation of guarding the state border, non-execution of an order, negligent work in the service, embezzlement
According to the Law on Administrative Inspection, administrative inspection oversees the enforcement of various laws, including the Law on the General Administrative Procedure, the Law on Inspection Supervision, the Law on Public Sector Employees, the Law on Administrative Servants and the Law on Prohibition and Prevention of Unregistered Activities. Additionally, administrative inspection is responsible for ensuring the execution of regulations pertaining to administrative operations.\textsuperscript{698}

Pursuant to the LAS, the administrative servants are subject to disciplinary action for violation of official duty.\textsuperscript{699}

The SCPC and the ombudsperson are independent state bodies that supervise and act on reports and complaints from citizens.\textsuperscript{700} The AA handles complaints and objections from administrative servants. The APRFAPI deals with appeals against decisions denying access to information. It focuses on cases where information owners reject requests for information.

Public sector entities\textsuperscript{701} are obliged to form a special organisational unit responsible for financial management and control\textsuperscript{702} as well as an internal audit unit.\textsuperscript{703} The State Audit Office is responsible for performing the state audit and is independent in its operations.\textsuperscript{704} The SCPC, the ombudsperson and the SAO have presidents, members and directors elected by the Assembly, and they must submit an annual report on their operations to the Assembly.

**INDICATOR 5.2.4 ACCOUNTABILITY (PRACTICE)**

**To what extent do public sector employees have to report and be answerable for their actions in practice?**

**Score: 50/100**

*Despite the fact that there is a good legal framework that regulates responsibility in the public sector, in practice there is still no data on the effective implementation of the mechanisms specified in the laws. That is, there is not enough publicly available information to enforce accountability.*

In practice, there is limited implementation of the Law on the Protection of Whistleblowers.\textsuperscript{705} According to the 2022 SCPC annual report, only 15.18 per cent of institutions had an authorised person to receive reports from whistleblowers. In 2022, only 9 institutions submitted information on received reports, (a total of 24 submitted reports).\textsuperscript{706}

\textsuperscript{698} Article 2 of the Law on Administrative Inspection, Official Gazette of RM No. 69/04, 22/07, 115/07, 51/11, 164/13, 41/14, 33/15, 156/15, 193/15, 53/16 and 11/18 and Official Gazette of RM No. 103/21

\textsuperscript{699} see Article 70 to Article 80 of the Law on Administrative Servants. Official Gazette of RM No. 27/14, 199/14, 48/15, 154/15, 5/16, 142/16 and 11/18 and Official Gazette of RM no. 275/19, 14/20, 215/21 and 99/22. Article 73: A disciplinary offense is a more serious violation of official duty, work discipline, the reputation of the institution or the reputation of the administrative officer, namely: non-performance, negligence, untimely or negligent performance of tasks; expressing and representing a political belief in the performance of tasks; participation in election activities or other public appearances of such a nature during working hours; questioning one's status as an administrative officer by performing party activities; wearing or displaying party symbols in the workplace; illegal disposal of material and financial assets; receiving gifts or other benefits; misuse of entrusted powers in the performance of tasks; behaviour contrary to the provisions of the code; etc. For more on disciplinary responsibility of administrative servants,

\textsuperscript{700} Law on Ombudsman, Official Gazette of RM, no. 60/03, 114/09, 181/16, 189/16 и 35/18

\textsuperscript{701} Ibid, Article 9

\textsuperscript{702} Ibid, Article 29, 30 and 31

\textsuperscript{703} Ibid, Article 29, 30 and 31

\textsuperscript{704} State Audit Law, Official Gazette of RM, no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16 и 83/18 and 122/21


\textsuperscript{706} SCPC. 2023. Annual report for 2022. https://dksk.mk/wp-content/uploads/2023/03/GI-2022-%D0%BA%D0%BE%D0%BD%D0%B5%D1%87%D0%B5%D0%BD.pdf
The number of officials reported for an alleged crime against official duty has decreased in recent years. In 2021, 487 persons were reported for crimes against official duty, compared to 516 in 2020 and 740 in 2019. The AA publishes information about appeals based on imposed measures for disciplinary responsibility of administrative servants in its annual reports. However, there is no complete record for each public sector institution with the number of initiated disciplinary procedures, the types of disciplinary measures imposed, nor for the basis on which the disciplinary procedures are initiated. For example, in 2021, out of a total of 377 complaints, 28 were for disciplinary violations; in 2022, out of 623 complaints, 40 were for disciplinary violations.

In 2021, the State Administrative Inspectorate conducted 315 regular inspections, 72 exceptional inspections and 17 control inspections. One criminal report was submitted.

On the website of the State Commission for Public Procurement Appeals, all submitted appeals, decisions, the decisions of the administrative and higher administrative court related to a violation in the procedure for concluding administrative contracts, are published. The commission is efficient in its work in that it solves 96.38 per cent of cases annually, despite the fact that the number of newly received cases has consistently increased from 2017 to 2020. By comparing the number of published announcements for public procurement and the number of appeal cases (1,023 cases), it can be concluded that out of a total of 20,418 published announcements, appeals were filed in 5.01 per cent of published announcements. According to data from the administrative court, a total of 110 lawsuits were filed during 2020, or 10.61 per cent of the total number of cases handled by the state commission. From the total number of administrative court decisions for 2020, in 73.53 per cent of lawsuit were rejected.

**INDICATOR 5.2.5 INTEGRITY MECHANISMS (LAW)**

To what extent are there provisions to ensure the integrity of public sector employees?

Score: 100/100

There is a comprehensive legal framework to regulate the integrity of the public sector, including multiple laws and a code of conduct.

The legal framework that regulates integrity in public sector employees consists of the LPCCI, the code of ethical behaviour of members of the government and holders of public functions appointed by the government and the code for administrative servants.

The code of ethical behaviour outlines the conduct and work standards for government officials, including the prime minister, ministers, deputy ministers, and other executive role holders appointed by the government. If any provisions of the code are breached, the responsible government member is required to address the violation.

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707 MaxStat database, https://makstat.stat.gov.mk/PXWeb/pxweb/mk/MakStat/MakStat___Sudstvo___ObvinetiOsudeniStoriteli/275_SK2_Mk_T13_ml.px/table/tableViewLayout2/?rxid=46ee0f64-2992-4b45-a2d9-cb4e5f7ec5eфа
711 The State Commission for Public Procurement Complaints, in accordance with the Law on Public Procurement, is a state authority responsible for resolving complaints in procedures for awarding public procurement contracts, concessions and public private partnerships, appeals in the procedures for awarding public procurement contracts in defence and security, among others.
713 Law on Prevention of Corruption and Conflict of Interest, Official Gazette of RM, No.12/2019
through both verbal and written communication, urging the executive office holder to rectify their behaviour. Written notices are also distributed to all executive function holders to guide their future conduct and prevent further breaches of the code. The code for administrative servants describes the ethical standards and rules of conduct of administrative servants. For example, the legal, professional and impartial performance of tasks, as well as the politically neutral performance of affairs. For non-compliance with the provisions of this code, administrative servants are subject to disciplinary action in accordance with the LAS. There are also rules for handling gifts, favours and hospitality, as well as guidelines for handling gifts, favours and hospitality in the public sector.

The LAS and LPSE also regulate public sector integrity. According to the LAS, receiving gifts or other types of benefit and the misuse of confidential data are considered serious violations of official duty, work discipline, the reputation of the institution or the reputation of the administrative officer. The LPSE forbids political activity in the workplace and receiving of gifts.

According to the Law on Public Procurement, the contracting authority must take proactive steps during the planning, procurement procedure and contract execution to identify and address corruption promptly. Anyone involved in procurement within the contracting authority or individuals with knowledge of corruption activities are legally obligated to report such incidents to the SCPC or the Public Prosecutor's Office. Furthermore, the law mandates that the president, deputy president, commission members, deputy members and the responsible person involved in procurement must sign a declaration confirming the absence of any conflict of interest. This declaration is a component of the procurement procedure record. In addition, certain public procurement contracts include an anti-corruption clause, which is made available in the electronic public procurement system.

**INDICATOR 5.2.6 INTEGRITY MECHANISMS (PRACTICE)**

**To what extent is the integrity of public sector employees ensured in practice?**

**Score: 50/100**

Despite the fact that there is adequate legal framework for ensuring integrity in the public sector, in practice there is still a lack of sufficient publicly available information for the application and effectiveness of the foreseen mechanisms.

According to the Balkan Barometer survey, bribery in the public sector remains widespread compared to other countries in the region. To address this, most public institutions have adopted an integrity policy which was prepared in accordance with the guidelines prepared by the SCPC, according to which the state authorities and

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716 Article 1 and Article 23, Code of ethical behaviour of members of the government and holders of public functions appointed by the government, Official Gazette of RNM, 232/2020


719 Article, 73, Law on Administrative Servants Official Gazette of RM No.o. 27/14, 199/14, 48/15, 154/15, 5/16, 142/16 and 11/18 and Official Gazette of RM no. 275/ 19, 14/20, 215/21 and 99/22)

720 Article 38 and 39, Law on Public Sector Employees, Official Gazette of RM No.o. 27/14, 199/14, 27/16, 35/18 and 198/18 and Official Gazette of RM no. 143/19 and 14/20)


institutions from the public sector accept integrity as the basis of good governance and a strategic and sustainable response to corruption. In 2022, the SCPC also prepared a rulebook for integrity officers, which is a guide for establishing an institutional environment which respects the standards of integrity. In 2019, the SCPC prepared a methodology for assessing the risks of corruption for the purposes of strategic planning in the fight against corruption and the conflicts of interest. SCPC organises training for the integrity system, such as one in 2022 to help employees to familiarise themselves with the competences arising from Law on Lobbying. The SCPC promoted their training centre together with an e-learning platform intended for anyone interested in acquiring new knowledge in the field of corruption, conflict of interest and integrity.

There is no data on how many disciplinary or other measures were imposed due to violations of the code of ethics.

In its 2023 annual report, the SCPC published data on the fulfilment of the integrity system, which states that implementation in the 18 monitored institutions was 48%. For a more efficient implementation of all competencies, the SCPC developed an e-learning platform in 2022 where interested parties can learn about corruption and integrity. In addition, the SCPC training centre was equipped and operated in the premises of the SCPC.

Establishing and implementing the elements of the integrity system is covered by the 2021-2025 national strategy for combating corruption, with the 2018-2022 strategy for the reform of public administration, as well as with the new strategy for public administration reform 2023-2030. To fulfil the competences and obligations determined by these strategic documents, SCPC effectively works on the implementation of the elements of the system of integrity in central and local government.

INDICATOR 5.2.7 GENDER

To what extent are the public service’s mechanisms gender-sensitive?

Score: 50/100

Gender-sensitive protocols and guidelines exist in terms of gender-sensitive budgeting. However, there is a lack of gender-disaggregated data and a lack of information on the gender sensitivity of complaint mechanisms.

There is an obligation for public sector institutions to prepare an annual report on the progress of equal opportunities for men and women, and they usually have coordinators for equal opportunities with a database available divided by gender. The responsibilities of the coordinator and the deputy coordinator are determined in the regulation on systematisation. Coordinators also participated in gender training (according to data extracted from the annual reports of two ministries).

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728 Ibid., p.40
729 Ibid., p.61
However, there is no regulation for gender-sensitive protocols and guidelines for the public sector’s complaint mechanisms. Therefore, there is also no public information on such protocols or gender-disaggregated data on, for example, complaints filed by women or men.

The SAI states in a 2022 performance audit report that there is a need to establish a system for the collection of gender-disaggregated data for the members of the working bodies, delegations, consultative and coordinating bodies as well as the members of the management boards of public enterprises and institutions. It is also necessary to take measures to increase the participation of women in public positions in the state, in order to improve gender equality.731 But this refers to gender equality in terms of employment.

One of the objectives of the Ministry of Labour and Social Policy, established in the ministry’s annual work plan for 2022, is the creation of gender-sensitive policies, programmes and budgets and the adoption and implementation of a new law on gender equality.732

There is a methodology for gender responsible budgeting for state administration bodies at the central level, but special guides and protocols have not been adopted.733

There is a special law for protection against discrimination, which regulates the prevention and prohibition of discrimination, the forms and types of discrimination, the procedures for protection against discrimination, as well as the composition and work of the Commission for Prevention and Protection from Discrimination. The commission acts on complaints, brings opinions, recommendations and conclusions on specific cases of discrimination.734 Anyone who believes they have suffered discrimination can submit a complaint to the commission.735 Anyone who believes they have been discriminated against can file a lawsuit before a competent civil court.736

The department for equal opportunities was established in 2007 under the Ministry of Labour and Social Policy, which is responsible for initiating and implementing policies and activities related to gender equality and non-discrimination. Coordinators and deputy coordinators for equal opportunities for women and men have been appointed in all ministries and municipalities.737

In accordance with the Law on Equal Opportunities for Women and Men, various government and non-governmental entities, including government bodies, local government units, public institutions, educational institutions, and more, are required to collect and report statistical data categorised by gender to the state statistics

731 State Audit Office. 2022. Final Performance Audit Report on the Effectiveness of the Measures of the Government of the Republic of North Macedonia on Gender Equality and Corresponding Gender Budget Initiatives. The performance audit included the following entities: Government of RSM - General Secretariat of the Government of RSM; Assembly of RSM; Ministry of Labor and Social Policy; Ministry of Defence; Ministry of Finance; Ministry of Foreign Affairs; Ministry of Environment and Spatial Planning; Ministry of Economy; Ministry of Agriculture, Forestry and Water Management; and Agency for Youth and Sports. The performance audit was carried out in the period from 01 July 2021 to 30 December 2021, pp.26 and 67, https://dzr.mk/sites/default/files/2022-07/PLU_Efektivnost_merki_Vlada_rodova_ednakvost_0.pdf
733 Methodology for Gender Responsible Budgeting for State Administration Bodies At the Central Level, https://www.mtsp.gov.mk/content/word/metodologija.doc
734 Article 21 Law on the Prevention and Protection against Discrimination, Official Gazette of RM, No. 258/2020
735 Article 23 Law on the Prevention and Protection against Discrimination, Official Gazette of RM, No. 258/2020. Anyone who believes they have been discriminated against before the commission may be represented by an association, foundation or trade union with prior consent. Associations, foundations, unions or other civil society organisations and institutions, which have a justified interest in protecting the interests of a certain group or within the framework of their activity deal with protection against discrimination, can submit a petition, if they make it likely that the actions of a certain natural or legal person is discriminated against by a larger number of people. The commission initiates a procedure ex officio if, from the circumstances and facts, as well as from the knowledge obtained after a vote, it reasonably follows that discrimination has been carried out by the authorities in accordance with the discriminatory grounds.
736 Article 32 Law on Prevention and Protection against Discrimination, Official Gazette of RM, No. 258/2020
The annual report from the Public Sector Employees Register shows data on the number of employees by gender. The 2022 report states that out of 110,465 employees in public sector 62,178 are women, while 48,287 are men. In terms of sectors, women are mostly employed in labour and social affairs (82.99 per cent), especially in social and child protection, health (72.72 per cent) and education (66.71 per cent). Men are most commonly employed in the environment sector (89.29 per cent), transport (85.51 per cent) and communal works (83.74 per cent).

The 2022-2027 national strategy for gender equality encompasses a situational analysis, measures to promote gender equality in various social aspects, including employment, social security, healthcare, education and public representation. It designates action plans to responsible parties, emphasises gender-specific data collection, sets up monitoring mechanisms, and outlines funding sources for implementation. The Commission for Protection and Prevention from Discrimination stated that the number of submitted complaints against sexual or gender equality was 37, and most of them were submitted by men, not by women.

Training on gender equality are held in RNM. For example, The Ministry of Labor and Social Policy established the Resource Center for Gender Responsive Policy Making and Budgeting, within the project Promoting Gender Responsive Policies and Budgets: Towards Transparent, Inclusive and Accountable Governance in the Republic of North Macedonia, implemented by UN Women, with financial support from Switzerland and Sweden. The Center for Change Management (CUP), which promotes gender equality, developed an online platform.

**ROLE**

**INDICATOR 5.3.1 PUBLIC EDUCATION**

To what extent does the public sector inform and educate the public on its role in fighting corruption?

Score: 50/100

Although the institutions have adopted anti-corruption programmes and plans, anti-corruption campaigns are being implemented and certain anti-corruption training is being conducted. However, additional efforts are needed to strengthen the anti-corruption fight in order to achieve visible results.

The SCPC is a key institution for training on the prevention of corruption.

The institutions usually inform the public about the mechanisms for preventing corruption and strengthening the integrity of institutions through their operations, their plans and policies for integrity, and the people authorised to act on reports of corruption, and they do this by publishing the information on their websites. Training is mostly carried out by the SCPC and NGOs through the implementation of projects related to the prevention of corruption and strengthening the integrity of the institutions.
The government implemented the campaign "Now Everything is Public, Corruption Does Not Pay" aimed at the complete eradication of corruption in society.\textsuperscript{744,745} The Ministry of Education and Science prepared an action plan for the prevention of corruption 2021-2022,\textsuperscript{746} and the SCPC prepared a national strategy for the prevention of corruption and the conflict of interest 2021-2025.\textsuperscript{747} The Agency for Quality in Higher Education has drawn up an annual plan for the prevention of corruption and for corruption risks assessment in higher education for 2022.\textsuperscript{748} The Ministry of Internal Affairs has drawn up an anti-corruption programme too,\textsuperscript{749} and the customs administration will fight corruption with a campaign with the slogan, "Don't turn a blind eye, you too can prevent corruption – be part of the progress of your country", which is aimed at citizens or employees to report corruption or suspicious activity if they witness it.\textsuperscript{750}

The SCPC conducted anti-corruption education for elementary school and high school students,\textsuperscript{751,752} and implements a campaign "Be Heroes of Honesty" to raise awareness among students about corruption so that they can identify it and create an anti-corruption movement that will contribute to a corruption free society.\textsuperscript{753}

Citizens know how to report corruption by submitting reports/petitions to the SCPC, as well as by using the mechanisms offered by non-governmental organisations.

**INDICATOR 5.3.2 COOPERATE WITH PUBLIC INSTITUTIONS, CSOS AND PRIVATE AGENCIES IN PREVENTING/ADDRESSING CORRUPTION**

*To what extent does the public sector work with public watchdog agencies, business and civil society on anti-corruption initiatives?*

Score: 75/100

The public sector has good cooperation with CSOs in the fight against corruption, but additional efforts are still needed from all stakeholders to have an effective anti-corruption strategy that will be visible in practice.

Public sector institutions actively work on anti-corruption issues with the CSOs. For example, Transparency International Macedonia has been working with the SCPC on various projects to prevent risks of corruption in employment in the public sector\textsuperscript{754} and in the construction sector.\textsuperscript{755}

There is a department for cooperation with CSOs within the general secretariat of the government. The department is responsible for monitoring and coordinating the implementation of the government's strategy for...
cooperation with and development of the civil sector. It works to include CSOs in the process of creating policies and creating conditions for the financial sustainability of the civil society sector.\footnote{Department for Cooperation with Non-Governmental Organisations in the General Secretariat, https://www.nvosorabotka.gov.mk/}

There is a council for cooperation between the government and civil society, which is an advisory for the promotion of cooperation, dialogue and encouraging the development of the civil sector. The council is composed of 31 members appointed by the government, of which 15 members are employees of the state administration bodies: Ministry of Internal Affairs, Ministry of Justice, Ministry of Finance, Ministry of Economy, Ministry of Agriculture, Forestry and Water Management, Ministry of Health, Ministry of Education and Science, Ministry of Labor and Social Policy, Ministry of Local Self-Government, Ministry of Culture, Ministry of Environment and Spatial Planning, Ministry of Information Society and Administration, Ministry for the Political System and Relations between Communities, the Secretariat for European Affairs and the Agency for Youth and Sports, and 16 members on proposal of the organisations registered in accordance with the Law on Associations and Foundations, through a public call.\footnote{Council for cooperation between the government and the civil sector, https://nvosorabotka.gov.mk/?q=mk/node/66, p.2, accessed on 14 September 2023, https://nvosorabotka.gov.mk/sites/default/files/Dopolnet%20izvestaj%20Sovet%202018-2021.pdf}

According to the Law on the Organisation and Work of the State Administration Bodies, state administration bodies, when preparing the laws and other regulations under their jurisdiction, should consult with the citizens through: public announcement of the type, content and deadlines for the adoption of laws and other regulations; organising public forums and obtaining opinions from interested associations of citizens and other legal entities, among others.\footnote{Article 10 of the Law on the Organisation and Work of State Administration Bodies, Official Gazette of RM No. 58/00, 44/02, 82/08, 167/10, 51/11 and Official Gazette of RM, No. 96/19 and 110/19}


**INDICATOR 5.3.3 REDUCE CORRUPTION RISKS BY SAFEGUARDING INTEGRITY IN PUBLIC PROCUREMENT**

To what extent is there an effective framework in place to safeguard integrity in public procurement procedures, including meaningful sanctions for improper conduct by both suppliers and public officials, and review and complaint mechanisms?

**Score: 50/100**

There is a good legal framework that regulates public procurement procedures; however, the procedures are largely disregarded in practice.

The Bureau of Public Procurement is responsible for the development of the public procurement system, as well as ensuring its rationality, efficiency and transparency.

The Law on Public Procurement notes the following types: small-value procurement, simplified open procedure; open procedure; restricted procedure; competitive procedure with negotiation; competitive dialogue; innovation partnership; procedure with negotiation without publication of a contract notice; and negotiation procedure with publication of an contract notice.\footnote{Article 47, Law on Public Procurement, Official Gazette of RM No. 24/19 and 87/21}
One of the mandatory principles of public procurement procedures is that of competition between economic operators, where the contracting authority must not unjustifiably limit competition, implement the public procurement procedure in accordance with the regulations for the protection of competition and must not limit potential bidders by choosing the type of procedure.\textsuperscript{761}

The law also contains provisions for the tender documentation and establishes bodies responsible for control, including the State Commission for Appeals on Public Procurement, which is an independent body. There is also an electronic system for public procurement, which aims to improve efficiency, transparency and economy in public procurement.

However, in practice, inconsistencies appear in the implementation of public procurements. For example, where there are deadlines for starting the tender process, 90 per cent of the monitored procedures were carried out late. There is also an inconsistency in competitiveness. In 2022, very third contract was concluded in a procedure in which only one company participated. In terms of legality in the proceedings, as many as 31 per cent of tenders in 2022 were annulled. In the same year, the Public Procurement Bureau handled 270 tenders, and for the first time it submitted two cases to the State Commission for the Prevention of Corruption for possible abuses of public procurement provisions. There were also 751 complaints submitted to the State Commission for Public Procurement Complaints.\textsuperscript{762}

The law also contains general measures to prevent corruption.\textsuperscript{763} According to the law, the person responsible for public procurement or any other person engaged by the contracting authority, as well as any interested person who has information about corruption, is obliged to notify the SCPC or the Public Prosecutor’s Office.\textsuperscript{764} The SCPC is responsible for the resolution of complaints in public procurement, in procedures for awarding contracts for concessions and public-private partnerships, and other matters in accordance with the law.

5.3.4 OVERSIGHT OF SOES

To what extent does the state have a clear and consistent ownership policy of SOEs and the necessary governance structures to implement this policy?

Score: 50/100

There is a good legal framework for the operation and control of public enterprises, but there is a lack of effective, visible control for the application of control mechanisms. Also there is no centralised coordination unit.

Public enterprises are regulated by the Law on Public Enterprises.\textsuperscript{765} There are 155 public enterprises, of which 113 are public utility enterprises, 8 are SOEs for agriculture and forestry, 16 are transport SOEs, 2 are informational, 1 is in the information society area and 15 are from other activities of public interest (sport, urban planning, energy, treatment of stray animals and others). Out of these, 13 were established by the government, 3 by the Assembly, and the majority, 139, by the City of Skopje and the municipalities.\textsuperscript{766}

\textsuperscript{761} Article 5, Law on Public Procurement, Official Gazette of RM, No. 24/19 and 87/21
\textsuperscript{763} Article 33, Law on Public Procurement, Official Gazette of RM no. 24/19 and 87/21
\textsuperscript{764} Article 34, Law on Public Procurement, Official Gazette of RM no. 24/19 and 87/21
\textsuperscript{765} Article 1, Law on Public Enterprises Official Gazette of RM, No. 38/96, 9/97, 6/02, 40/03, 49/06, 22/07, 83/09, 97/10, 6/12, 119/13, 41/14, 138/14, 25/15, 61/15, 39/16, 64/18 and 35/19 and Official Gazette of RM No. 275/19, 89/22 and 274/22
There is no centralised unit that coordinates the work of the SOEs or is responsible for SOE oversight. The ownership arrangements for SOEs are dispersed across the administration and there is no unified state ownership policy to guide corporate decision-making on SOE performance.

Public enterprises are obliged to submit to the founding organ quarterly reports containing indicators of the financial operation, no later than 35 days after the end of the quarter, which should then be published on its website no later than 35 days after the end of the quarter.\textsuperscript{767} The founder of the public enterprise exercises control by giving consent to certain acts and documents.\textsuperscript{768} The founder can dismiss all the members of the management board before the end of the mandate if it does not give its consent to the annual account.\textsuperscript{769} The director is obliged to submit a report every six months to the management board.

The Ministry of Finance then publishes a unified table containing data on the financial operations (income and expenses) of the 29 state-owned entities (the government is the founder of 14 public enterprises and the sole shareholder/partner in 15 trading companies, of which 13 are state-owned joint-stock companies, and 2 are state-owned LLCs) on a quarterly basis.\textsuperscript{770}

According to the OECD, many SOEs are loss-making.\textsuperscript{771} There has been no attempt to define, disclose or estimate the costs of SOEs’ non-commercial objectives, which can be wide ranging, including delivering public services and supporting local employment.\textsuperscript{772}

**INTERACTIONS**

The public sector has close relations with the legislature, executive and judicial authorities. These mostly come to the fore during the implementation of control of these three authorities over the public sector. For example, the legislative authority interacts with public office holders during the implementation of political responsibility, with the executive authority during the appointment of managerial positions or the selection of members to management boards. The judiciary controls the legality in the work and the acts adopted by public authorities or when the SCPC is analysing a case related to the work of the institution. The public sector has the closest relationship with the executive branch because public sector institutions carry out the established policy. Cooperation is therefore necessary not only for ensuring legality in their actions but also effectiveness and efficiency in the implementation of certain policies, measures and recommendations.

It can be concluded that the legal framework that governs the mutual relationship between the public sector institutions and other holders of power, such as the parliament, the government and the judiciary, are adequately legally regulated, but there is a lack of effective application of some of the control mechanisms.

The public sector cooperates well with CSOs, mostly when drafting laws.

\textsuperscript{767} Article 5, Law on Public Enterprises Official Gazette of RM No. 38/96, 9/97, 6/02, 40/03, 49/06, 22/07, 83/09, 97/10, 6/12, 119/13, 41/14, 138/14, 25/15, 61/15, 39/16, 64/18 and 35/19 and Official Gazette of RM No. 275/19, 89/22 and 274/22).

\textsuperscript{768} Article 11, Law on Public Enterprises Official Gazette of RM No. 38/96, 9/97, 6/02, 40/03, 49/06, 22/07, 83/09, 97/10, 6/12, 119/13, 41/14, 138/14, 25/15, 61/15, 39/16, 64/18 and 35/19 and Official Gazette of RM No. 275/19, 89/22 and 274/22).

\textsuperscript{769} Article 17-f, Law on Public Enterprises Official Gazette of RM No. 38/96, 9/97, 6/02, 40/03, 49/06, 22/07, 83/09, 97/10, 6/12, 119/13, 41/14, 138/14, 25/15, 61/15, 39/16, 64/18 and 35/19 and Official Gazette of RM No. 275/19, 89/22 and 274/22).


PILLAR RECOMMENDATIONS

• Data on the execution of control mechanisms (imposed measures, recommendations, decisions, judgements, and soon on) should be published in the annual reports of public sector institutions. Namely, all annual reports from public bodies should contain data on their actions and the execution of their decisions in order to ensure the effective application of the control mechanisms. For example, how many of their decisions have been implemented, how many were contested by appeal or lawsuit, what were the decision of the second-instance authority or court.

• MISA and AA should publish an annual report on imposed measures for disciplinary and material responsibility in all institutions, including data on the type of violation for which the measure was imposed, whether the measure was implemented, against how many decisions legal protection has been requested, the type of decisions from the second-level authority and how that decision was implemented.

• Public Institutions should make their functional analysis publicly available on theirs and the website of the Ministry of Information Society and Administration, to allow for the analysis of the data and, based on that, to take measures that lead to a more efficient public administration.
6. LAW ENFORCEMENT AGENCIES

SUMMARY

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Indicators scores: law and practice

This chapter assesses the Ministry of Interior (MoI) as it is responsible for law enforcement agencies, such as the criminal police and uniformed police officers. Other law enforcement agencies are the customs and the financial police, who are not part of the MoI. The customs administration, the financial intelligence unit, and the financial police department are affiliated to the Ministry of Finance.773

The MoI is one of the three largest ministries in Macedonia in terms of employees. The legal basis for the mandate, organisation and operation of the MoI is the Law on Internal Affairs774 and the Law on Police.775 The Law on Internal Affairs regulates the relations between the different units in the Ministry of Interior as well as the status of

773 Customs administration, public revenue office, OPMLFT (FIU), financial police office, public procurement bureau, property and legal affairs office and state foreign exchange inspectorate
Affiliated Institutions - Министерство за финансии (finance.gov.mk)
police officers and other employees. It also outlines the responsibilities of the Bureau for Public Security, which is responsible for the police. However, there are other laws relevant to the police in their activities related to preventing and investigating corruption, including the use of the investigative means and methods,\textsuperscript{776} and the Law for the National Criminal Intelligence Database.\textsuperscript{777}

The Ministry of Interior has the capacity and a solid legal framework that enables its function and role in the fight against corruption. Law enforcement agencies (LEAs) are legally independent, but professional criteria for employment are not explicitly specified in the law. Concerns have been raised about potential political influence in specific employment procedures, particularly for civilian roles within the MoI. The regulatory measures to depoliticise the police, such as the provisions for amendments in the Law on Internal Affairs based on GRECO recommendations\textsuperscript{778} or the Law on Police,\textsuperscript{779} still have to be fully implemented, as also concluded by GRECO in its latest 2023 report.\textsuperscript{780}

The integrity of law enforcement agencies is partly ensured by the law, primarily through the code of ethics. However, there are notable gaps in the law, such as the absence of post-employment restrictions and measures for holding officials accountable for not accurately disclosing their assets and interests. There is a lack of information regarding the enforcement of the code of ethics, control of gifts and hospitalities and the use of dissuasive sanctions.

Law enforcement agencies primarily detect and investigate corruption cases upon the guidance and request of public prosecutors. The number of cases and the use of investigative means for corruption detection are deemed insufficient. Special investigative measures are outlined in the law but are used sparingly. In the reported data, these measures have been applied in only a few corruption related cases. Further, law enforcement often fails to cooperate with the SCPC on corruption related cases.

Law enforcement mechanisms lack gender sensitivity, and there is a lack of gender-disaggregated data in official statistics. Although there is a national strategy for gender equality,\textsuperscript{781} but it does not contain specific measures for the LEAs. In the MoI, there are plans for gender equality training and mentoring programmes, although their implementation has yet to occur.

**CAPACITY**

**INDICATOR 6.1.1 RESOURCES (PRACTICE)**

*To what extent do law enforcement agencies have adequate levels of financial resources, staffing and infrastructure to operate effectively in practice?*

Score: 75/100

The MoI has an adequate resource base to carry out its duties effectively. However, further salary increases are needed, according to the police syndicate.

\textsuperscript{776} Special investigative measures, their type and number are prescribed in Law for the Criminal Procedure, special investigative measures, their type and number are prescribed in Article 252 of the CPA

\textsuperscript{777} Law for the National Criminal Intelligence Database Official Gazette No 120/09

\textsuperscript{778} Law for Amendment of the Law for the Internal Affairs Official Gazette No 89/22 articles 66, 73, 168 and 188


\textsuperscript{780} Recommendation x, p.11, Paragraph 65; Fifth Evaluation Round Preventing Corruption and Promoting Integrity in Central Governments (top executive functions) and law enforcement agencies; Second Compliance Report, North Macedonia, Adopted by GRECO at its 94th Plenary Meeting (Strasbourg, 5-9 June 2023) GRECO (coe.int)

\textsuperscript{781} Strategy for Gender Equality, adopted by the Assembly and published in the Official Gazette Official Gazette of the RNM No. 170/22. Стратегија_за_родова_единност_2022_2027.pdf (mvr.gov.mk)
The budget of the MoI is adequate for the functions to be performed, with MKD199.02 million in 2022 or 3.08 per cent of the state budget. Law enforcement agencies can receive donations such as computer equipment but not direct budgetary donations. The MoI informs about 56 projects of technical assistance, most of them funded from the Instrument for Pre-Accession Assistance, which have been implemented between 2019 and 2023 with the amount of €100 million. The MoI has to pay the salary of employees based on the Law on Internal Affairs and a collective agreement. According to the new minimum wage law, the minimum gross wage amounts to MKD26,422.00 (€450). The salary for employees in the lowest positions, according to the systematisation of the Ministry of the Interior, with the status of authorised persons and police officers, is above the stipulated minimum salary, was further increased by 5 per cent from September 2022.

Due to the type, nature and complexity of the duties and tasks performed by the employees with special obligations and rights, as well as the difficult tasks assigned and the special conditions they have to be performed in, the salaries for performing those duties and tasks will increase up to 20 per cent for specialists and up to or 30 per cent for uniformed officers.

However, due to the increase in the minimum salary level, the police syndicate expressed the need for the salaries of all employees in the Ministry of the Interior to be increased by 10 per cent, and from April 2023, the monthly hours worked beyond full time should be returned to all employees. They also request and propose that the salary increase come from the budget of the MoI, which they believe is possible within the budget.

There is a continuous need to update the IT equipment in the MoI. In 2023, the MoI published five tenders for equipment and reserve parts for computers.

There is a specialised police unit in the MoI dedicated to investigating corruption related offences within the department for combating serious and organised crime.

**INDICATOR 6.1.2 INDEPENDENCE (LAW)**

*To what extent is the electoral management body independent by law?*

Score: 75/100

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784 Information provided by Ministry of Internal Affairs, 22 June 2023

785 Information provided by Ministry of Internal Affairs, 22 June 2023

786 The Instrument for Pre-Accession Assistance, or simply IPA, is a funding mechanism of the European Union. As of 2007, it replaced previous programmes such as the PHARE, ISPA, SAPARD and CARDS.

787 Harmonisation of the minimum wage and increase in September by 5% https://mvr.gov.mk/vest/19622


789 Harmonisation of the minimum wage and increase in September by 5% https://mvr.gov.mk/vest/19622


792 Ibid


794 Organigram of the MoI Република Северна Македонија - Министерство за внатрешни работи (mvr.gov.mk)
Law enforcement agencies are independent by law and officers can be members of political parties but cannot be active in politics. However, the law only specifies basic but no professional criteria for employment.

The independence of law enforcement agencies is guaranteed by law. The Law on Police regulates the relationship of police officers with political activity. According to the law, it is forbidden for a police officer to establish, lead or be a member of the management of a political party. Candidates for employment have to submit a written statement in which they pledge compliance in this respect. Non-compliance constitutes a “more serious” disciplinary offence for employed staff. Police officers cannot organise political activities on police premises or display political symbols in their office and cannot wear a uniform during political demonstrations unless they are on duty.

The amendments to the Law on Internal Affairs (based on the GRECO Recommendation 3) added the obligation not to be a member of a political party and to have passed an integrity test conducted by the MoI.

The police law contains basic criteria for appointments: such as citizenship; age less than 25 for first-time employment in the position for which secondary school education is necessary, and 30 years if employed for the first time for a position for which university education is necessary; good mental health and physical condition; and not to have been sentenced with a ban on conducting a profession, activity or duty. However, the law does not stipulate clear professional criteria for appointments.

The law provides for MoI employees to be seconded to the public prosecutor’s office. The rights of the seconded officers are regulated with a separate agreement concluded between the PPO and the MoI.

**INDICATOR 6.1.3 INDEPENDENCE (PRACTICE)**

To what extent are law enforcement agencies independent in practice?

Score: 75/100

Appointments of police officers is mostly independent, non-biased and based on clear criteria and procedure stipulated in an open call published on the MoI website. However, the appointment of staff to the Bureau for the Public Security and the criminal police has been criticised by the SCPC for potential political influence from the ruling SDSM party because no announcement for these positions has been published.

Apart from the criteria pronounced in the law, the call contains conditions such as: to be medically and psychophysically fit; not be a member of a political party or a member of organs and bodies of a political party; and to have passed an integrity test. In addition, candidates should meet special conditions for a height of at least 175 cm. (men) and 165 cm. (women) and a high level of physical fitness.
The candidate selection procedure is carried out by the police candidates selection commission, established by the minister of interior, which determines the order of the selection stages. The selection is carried out in the following stages: administrative check; written test; interview; psychological testing (integrity test and psychological test); security check and health examinations (checking the health and psychophysical abilities of the candidates).805

A security check is carried out for registered candidates based on their prior written consent. If the person refuses the security check, it is considered that they do not meet the conditions for employment in the ministry.806

After the selection procedure has been carried out, the selected police officer candidates sign a contract for a basic training of one year, conducted at the training centre in the Ministry of Internal Affairs. Only candidates that complete the training are employed.807

Politicisation of the MoI is possible in the case of the separate employment procedure that is applied for the non-uniformed (civilian) part of the MoI, which is part of the Bureau for the Public Security, and the criminal police, for the candidates that have completed university education.808 In some cases, when the law provides the possibility for employment without a public call,809 there has been a suspicion of political influence in employment, which has been confirmed by the State Commission for the Prevention of Corruption (SCPC).810 In 2022, in amendments to the Law on Internal Affairs, the possibility for employment without a public call has been specified for particular working positions determined in the act for systematisation.811 In its decision published in April 2023,812 the SCPC stated that, due to the fact that the employment of the mentioned persons in the ministry is without publication of a public announcement in accordance with Article 76 of the Law on Internal Affairs, there is a well-founded suspicion of party influence from the SDSM political party. However, due to the lack of competition and reports of other candidates, the SCPC is not able to determine the potential impact and has no legal possibility for further action or to take measures against the mentioned persons.

There are no clear and reported examples of undue external interference in ongoing investigations. However, it is important to mention that, according to the Law for the Criminal Procedure,813 the public prosecutor is the “dominus litis”814 in the pre-investigation and investigation. Therefore, all arguments regarding external influence, as well as the role of the public prosecutor, are presented in indicator 4.1.3 & 4.1.4.
GOVERNANCE

INDICATOR 6.2.1 TRANSPARENCY (LAW)

To what extent are there provisions to ensure that the public can access the relevant information on law enforcement agency activities?

Score: 50/100

The law provides a certain level of transparency for informing the public of the daily activities within the competencies of the MoI and the police. However, the asset declarations of law enforcement officials do not have to be disclosed, and there are no provisions that will enable victims to have access to case files.

The Law on Internal Affairs regulates two aspects of law enforcement to be publicly disclosed: notifying the public about issues within the competence and under the jurisdiction of the ministry and providing citizens, legal entities and state authorities with information, data and notices on matters of its scope in which they are directly interested.815

Classified information will only be released when the conditions determined by a separate law have been met. This type of information, data and notifications can only be disseminated with the signature of the minister of interior or an authorised employee.816

Separate legal provision regulates transparency on information of public interest that can be disclosed under conditions established by law.817 This includes information as provided in the Law on Access to Information of Public Character.818

The MoI’s community engagement and communication strategy 2020-2022819 is a key document that, among other things, refers to the forms of openness and transparency during police operations. It refers to training to improve the communication skills of police officers and the dissemination of timely information to citizens about planned preventive activities and feedback on the results of the activities.820 Also, with the strategic plan 2023-2025,821 the MoI states that it will continue its efforts to realise its commitments to the flawless functioning of the police, as well as transparent and accountable operations, while strengthening citizen trust. This includes the rapid flow of information and documents into organisational units in the MoI as well as the unification of data.822

Through these two documents, the police encourages active transparency, in addition to legally defined obligations.

Asset declarations of the minister of interior and the director of the Public Security Bureau have to be published on the SCPC website. However, there is no such legal obligation for police officers.

INDICATOR 6.2.2 TRANSPARENCY (PRACTICE)

To what extent is there transparency in the activities and decision-making processes of law enforcement agencies in practice?

Score: 75/100

There is a high level of transparency in the work of the Ministry of Interior, especially in the relevant activities related to criminal investigations and public order. However, the decisions of the disciplinary committee.

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815 Law for Internal Affairs, Article 5
816 Law for Internal Affairs Ibid, paragraph 3 and 4
817 Law for Internal Affairs Article 11 Principle of transparency and confidentiality
818 Law on Access to Information of Public Character, Official Gazette No 101/19 Article
819 Community Engagement and Communication Strategy 2020-2022
821 Ibid p.14
822 The Strategic Plan 2023-2025, Viewed on 27 October 2023
823 Ibid p.36
Asset declarations of the minister for the interior and the director of the Public Security Bureau are published on the SCPC website.\textsuperscript{823} However, asset declarations of the police officials are not published, due to missing legal obligations. Article 70 b of the Law on Internal Affairs provides that employees need to submit asset declarations to the authorised unit in the MoI.\textsuperscript{824}

The police regularly inform the public about its relevant activities. In addition to the regular distribution of various types of information on the activities of the Ministry and its interior sectors, the MoI public relations office, the department of information of a public character (freedom of information), keeps constant and regular communication with organisational units within the ministry in order to respond in a timely manner to the requests for information of public interest.\textsuperscript{825}

Results from a public opinion survey\textsuperscript{826} showed that the percentage of citizens who believe that the police are transparent in their work corresponds to the percentage of citizens who expressed confidence in the police as an institution. One out of five respondents have confidence in the police as an institution, that is, they believe that the police are transparent in their work. This shows that a correlation exists between the perception of transparency and trust in this institution.

It is important to note that the ministry publishes regular reports on the work of the Internal Control Department, criminal investigations and professional standards, and quarterly reports on the work of internal control, in addition to the annual report. These are published on the ministry’s website under: internal control.\textsuperscript{827}

**INDICATOR 6.2.3 ACCOUNTABILITY (LAW)**

To what extent are there provisions to ensure that law enforcement agencies have to report and be answerable for their actions?

Score: 100/100

There is a comprehensive legislative and regulatory framework to ensure that law enforcement agencies have to report and be answerable for their actions.

In the MoI, there is an independent mechanism for citizens to complain about police misconduct\textsuperscript{828} and a separate entity in the public prosecutor’s office to investigate and prosecute corruption committed by law enforcement officials.\textsuperscript{829} The ombudsperson is also legally authorised to conduct external control and there is special protection available for a person, their family and property after a complain has been made and there are concerns for the person’s safety.\textsuperscript{830}

Victims of the certain crime can access justice by reporting to the law enforcement agencies or to the prosecution. The first instance for reporting in the majority of crime incidents is the MoI. It has two levels of control of the ministry’s performance:\textsuperscript{831} internal control and external control.\textsuperscript{832} Internal control is carried out by a special

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\textsuperscript{823} Public Officials - Функционери (dksk.org.mk)

\textsuperscript{824} Law on Internal Affairs Article 70 b LIA, cleared version April 2022 - ZVR PRECISTEN TEKST april 2022(1)(1).doc (live.com)

\textsuperscript{825} Website of the Unit for the Public Relations and Strategic affairs of the MoI Република Северна Македонија - Министерство за внатрешни работи (mvr.gov.mk)


\textsuperscript{827} Internal Control website https://mvr.gov.mk/profilepage/svkps

\textsuperscript{828} Ibid and Law on the Internal Affairs Article 38 p.2

\textsuperscript{829} organisation of the Public Prosecutor’s Office of the Republic of North Macedonia - Public Prosecutor’s Office of the Republic of North Macedonia (jorm.gov.mk)

\textsuperscript{830} Law for the Ombudsman Article 42, Zakon-za-narodniot-pravobranitel-22-09-2003.pdf (pravdiko.mk)

\textsuperscript{831} Law for the Internal Affairs, Chapter VII; Unofficial Translation of the Law for the Internal Affairs 2020, published on https://mvr.gov.mk/zakon/1, viewed on 11 August 2023

\textsuperscript{832} Ibid, Article 57
organisational unit, which evaluates the legality of actions of ministry employees. To protect and exercise the rights of the citizen making the complaint when that person believes their freedoms and rights have been violated by the actions of the employee in the ministry, the citizen has the right to submit a complaint to the internal control unit. The ministry is obliged to verify the allegations in the petition and, within a period of no more than 30 days from receipt, to inform the petitioner in writing about the situation and the measures taken.

External control of the work of the ministry is carried out by the ombudsperson as well as by the public prosecutor’s office. Law enforcement (police) is highly accountable and not immune from criminal proceedings. In the Basic Public Prosecutor’s Office for Organised Crime and Corruption, there is a specialised department to prosecute criminal offences committed by persons with police powers and members of the prison police. For the matters of competence in the specialised department, there is a separate investigative centre is established in the BPOOCC.

Anyone can notify this specialised department of suspected wrongdoing. If a citizen sends a report to the MoI about an employee with the status of a police officer who has committed a crime, the ministry should immediately inform the specialised department.

**INDICATOR 6.2.4 ACCOUNTABILITY (PRACTICE)**

To what extent do law enforcement agencies have to report and be answerable for their actions in practice?

Score: 75/100

Police officials and MoI employees are, to a high extent, answerable for their actions: The independent law enforcement complaint reporting mechanism responds to citizen’s complaints, and a specialised prosecutorial unit initiates investigations into allegations of corruption by law enforcement officials. However, there have been cases that indicate insufficient accountability mechanisms where only a small number of direct perpetrators were held accountable.

The internal control unit for criminal investigations and professional standards is the main control mechanism in the MoI for the work of the police and the ministry. In the first six months of 2023, the unit has reported 572 cases based on 416 reports from the citizens. There were also 78 reports submitted by the NGOs, the ombudsperson, legal entities and defending lawyers.

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833 Internal Control Article 58
834 Ibid, Article 58 Paragraph 2 and 3
835 Law on Internal Affairs, Article 58 p.3
836 Ibid, Article 59
837 ORGANISATION of the PUBLIC PROSECUTOR’S OFFICE of the REPUBLIC of NORTH MACEDONIA – PUBLIC PROSECUTOR’S OFFICE of the REPUBLIC of NORTH MACEDONIA (Jorm.Gov.Mk)
838 ORGANISATION of the PUBLIC PROSECUTOR’S OFFICE of the REPUBLIC of NORTH MACEDONIA – PUBLIC PROSECUTOR’S OFFICE of the REPUBLIC of NORTH MACEDONIA (Jorm.Gov.Mk)
839 A person with police powers within the meaning in paragraph (1) of this article is understood to be a police officer, authorised security official, counterintelligence officer with police powers, members of the financial police, legally authorised persons of the customs administration who work to detect crimes, and authorised officials of the Ministry of Defense who work to detect and investigate crimes
840 Law for Amending of the Law for the Public Prosecution 198/18 from 31 October 2018, Article 1
841 Ibid, Article 7
843 Law for the Public Prosecution, Official Gazette No 42/20, Article 33
844 Six month report of the Unit for the Internal Control, Criminal Investigations and Professional Standards - Шестмесечки 2023.pdf (mvr.gov.mk) p.1
845 Ibid, p3
The unit complies with a wide range of measures and activities to establish unprofessional, illegal or non-ethical behaviour of MoI employees. It also undertakes preventive activities. In March 2023, unit issued 79 disciplinary measures and, in April 2023, 41 disciplinary measures. Citizens can submit their reports electronically to prijavi_i_poplaki@moi.gov.mk.

Law enforcement officials are not immune from criminal proceedings. In 2022, the public prosecutor’s office investigated 171 cases related to 370 police officials. On the BPPOOCC website, there is a lot of information about the cases initiated against police officers who have committed crimes while performing official duties. For example, proceedings were initiated for 11 persons for abuses during the issuance of passports (10 of the suspects were employees of the MoI in the passport service, while one person mediated the illegal issuance of the documents). A total of 219 illegally issued passports were covered. The first criminal report refers to 215 illegally issued travel documents, where the suspects enabled foreign citizens to acquire a travel document of the Republic of North Macedonia with a Macedonian identity card, with a photo of the person to whom the travel document was issued. In doing so, the identity of persons living in the diaspora was used. However, only a small number (76) of direct perpetrators were held accountable between 2019-2021.

INDICATOR 6.2.5 INTEGRITY MECHANISMS (LAW)

To what extent is the integrity of law enforcement agencies ensured by law?

Score: 75/100

The integrity of the law enforcement agencies is ensured by the law of the MoI and the code of ethics. However, the provisions do not provide for post-employment restrictions and accountability measures in the case of not disclosing assets and interests.

In 2020, the minister of interior approved the code of ethics for MoI employees. All employees need to sign the statement that they have seen and understood the principles of the code. The code regulates: political impartiality; avoiding any personal gain when performing official duties; avoiding conflicts of interests; non-disclosure of official and confidential information; effectiveness and economy in conducting official duties; integrity; treating citizens with trust, care, kindness and support; professional behaviour; non-discrimination; avoiding the use of weapons; activities on social media; behaviour among the colleagues; and the dress code.

Following the GRECO recommendations, the minister of interior has adopted the guidance and rules related to gifts and hospitality and conflict of interests. These two documents are not available for review, but the conclusion

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846 Ministry of Interior, Section: Department of Internal Control, Criminal Investigations and Professional Standards, Република Северна Македонија - Министерство за внатрешни работи (mvr.gov.mk), Accessed in December 2023
847 Ministry of Interior, Section: Issued disciplinary measures, Република Северна Македонија - Министерство за внатрешни работи (mvr.gov.mk), Accessed in December 2023
849 Ibid, p.38
851 PP of RM, “Proceedings were initiated for 11 persons for abuses during the issuance of passports”: https://jorm.gov.mk/za-11-licza-povedena-postapka-za-zloupotrebi-pri-izdava%D1%9Aeto-pasoshi/
852 Investigative journalism (Research) Increasingly convicted police officers, but rarely behind bars Aleksandar Dimitrievski. 17 July 2022. (ИСТРАЖУВАЊЕ) Се повеќе осудени полицајци, но ретко кој е зад решетки - 360 степени (360stepeni.mk)
is based on the GRECO report and the response to the ministry. The effective implementation is to be further assessed.\textsuperscript{854} MoI has adopted an integrity plan\textsuperscript{855} and an action plan for implementing it.\textsuperscript{856}

However, the code of ethics does not contain any provisions related to post-employment restrictions.

According to the Law on Internal Affairs,\textsuperscript{857} within 30 days of conclusion of the employment contract, MoI employees have to declare their assets and property to the designated unit in the MoI. However, this law does not contain any provisions for holding to account any law enforcement officials who have not accurately declared their assets and property.\textsuperscript{858}

The code also contains provisions for continuous education for the implementation of the code.\textsuperscript{859}

**INDICATOR 6.2.6 INTEGRITY MECHANISMS (PRACTICE)**

*To what extent is the integrity of members of law enforcement agencies ensured in practice?*

*Score: 75/100*

Some of the integrity mechanisms are implemented in practice, especially the proceedings of the department for internal control, disciplinary proceedings and investigations. However, there is no information related to the breaking of the code of ethics and related measures.

The minister of interior has appointed a person responsible for integrity, gifts and conflict of interest among the employees of the internal control unit.\textsuperscript{860} However, there is no evidence of an effective implementation of the existing code of ethics in conflict-of-interest policies and effectively ensuring ethical behaviour by law enforcement officials. The six-month reports from the department for internal control do not provide any information in this regard or for the control of gifts and hospitality.\textsuperscript{861}

Also, there is no information about particular training programmes related to the implementation of code of ethics.

In 2022, the internal control unit initiated disciplinary proceedings against 175 officials.\textsuperscript{862} With the 2022 amendments to the Law on Internal Affairs, a separate disciplinary unit was created in the MoI.\textsuperscript{863} The disciplinary mechanism is very effective and independent, and the statistics for the disciplinary measures are published monthly, indicating in average more than 50 disciplinary measures in a month.\textsuperscript{864} The most frequent disciplinary measures are financial, in the form of a decrease in the monthly salary for a certain period of time.

**INDICATOR 6.2.7 GENDER**

*To what extent are law enforcement’s mechanisms gender-sensitive?*

*Score: 25/100*

\textsuperscript{854}Response to the request for the free access to official information from 03 March 2023. Also GRECO Report GRECO (coe.int) p.82. However, the documents are not published as they are considered to be internal acts.

\textsuperscript{855}Integrity Plan for the MoI employees 2023 – 2025 ENG Plan za integritet MVR 2023-25_04_06_2023_ENG_web.pdf

\textsuperscript{856}Action plan for implementation of the integrity plan of the MINISTRY for the Interior 2023-2025 Акционен План За Имплементација На Планот За Интегритет На.Pdf (Mvr.Gov.Mk)

\textsuperscript{857}Law on Internal Affairs, Cleared version, Article 70 b, April 2022 ZVR PRECISTEN TEKST april 2022(1)(1).doc (live.com)

\textsuperscript{858}Ibid

\textsuperscript{859}Code of Ethics of the employees of the Ministry for the Interior, Article 33. ETICKI KODEKS.pdf (mvr.gov.mk)

\textsuperscript{860}Website of the MoI where the name of the person and e-mail contact is indicated: Република Северна Македонија - Министерство за внатрешни работи (mvr.gov.mk)

\textsuperscript{861}Six month report of the unit for the internal control, criminal investigations and professional standards - Шест месеци 2023.pdf (mvr.gov.mk)

\textsuperscript{862}Six month report of the internal control unit, criminal investigations and professional standards Шест месеци 2023.pdf (mvr.gov.mk) p.4

\textsuperscript{863}Article 22 of the Law on Amendments to the law on Internal Affairs, Official Gazzette No 89/22, published on ПДВИС преглед на закон (pravda.gov.mk) and Article 198 and 199 of the Law on Internal Affairs, Cleared version, April 2022 ZVR PRECISTEN TEKST april 2022(1)(1).doc (live.com)

\textsuperscript{864}Ibid

\textsuperscript{865}Република Северна Македонија - Министерство за внатрешни работи (mvr.gov.mk)
Law enforcement mechanisms are not gender-sensitive and do not produce gender-disaggregated data. However, gender equality training as well as mentoring programmes have been included in the strategic programme, but which still have to be implemented.

Official statistical data do not contain gender-disaggregated data (complaints filed by gender, processing times of complaints filed by women or men, complaints solved or disregarded, and so on). Similarly, complaint and investigation mechanisms do not contain explicit gender-sensitive protocols and guidelines, and there is no specific training module or awareness-raising material for optimal implementation of gender-sensitive mechanisms.

The practice for front-facing female staff is implemented only in the case of a specific need for a body search of a female perpetrator.

In 2020, the employees in MoI were 80.35 per cent men and 19.65 per cent women, of which 53.77 per cent of men and 7.37 per cent women are in uniform. Civilian or non-uniformed police officials are made up of 18.44 per cent men and 4.47 per cent women. In 2021, the MoI employed 79.89 per cent men and 20.11 per cent women, of which 51.93 per cent of men and 7.40 per cent of women were in uniform. Civilian or non-uniformed police officials were 19.01 per cent men and 4.62 per cent women. The percentage of female employees has therefore slightly increased. Statistical data for 2022 has not been published yet.

A success indicator for the implementation of the strategic programme 1.11.1 on police development is the number of conducted training courses and police officers trained in gender equality. In the 1.11.2 programme for the promotion of the common functions of the MoI, one of the priorities is the implementation of gender equality and ensuring equal treatment and opportunities through the inclusion of the mentoring programme for women. However, the strategic plan still needs to be implemented.

ROLE

INDICATOR 6.3.1 CORRUPTION PROSECUTION

To what extent do law enforcement agencies detect and investigate corruption cases in the country?

Score: 25/100

Law enforcement agencies detect and investigate corruption cases under guidance and based on the request of public prosecutors. The number of cases and use of the possible investigative means is insufficient.

Special investigative measures, their type and number are described in Law for the Criminal Procedure. They are only to be used when it is likely that other evidence can not be admissible and not sufficient for the provision of data and evidence necessary for successful criminal prosecution. According to the Law on Criminal Procedure, 12 investigative techniques can be used, including simulated giving and receiving bribes, the use of persons with a masked identity to monitor and collect information or data, opening a simulated bank account and others. The public prosecutor’s office is leads the investigations and the use of special investigative techniques and measures.
The 2021 annual report\textsuperscript{870} for the use of the special investigative measures in 2021 indicates that these measures have been used in three corruption related cases. Information for 2022 has not been published yet.

Police officers have the legal power to apply investigative technics in detecting corruption cases. The powers are adequate in the Law on Internal Affairs,\textsuperscript{871} which determines activities in preventing the commission of crimes and offences, detecting and catching their perpetrators and taking any other legally provided measures to accuse the perpetrators of those acts, as internal affairs.\textsuperscript{872}

Other laws that provide the possibility for the application of investigative means and techniques for the fight against corruption are the Law for the National Criminal Intelligence Database,\textsuperscript{873} which provides the database to be established in the MoI as an integrated information system; the Law for the Interception of Communications,\textsuperscript{874} where Article 9 provides possibility for the police officer in the MoI to submit to the competent judge a request for a court order to monitor communications.\textsuperscript{875}

\section*{INTERACTIONS}

The MoI and more specifically the criminal police and other units that participate in criminal intelligence and analytics provide support to the public prosecutor's investigative units based on the mutual agreement between the MoI and the public prosecutor's office. Interaction is based on the legal framework, mainly the Law on Criminal Procedure, that establishes the public prosecution service as a lead investigative body. Therefore, the MoI mainly works upon the request and under the lead of the prosecutors when it comes to investigations of corruption related cases. Therefore, the work of the MoI when investigating organised crime and corruption is mainly influenced by public prosecution. The work of the public prosecution is explained in pillar four of this report.

MoI officials who work in the area of anti-corruption often fail to cooperate with the SCPC, especially in cases related to abuse of official duties due to conflicts of interest, illicit enrichment and other possibilities to investigate corrupt practices in a multidisciplinary and proactive manner. In 2023, the MoI and the SCPC signed a MoU that specifies the need for enhanced cooperation for better understanding and investigation of the cases arising from the work of the SCPC. However, the cooperation is often still missing or insufficient.

\section*{PILLAR RECOMMENDATIONS}

- The MoI needs to establish effective implementation of the adopted code of ethics by establishing effective vetting of reported cases of conflict of interest and asset declaration, as well as regular reporting of the gifts and hospitality for police officials.
- The MoI needs to publish information on the number of cases and results related to integrity tests of police officials.
- The MoI needs to establish cooperation with the SCPC for proactive investigations of corruption related cases. As a result, the MoI and SCPC need to publish separate statistical data for corruption related cases on their websites.

\textsuperscript{870} PP of RM (2022), Report on implementation of special investigative measures in 2021, pim-merki-2021.pdf (jorm.gov.mk)
\textsuperscript{871} Law for the Internal Affairs, unofficial cleared version of the Law for the Internal Affairs April 2022, published on https://mvr.gov.mk/zakon/1, viewed on 11 August 2023
\textsuperscript{872} Ibid, Article 2
\textsuperscript{873} Law for the National Criminal Intelligence Database Official Gazette No 120/09
\textsuperscript{874} Law for the Interception of Communications, Official Gazette of the RM no 121/06; Law for Amendments to the Law for the Interception of Communications. Official Gazette of the Republic of Macedonia no 110/08; and Law for Amendments to the Law for the Interception of Communications. Official Gazette of the Republic of Macedonia no. 116/12.
\textsuperscript{875} Ibid
## 7. ELECTORAL MANAGEMENT BODY

### SUMMARY

<table>
<thead>
<tr>
<th>OVERALL PILLAR SCORE:</th>
<th>52.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPACITY SCORE:</td>
<td>50</td>
</tr>
<tr>
<td>GOVERNANCE SCORE:</td>
<td>58.3</td>
</tr>
<tr>
<td>ROLE SCORE:</td>
<td>50</td>
</tr>
</tbody>
</table>

### Indicators scores: law and practice

The State electoral commission (SEC) is the highest electoral authority. With regulatory, monitoring and oversight powers, the SEC is responsible for organising and supervising parliamentarian and local elections and referenda. The electoral code\(^7\) regulates the SEC work and composition, including the appointment of SEC members, of which total of seven are appointed by the Assembly. The work of the SEC members is supported by the professional service, the secretariat.\(^8\)

The SEC has insufficient human resources and an inadequate budget for the employment of permanent staff. The lack of sufficient financial resources and professional staff may also affect its independence and accountability.

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\(^7\) Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17,125/17,35/18, 99/18,140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21: [https://drive.google.com/file/d/1Sa9L6emhxwIzV,aV_/8d70K3hJ6r1usnuY/view](https://drive.google.com/file/d/1Sa9L6emhxwIzV,aV_/8d70K3hJ6r1usnuY/view)

\(^8\) Ibid, Article 30
There are laws aimed at safeguarding the SEC’s independence, but its independence is not ensured in the constitution. However, the election procedure for SEC members by political parties introduces political influences. Also, the selection of secretariat staff faces transparency issues and alleged nepotism, potentially affecting independence. Public attacks on the election process, like accusing the winning party of election irregularities, incorrect voting lists and technical issues on vote counting, erode trust in the SEC’s independence and effectiveness. Also, incoherent and non-transparent complaint handling procedures during the 2021 local elections have raised concerns among international organisations.

The SEC has its own website with information on the electoral process and has educative content for voters and participants in the elections. However, the SEC only submits reports on the conduct of elections to the Assembly and does not publish an annual report, also due to a gap in legal obligations. This leads to a lack of transparency in SEC activities and hinders the watchdog role of civil society.

The SEC has a policy of integrity and a code of ethics for SEC members and a code of ethics for the electoral administration. However, recent cases opened against the president of the SEC as well as a lack of cases where misbehaviour of staff has been sanctioned by the SEC has called the implementation of such policies into question.

The cooperation between the SEC, SCPC and SAO, although strengthened with the signing of an MOU, still fails to produce visible results in the sanctioning irregularities during elections.

**CAPACITY**

**INDICATOR 7.1.1 RESOURCES (PRACTICE)**

*To what extent does the electoral management body (EMB) have adequate resources to achieve its goals in practice?*

Score: 50/100

*The SEC has some financial, human and technical resources in terms of equipped offices, staff and other equipment for running the elections. However, significant resource gaps for additional human resources and continuous professional development need to be filled.*

The SEC budget provides funds for the SEC’s regular work and for carrying out elections. Even though the budget for its regular work increased over the years, according to the head of SEC’s training centre the budget is not sufficient for the regular activities of the SEC. According to her, 80 per cent of this budget is for employees’ salaries and there are limited resources for development projects and setting up elections and no budget for staff training. New activities and projects have to receive funds from international donors to get realised. For example, the Swiss agency for development and cooperation is currently supporting the development of an e-registry of legal acts. In 2022, the Swiss government also supported a study on the roadmap to creation of the centre for training for the elections. Training of SEC staff gets listed on the SEC’s website.

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878 Interview conducted on 22 December with Ljupka Guguevska, head of the training centre at the SEC
881 SEC. 2023. Annual programme for continuous educational development: https://drive.google.com/file/d/1jIO_XBHiKynxia9v-1Yv4D996yDWE0Y/view
Table 1. The total budget (in MKD and EUR) for 2019 to 2023.

<table>
<thead>
<tr>
<th>Year</th>
<th>Realised budget</th>
<th>Regular programme (Programme 20) budget</th>
<th>Election programme (Programme 21) budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>82,641,000 MKD</td>
<td>82,641,000 MKD (€1,339,400)</td>
<td>76,484,647 MKD (€1,239,621)</td>
</tr>
<tr>
<td>2022</td>
<td>159,349,000 MKD (€2,582,642)</td>
<td>82,864,353 MKD (€1,343,020)</td>
<td>76,484,647 MKD (€1,239,621)</td>
</tr>
<tr>
<td>2021</td>
<td>1,189,405,141 MKD (€19,277,231)</td>
<td>75,457,323 MKD (€1,222,971)</td>
<td>1,113,947,818 MKD (€18,054,260)</td>
</tr>
<tr>
<td>2020</td>
<td>517,396,139 MKD (€8,385,675)</td>
<td>51,136,915 MKD (€828,799)</td>
<td>466,259,224 MKD (€7,556,876)</td>
</tr>
<tr>
<td>2019</td>
<td>581,260,791 MKD (€9,420,758)</td>
<td>61,171,056 MKD (€991,427)</td>
<td>519,934,631 MKD (€8,426,817)</td>
</tr>
</tbody>
</table>

The SEC’s work is supported by professional service staff whose responsibilities and competencies are regulated by the rulebook on internal organisation. The required number of staff for the SEC to function efficiently is listed in detail in the systematisation of working places, which regulates the needs for the functioning of the institution; however, through the years, the SEC has been understaffed and only 98 of 248 positions are currently filled. According to the head of SEC’s training centre, this is because 14 people retired in the last year, three were transferred to other institutions and the SEC is waiting for approval from the Ministry of Finance and the Ministry of Information Society and Administration to employ new staff. She notes that only during elections are their resource needs recognised.

Table 2. Human resources

<table>
<thead>
<tr>
<th>Year</th>
<th>Systematised working places</th>
<th>Fulfilled working places</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>248</td>
<td>98</td>
</tr>
<tr>
<td>2022</td>
<td>248</td>
<td>93</td>
</tr>
<tr>
<td>2021</td>
<td>248</td>
<td>111</td>
</tr>
<tr>
<td>2020</td>
<td>248</td>
<td>108</td>
</tr>
<tr>
<td>2019</td>
<td>248</td>
<td>94</td>
</tr>
</tbody>
</table>

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882 Received information on 24 April 2023 through a freedom of information request.
883 Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 26: https://drive.google.com/file/d/1Sa9L6emhxwL2VaV8d70K3hJ6r1usnuY/view
884 The employees are considered to be administrative servants and they are employed based on the Law of Administrative Servants. This service is headed by the general secretary who is elected by the SEC for a term of five years. If there is a change in the structure of SEC, the general secretary is also subject to change. Source: Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 26: https://drive.google.com/file/d/1Sa9L6emhxwL2VaV8d70K3hJ6r1usnuY/view
885 Systematisation of working places of SEC’s secretariat: https://www.sec.mk/sistematizacija-na-ss-na-dik-2/
886 Interview conducted on 22 December with Ljupka Gugucevska, head of the training centre at the SEC
887 Information received through a freedom of information request.
The experience and qualifications required for the president and the members of the SEC are regulated in the electoral code.888 The employees in the professional service are experienced and qualified to conduct SEC activities.889 According to the head of SEC’s training centre, the SEC acquired an ISO certificate for the first time and the certification body concluded that there is qualified staff within the institution.890

INDICATOR 7.1.2 INDEPENDENCE (LAW)

To what extent is the electoral management body independent by law?

Score: 50/100

While a number of laws to ensure the independence of the SEC, it is not ensured in the constitution. Also the procedure for the election of SEC members is highly political, and a lack of resources limits the independence and effectiveness of the SECs.

The status of the SEC as an independent body is ensured in the electoral code but not in the constitution.

There is a clear division internally in terms of the members being responsible for the overall management of the institution and competences defined within the electoral code and the professional service being responsible for support of the commission in its work.891

The electoral code provides rules for the selection of the seven SEC members.892 Members are nominated by the political parties represented in the parliament: four by the ruling parties, including the vice president, and three by the opposition, including the president.893 Although the members are elected from professionals in accordance with established procedure, their appointment by political parties can be used to influence their independence (which happened in practice – see 7.1.3). The conditions that a person should fulfil to be elected as a member are too general and do not provide any precise criteria and competences.894

The law stipulates a five-year mandate for the president and members of the SEC. However, there is no clear provision that stipulates the possibility for re-election that if it existed, could make it less likely that SEC members get pressured and influenced.895

The selection of secretariat staff is based on the Law of Administrative Servants;896 however, the procedure is not always transparent and without political interference due to the high level of nepotism in the recruitment in the

888 Electoral code. Official Gazette of Republic of Macedonia”, number 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19; and Official Gazette of Republic of Macedonia. number 98/19, 42/20, 74/21 and 215/21, Article 26
889 The employees are administrative servants that need to fulfil general requirements as well as specific requirements in accordance with the nature of the work place https://www.sec.mk/sistematizacija-na-ss-na-dik-2/
890 Interview conducted on 22 December with Ms. Ljupka Gugucevska, head of training centre in SEC
891 Electoral Code, consolidated version. Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 and 215/21), Article 31: https://drive.google.com/file/d/1Sa5L6emhxwl2VavY_Bd7oK3hJ6f1ysnuY/view
892 SEC consists of a president, vice-president and five members; Electoral code, Article 26, Official Gazette of Republic of Macedonia, number 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19 and Official Gazette of Republic of Macedonia”, number 98/19, 42/20, 74/21 and 215/21.
893 Ibid, Article 26
894 Ibid, Article 27
895 Ibid, Article 26
The professional staff is elected based on an open procedure for employment. The head of the professional service is elected by a majority of members of the SEC. There are clear provisions regulating the termination of the mandate of the president, vice president and the members of SEC. The law protects from dismissal without justification. These justifications include: unprofessional discharge of their responsibilities or if sentenced with a final court decision to at least six months imprisonment.

There is currently a provision which stipulates that, if there is a change of political parties in governance and in opposition, then this should be reflected in the composition of SEC members. However, to strengthen independence, this provision should change or be removed. Also, the criteria for who can be member of the SEC should be more detailed.

**INDICATOR 7.1.3 INDEPENDENCE (PRACTICE)**

*To what extent does the electoral management body function independently in practice?*

Score: 50/100

Attacks of political parties on the electoral process and the misuse of the appointment process for SEC members for party interests have damaged the independence of the SEC.

Opposition political parties and civil society have repeatedly raised concerns about the process for the election of SEC members by parliamentary parties. Even though balance is ensured between the ruling opposition party (see 7.1.4), public attacks by political parties and the election process show that there is a risk that parties could misuse the appointment for their own political interests. Often the political parties that lost the election publicly accuse the winning party of causing irregularities in the election process. For example, in the 2021 local election, the opposition party VMRO-DPMNE accused the SDSM led government of using state funds for vote buying. This damages the trust in the independence of the SEC and its members.

For example, the appointment of the current SEC president, Aleksandar Dashtevski (which was a proposal by the conservative opposition party VMRO-DPMNE) was criticised by SDSM because of his personal connections to the party. He was a former president of the commission for the prevention of discrimination proposed by VMRO-DPMNE and a party member.

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898 Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 in 215/21, Article 30: https://drive.google.com/file/d/1Sa9L6emhxw2VaV_8u7eK3hJ6r1snuY/view

899 The SEC can submit a proposal to the Parliamentary Committee on Election and Appointment Affairs for dismissing a member due to unprofessional and unconscientious performance of their office with a two third majority vote from the total number of members.

900 Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 in 215/21, Article 28: https://drive.google.com/file/d/1Sa9L6emhxw2VaV_8u7eK3hJ6r1snuY/view


The Venice Commission states that there needs to be more stability and defining of specific rules for the composition of electoral commissions so that the political party power cannot take advantage for their own purposes, which are not in the Macedonian electoral code.903

GOVERNANCE

INDICATOR 7.2.1 TRANSPARENCY (LAW)

To what extent are there provisions in place to ensure that the public can obtain relevant information on the activities and decision-making processes of the EMB?

Score: 75/100

The electoral code contains comprehensive provisions regarding the transparency of SEC activities and publishing of information. The public can easily obtain information on the organisation and functioning of the SEC and the decisions that they adopt. However, there is no legal deadline for financial reports to be submitted.

According to the electoral code, the SEC has to inform citizens about the elections through a public call and by displaying posters in visible places.904 The work of the SEC - enabling a smooth voting process, educating of the voters and the members of the election commissions, updating of voting lists, preparing and safe storage of the materials, voting process, and so on – has to be public, and authorised representatives of those who submitted lists plus accredited observers have the right to be present during the work of the SEC.905

The SEC has to inform the public about voting procedures and how they can exercise their right to vote.906 Citizens can require information that is not publicly available on the website of the SEC through free access of information of in the public interest.907

Regarding political funding, the parties are obliged to have a separate account dedicated to resources for the electoral campaign. Parties need to submit reports for expenditures during electoral campaigns to the SEC, SAO, SCPC and to the Assembly within 30 days after the closing the account used for elections, and, for local elections, submitted to the municipal council and the council of the City of Skopje. The financial reports have to be published by the SEC, the SAO and SCPC on their websites; however, there is no legal deadline for this.908 The SEC has to publish the minutes from the session within 48 hours of their adoption.909 The SEC should publish the final results of the voting immediately and no later than 24 hours from the day they become final.910

904 Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 13: https://drive.google.com/file/d/1Sa9L6emhxwl2VaV_8d7ok3Khu6r1usnuY/view
905 Ibid, Article 24
906 Ibid, Article 31
908 Ibid, Article 85
909 Ibid, Article 135 and 136
INDICATOR 7.2.2 TRANSPARENCY (PRACTICE)

To what extent are there provisions to ensure that the public can obtain relevant information on the activities and decision-making processes of the EMB?

Score: 75/100

The public is able to readily obtain relevant information on the organisation and functioning of the electoral management body on decisions that concern them and how these decisions were made. However, there is no information whether all the necessary reports are published in a timely manner.

The SEC publishes all the relevant information as regulated in the electoral code on its website.\textsuperscript{911} The SEC has published information about its work, including laws, by-laws, rulebooks, strategic plans and other internal documents that regulate the work of SEC. The website also contains information about the elections, their organisation and their conduct. Informative sessions, campaigns, publishing of informative material and other tools are also used for informing the public about the organisation and conduct of elections.\textsuperscript{912} The website also contains the electoral list for citizens to check whether they are included in the list.\textsuperscript{913} If some information cannot be found on the website, the website lists the contact person responsible for information of public interest.\textsuperscript{914}

During the 2021 local election, the SEC held regular public sessions, which were live-streamed, and the recording was made available on the SEC's YouTube channel.\textsuperscript{915} However, the OSCE election observation report still highlights transparency issues because the sessions were only announced via an official mailing list, often at very short notice, and some sessions were not publicly announced at all. The OSCE further notes that the decisions and information related to the functioning of SEC are not published in a timely manner, which can influence the transparency of the institution.\textsuperscript{916}

The SEC is currently developing a registry of acts\textsuperscript{917} and an election portal\textsuperscript{918}, which will enable sharing of information and which will be open, transparent and easy for analysis by the media and others working in this field; however, there is no information on when this will be public.

INDICATOR 7.2.3 ACCOUNTABILITY (LAW)

To what extent are there provisions to ensure that the EMB has to report and be answerable for its actions?

Score: 50/100

The law contains general provisions on the accountability of the SEC but does not specify how the SEC is answerable to the Assembly for its actions.

The SEC has to submit a report to the Assembly on the administered elections within 45 days of the announcement of the final election results. However, there is no provision regulating the detail of the SEC reports submitted.\textsuperscript{919} The SEC also does not have to submit a report on its regular activities.

\begin{itemize}
  \item \textsuperscript{911} Ibid
  \item \textsuperscript{912} SEC, Education (Online courses), https://education.sec.mk/
  \item \textsuperscript{913} SEC, Voting registry: https://izbirackispisok.gov.mk/
  \item \textsuperscript{914} SEC, Contacts: https://www.sec.mk/kontakti/
  \item \textsuperscript{915} Video recording of SEC’s sessions: https://www.sec.mk/#av-tab-section-1-4-link
  \item \textsuperscript{917} SEC. 2022. Workshop for preparation of e-registry for acts: https://www.sec.mk/rabotilnica-za-izgotovuvanje-na-elektronski-registar-na-akti/
  \item \textsuperscript{918} SEC. 2022. Preparation for establishing portal for elections: https://www.sec.mk/portal-za-izbori/
  \item \textsuperscript{919} Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21, Article 31 (25): https://drive.google.com/file/d/1Sa9L6mhkwd2VaV8d7oK3hJ6r1usnuY/view
\end{itemize}
The SEC is obliged to submit the electoral lists to the political parties and candidates within five days of the conclusion of the public inspection. The parties can request additions, modifications or deletions of data in the voting registry.\footnote{Ibid, Articles 49 and 49-a}

Political parties and candidates as well as citizens have the right to submit complaints on the electoral process and election campaigns to the SEC.\footnote{Ibid, Article 69a} These provisions also ensure that citizens can file a complaint if there are discrepancies within the voting registry. The SEC has to issue a decision on the complaints within 72 hours. The SEC’s decisions can be appealed before the administrative court.\footnote{Ibid, Article 48 (5)}

The SEC is subject to audit control in accordance with the Law on State Audit and the annual working programme of the State Audit Office.\footnote{Law on State Audit, Article 22 and 23: https://dzr.mk/sites/default/files/2021-07/Zakon_drzavna_revizija_21_final_MKD_p.pdf}

Staff of SEC is accountable in accordance with the Law on Administrative Servants. The general secretary is accountable to the members of the commission.\footnote{Rulebook of SEC: https://drive.google.com/file/d/0B8ZpCwro9h-zUE0wZ3JPa2Zta2M/view?resourcekey=0-ZSCcSiKVCIivx3n7-GY9CA, Article 26}

**INDICATOR 7.2.4 ACCOUNTABILITY (PRACTICE)**

*To what extent does the EMB have to report and be answerable for its actions in practice?*

Score: 50/100

*While the SEC has to be answerable via reports on elections and regular audits, there are no reports available on its regular work. Complaints to the SEC can be submitted by political parties and citizens but the 2021 local elections showed multiple shortcomings in how complaints were handled.*

The SEC prepares reports on the conduct of the elections which are detailed and extensive and are available on the SEC’s website.\footnote{SEC. 2021. Section dedicated to the local elections held in 2021: https://www.sec.mk/izbori-2021/#av-tab-section-1-1-link} However there are no annual reports available on its regular work, because this is not required by law (see 7.2.4).

The latest financial and compliance report for the work of SEC in 2019\footnote{SAO report on SEC: https://dzr.mk/sites/default/files/2021-07/07_RR_Drzavna_izborna_komisija_DIK_2019_KOMPLET.pdf, Accessed on 29 August 2022} was published by the SAO in July 2021. The audit report notes inconsistencies in the application of legal acts.\footnote{The SAO recommend that the person responsible for the internal audit should undertake measures and activities for its proper function in accordance with the rulebooks for systematisation and organisation of the working places in SEC. There have also been irregularities with the conduct of the inventory and payments to Municipal electoral committees where finances are disbursed based on incomplete financial reports and documentation. The disbursement of finances without complete documentation as foreseen in the laws is considered as unlawful. Irregularities in the public procurement procedures have been noted too.} Although the SAO found various irregularities including irregularities in public procurement procedures, disbursement of finances, inventory and other irregularities in the work of SEC, no decisions on the accountability of SEC are available.\footnote{The SAO report on SEC: https://dzr.mk/sites/default/files/2021-07/07_RR_Drzavna_izborna_komisija_DIK_2019_KOMPLET.pdf, Accessed on 29 August 2022}

The Office for Democratic Institutions and Human Rights (OIDHR) report for the 2021 local elections\footnote{In the latest report published on the local elections in 2021: https://www.sec.mk/izbori-2021/#av-tab-section-1-1-link, there is section with information on the received complaints. There were 21 complaints covering the protection of personal voting rights of which 17 were accepted and 4 rejected; 30 complaints were submitted by candidates and participants in the elections, 5 were accepted, 10 were rejected} noted multiple shortcomings in the handling of complaints at the SEC along with the inconsistent application of
admissibility requirements and failure to publish decisions. Also the administrative court held the appeals without a public hearing, despite the legal obligation to do so.930

The SEC regularly issues accreditations for interested parties to monitor the elections. The SEC uses various public relations tools to establish contact with all the relevant parties and inform them of the electoral processes.931

INDICATOR 7.2.5 INTEGRITY (LAW)

To what extent are there mechanisms to ensure the integrity of the electoral management body?

Score: 75/100

While a number of laws exist to ensure the integrity of the members of the SEC, provisions on sanctions for breaching the code of ethics are non-specific.

In its mission and vision,932 the SEC states that it is a professional and independent institution, governed in its operations in accordance with the constitution, laws and generally accepted international standards, conventions and good practices in elections.933 The SEC also has its own policy of quality934 and principles of work.935

The professional conduct of the SEC is regulated in the electoral code, Law on the Prevention of Corruption and Conflict of Interest and the ethical code for administrative servants. SEC members have to submit a declaration of assets and interests to the SCPC no later than 30 days after their appointment.936 SEC members further have to follow the SCPC's guide for the acceptance of gifts and hospitality in the public sector.937 The ethical code covers the ethical principles and the working behaviour of the professional services of the SEC.938 However, the ethical code contains only mild measures for the breaching of the code, having only issuance of verbal and written notices for any detected breach.

Post-employment restrictions are regulated by the Law on the Prevention of Corruption and Conflict of Interest, as well as the principle of political non-partisanship. The law foresees restrictions in doing business up to three years after the termination of the function. It includes restricting employment, acquiring stocks or shares, advocating for international or other organisations, representing a legal or a natural person or performing management or auditing activities within the legal entity in which the public competences were exercised.939

The integrity of the electoral process is ensured in the electoral code940, the codes for fair941 and democratic elections and other documents developed by SEC.

931 SEC. 2021. Section dedicated to the local elections held in 2021: https://www.sec.mk/izbori-2021/#av-tab-section-1-1-link
933 Ibid
934 Policy of quality: https://www.sec.mk/politika-za-kvalitet/
935 Work principles: https://www.sec.mk/principi-na-rabota-na-dik/
936 Law on the Prevention of Corruption and Conflict of Interest, published in the Official Gazette of Macedonia numbers 12, 19 January 2019, Article 82
938 Ethical code for administrative servants, published in the Official Gazette of Macedonia number 183, 12 December 2014, Article 1
939 Law on the Prevention of Corruption and Conflict of Interest, published in the Official Gazette of Macedonia numbers 12, 19 January 2019, Article 47
940 Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 26: https://drive.google.com/file/d/1Sa9L6emhzwI2VaV_8d7oK3hJ5r1usnuY/view
941 From the day of adoption of the decision for the announcement of the elections until the completion of the elections, the political parties, participants in the elections sign the code for fair and democratic elections.
There is no legal obligation for the staff to sign a contract, declaration or swear an oath to uphold the guiding principles of independence and integrity.

In 2021, the SCPC developed an integrity policy that should be applied by all state institutions, including the SEC. The SEC developed its own policy of integrity in June 2023. It also developed a code of ethics for the members of the SEC and a code of ethics for the electoral administration.

INDICATOR 7.2.6 INTEGRITY (PRACTICE)

To what extent is the integrity of the electoral management body ensured in practice?

Score: 25/100

The highly politicised composition of the SEC may be a risk for the implementation of the integrity rules by the SEC itself. In practice, there is an absence of actions applied by the SEC that would ensure the integrity of its members. The only body that conducts an integrity check for SEC members is the SCPC.

Existing codes of conduct for public administration employees are not implemented in the SEC. There are no special gift and hospitality regulations, post-employment restrictions, conflict of interest policies, integrity bodies, and so on to ensure ethical behaviour by SEC staff.

However, SEC commissioners are obliged to respect the requirements based on the Law for the Prevention of Corruption and Conflict of Interest (LPCCI). In practice, SEC staff are not obliged to sign a contract, declaration or swear an oath to uphold the guiding principles of independence, impartiality, integrity, transparency, efficiency, professionalism and service in conducting their duties.

The SEC has signed the policy of integrity developed by the SCPC that should be implemented soon. It is expected that this policy will strengthen the integrity of the institution in practice.

There are no actions taken for staff misbehaviour, or their suspension or dismissal, by the SEC. However, based on a journalistic investigative story, the SCPC has opened a case against the current president of the SEC, Aleksandar Dashtevski, to establish the facts about the purchase of a house for his mother-in-law. Allegedly, the official value of the house stated in the notarial deeds is at least half the market price of similar properties in Elani. In addition, in June 2023, the SCPC referred a case to the public prosecutor’s office against Dasthevski and a few others from the SEC for alleged insufficient procurement procedures for voting equipment to identify fingerprints.

The SEC has not made any effort to expose or sanction breaches, irregular or corrupt practices in its staff, and there is no case of a hearing or investigation process in this regard and no precedents of staff suspension or dismissals.

942 SCPC webpage section on Integrity: https://dksk.mk/mk/integrity/
943 SEC. 2023. Policy of Integrity: https://drive.google.com/file/d/1s1_UYmgH6doq0Dx-KGLCp0A1shzZm8/view
945 Code of Ethics for the Electoral Administration: https://drive.google.com/file/d/1rMsTDsOdqSsFpLeB-DsQypoEvd6PU7Vx/view
946 Interview conducted on 22 December with Ljupka Gugucevska, Head of the training centre at the SEC
ROLE

INDICATOR 7.3.1 CAMPAIGN REGULATION

Does the electoral management body effectively regulate candidate and political party finance?

Score: 50/100

While the SEC does seek to regulate candidate and political finance, its approach is largely reactive and its success is limited due to limited competencies and failures in implementing existing provisions. The regulation is divided between the SEC, the SCPC and the SAO, but due to a slow exchange of information for the detection of irregularities, there is a lack of proper sanctioning of any irregularities detected in the financing of political parties and electoral campaigns.

The SEC is responsible for controlling the legality of the work of the central and local election bodies and undertake measures in cases of determined legal violations in the preparation, procedure for candidacy, administration of elections and the determining of election results.950

Political parties and candidates have to regularly submit financial reports to the SEC, SAO and SCPC. The SAO is responsible for auditing the financial reports and can initiate a procedure if irregularities are detected.951 The same is applicable for the media financial reports.952 The SPSC is responsible for monitoring the legality of the financing of political parties and electoral campaigns, while the SEC only is responsible for publishing the financial reports of the political parties (see 11.2.3).

Even though the cooperation between these three institutions has been strengthened through the signing of a memorandum for cooperation in 2019, some coordination issues remain. This includes issues on the exchange of information for the detection and sanctioning of irregularities during the conduct of elections and imposing sanctions.

On 28 June 2023, the SAO published final audit reports for four political parties.953 A lack of transparency related to party funding is one of the main findings of the SAO, including the expressed reservation about the lack of reliability and objectivity of the parties’ financial reports.

An ongoing problem for the SEC’s success in this regard remains the non-submission of reports and a lack of transparency from the political parties (see 11.2.4). The ODHR report from the 2020 parliamentary elections showed reduced transparency due to the inconsistent publication by the SEC of reports from participants in the election process, and the non-publication of third-party reports.954

950 Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 31: https://drive.google.com/file/d/1Sa9L6emhxwI2VaN_v_b67oK3hJ6r1usnuY/view
951 Ibid, Article 84-b and Article 85
952 Ibid, Article 85-a and Article 85-b
Links to all reports: https://dzr.mk/sites/default/files/2023-06/10_Politicka_partija_SDSM_Smetka_redovno_raboteno_KOMPLET_2022.pdf
Political parties and independent candidates have the right to access the media coverage of their campaigns. Media planning to broadcast political campaigns have to register at the SEC and submit the price lists for their services. The SEC can then reimburse campaign expenses directly to the media. Online campaigning is regulated in detail in the electoral code; however, campaigns on social media are still a grey zone. For example, online media that cover the election process are obliged to do so in a fair, balanced way and have to provide equal access to paid political advertising to all participants in the election process.

**INDICATOR 7.3.2 ELECTION ADMINISTRATION**

*Does the EMB ensure the integrity of the electoral process?*

**Score: 50/100**

The SEC is active in ensuring free and fair elections. However, its success is slightly limited due to ongoing problems with securing the electoral material and integrity of vote counting.

The SEC has to ensure the right to vote for all eligible voters (Macedonians who are at least 18 years old). The voters' list is published in advance of the elections, and citizens have the right to check and to ask for corrections. In addition, the electoral code extensively provides the SEC with competences and procedures regarding the electoral materials, ballots, security measures and checking the people who have voted. For example, for the 2021 local elections, the SEC developed a rulebook for securing, maintaining, handling and distributing election material.

A citizen may request to inspect the voter register in the regional offices of the SEC, DCOs or consular offices and on the SEC website throughout the year. However, there are still concerns about the accuracy of the voter lists. In the 2021 local elections, there were 1,814,263 citizens on the voters list, which is considered a high number in comparison to the total number of residents (1,836,713).

The integrity of the electoral processes was brought into question for the early parliamentary elections on 15 July 2020. Technical issues disrupted the reporting of voter turnout data on election day, forcing officials to use phone calls and text messages to collect information. After polling stations closed, the web application showing preliminary results also faced disruptions. These issues were widely covered in the media. The SEC president indicated that a cyber-attack was responsible for affecting the publication of results, although it did not impact the actual counting and tabulation of votes.

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955 Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 and 215/21), Article 70: https://drive.google.com/file/d/1Sa9L6emhxwI2VaV_8d7oK3hJ6r1usnuY/view

956 Ibid, Article 75-f

957 Ibid, Article 76-d

958 Ibid, Articles 75-77

959 In the interview conducted with Ms. Gugucevska

960 Electoral Code, Article 75-77

961 Article 6 of this code

962 Ibid, Article 6 of this code

963 Election Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 and 215/21), Article 31: https://drive.google.com/file/d/1Sa9L6emhxwI2VaV_8d7oK3hJ6r1usnuY/view

964 SEC. 2021. Rulebook for securing, maintenance, handling and distribution of election material: https://drive.google.com/file/d/1RFtIHdPxlskGjvd2mtGgHL7dx5gRTx/view

965 The SEC website has a section where any citizen can check if they are on the voting list: https://izbirakispisok.gov.mk/ Other sections provide online training for the voter, as well other categories involved in the electoral process: https://education.sec.mk/ Law No. No. 10-2091/2021 Electoral code, Article 48, https://ldbis.pravda.gov.mk/PregledNaZakon.aspx?id=9108


In accordance with the electoral code, political parties and observers are allowed to observe all stages of the electoral process, from polling to counting and result aggregation.\textsuperscript{967} For example, in the 2019 local elections, the SEC accredited seven citizen organisations with 1,210 observers, 2 international organisations and 19 diplomatic and foreign delegations.\textsuperscript{968}

The electoral code also regulates the participation of the independent candidates in elections. The precondition for participation in elections is to collect a certain number of signatures form citizens and to submit a list for participation.\textsuperscript{969} The practice showed that this number is very high and it is not possible to collect the signatures within the prescribed procedure that requires the signatories to present themselves to the office where they vote, to present identification and to be registered as a supporter to an independent candidate. The citizen and interested candidates found that process intimidating and complicated.\textsuperscript{970} Moreover, it is not possible to collect the signatures without the support of a political party. In the latest elections for the mayor of Skopje, the independent candidate, Danela Arsovska, won the elections after she was supported by VMRO-DPMNE.\textsuperscript{971}

\textbf{INDICATOR 7.3.3 GENDER}

To what extent does the electoral body promote the political participation of women?

Score: 75/100

Legal provisions exist and are followed in practice. However, women were under-represented in the latest local elections.

The legal framework ensures that women have the right to vote and run for election. There are also provisions to ensure gender representation in election.\textsuperscript{972} On each list, at least one candidate of each gender must be placed in every third place on the list, with an additional candidate of the lesser represented gender in every tenth place (40 per cent of the candidates have to be women).

\textsuperscript{967} Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 24: \url{https://drive.google.com/file/d/1Sa9L6emhwxwI2VaV_8d7oK3hJ0r1usnuY/view}


\textsuperscript{969} Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 62: \url{https://drive.google.com/file/d/1Sa9L6emhwxwI2VaV_8d7oK3hJ0r1usnuY/view}: “In cases when submitter of a list of candidates for member of council, i.e., candidate list for a mayor, is a group of voters, it shall be required to collect: in a municipality that has no more than 10,000 inhabitants, at least 100 signatures of the registered voters in the excerpt of the Voters List of the municipality; in a municipality that has between 10,001 and 30,000 inhabitants, at least 150 signatures of the registered voters in the excerpt of the voters list of the municipality; in a municipality that has between 30,001 and 50,000 inhabitants, at least 250 signatures of the registered voters in the excerpt of the voters list of the municipality; in a municipality that has between 50,001 and 100,000 inhabitants, at least 350 signatures of the registered voters in the excerpt of the voters list of the municipality; in a municipality with more than 100,001 inhabitants at least 450 signatures of the registered voters in the excerpt of the voters list of the municipality; and in the City of Skopje at least 1,000 signatures of the registered voters in the excerpt of the Voters List of the municipality.”


\textsuperscript{972} Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 64 (5): \url{https://drive.google.com/file/d/1Sa9L6emhwxwI2VaV_8d7oK3hJ0r1usnuY/view}
The SEC has prepared and adopted an action plan for strengthening gender sensitivity at the SEC for the period from 2021 to 2024.973

In the 2020 parliamentary elections, a total of 12 political parties and 3 coalitions fielded 1,598 candidates on 78 lists. These included 675 women candidates (42 per cent), and women headed 19 of 78 lists.974 The OIDHR report for the 2021 local elections notes that women were under-represented in the electoral process. The composition of election management bodies generally complied with the legal requirements for gender and ethnic representation, but only two of the seven SEC members are women. Women comprised some 45 per cent of all councillor candidates, in line with legal requirements for gender representation, and headed 111 lists, but only 8 per cent of mayoral candidates were women.975

While women were well-represented in lower-level election bodies, accounting for 49 per cent of Municipal Election Commissions (MECs) and the Election Commission of the City of Skopje (ECCS) members and presiding over 39 mid-level commissions, only 2 of the 7 SEC members, including the vice president, are women, which falls short of the required quota. The SEC did not publish gender-disaggregated data on the composition of electoral bodies. In the first-round on election day, women presided over 55 per cent of the electoral bodies in the polling stations visited by ODIHR observers.976

INTERACTIONS

To secure transparency and integrity in the electoral process, the SEC needs to have good communication and cooperation with the SCPC and SAO. This cooperation is foreseen within the electoral code,977 and before each electoral cycle in recent years, they sign a memorandum of cooperation to secure a good exchange of information and cooperation in detecting irregularities in the electoral process.978 This cooperation is of great importance and should result in securing an electoral process without irregularities and eliminating the risks of corruption. Their cooperation has had a very positive impact in the anti-corruption work of this pillar. However, this cooperation needs further strengthening to be effective in practice by detecting and sanctioning irregularities. The SEC regularly submits necessary information on the financing of the campaigns to the SCPC that summarises all the data in a consolidated report for each election.979

The SEC also interacts with the political parties as direct participants in the electoral process and with the media. Before elections, political parties sign a codex for fair elections between the political parties to ensure fair and democratic elections.980 This should ensure the integrity of the electoral process which is monitored by SEC. The political parties and media also submit financial reports to the SEC, SCPC and SAO (see 7.3.1).

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973 SEC. 2021. Action plan for enhancing of the gender sensitivity at SEC: https://drive.google.com/file/d/16EGLPg8bJzPnu0_0pYam7Cue0pJ2Yws/view
976 Ibid, p.9
977 Electoral Code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 47/16, 99/16, 130/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 85-b: https://drive.google.com/file/d/1Sa9L6emhxwJ2VaV_8d7ok3hJ6r1usnuY/...view
978 Ibid, 85 (9)
The SEC is accountable to the Assembly via reports on the election process (see 7.2.3 & 7.2.4). The Assembly is also responsible for the election of SEC members, which has raised concerns about political influence in the election process (see 7.1.2 & 7.1.3).

**PILLAR RECOMMENDATIONS**

- The government needs to increase the budget of the SEC to enable it to carry out its regular activities in non-election years properly.
- The SEC needs to conduct a functional analysis of staff and skill needs for the functioning of the SEC.
- The SEC should publish an annual report, with details on financial and human resources as well as a comprehensive overview of its activities and statistics on previous elections as well as complaints received.
- The SEC and SCPC need to ensure the proper implementation of the SEC’s integrity plan.
- The SEC needs to amend the existing code of ethics for the SEC’s members and the electoral administration with specific reprimand provisions in the case of established unethical behaviour of staff and members of the central and local electoral bodies.
- The SEC needs to make sure technical issues on vote counting get fixed before the next election and ensure they do not recur.
- The Assembly needs to amend the electoral code to reduce the number of signatures from 10,000 to 5,000 signatures for independent candidates for president of the country; and the number of signatures from 1,000 to 500 to submit to the list of independent candidates for members of the parliament; and decrease by 50 per cent the necessary signatures for independent candidates for mayors to enable more independent candidates to meet the threshold.
8. OMBUDSPERSON

SUMMARY

OVERALL PILLAR SCORE: 70.84
CAPACITY SCORE: 66.7
GOVERNANCE SCORE: 70.83
ROLE SCORE: 75

Indicators scores: law and practice

The Ombudsperson’s office is an independent national institution with the authority to protect the human rights and freedoms of individuals or groups of citizens when these are violated by the state. Its competencies do not apply to the private sector or the judiciary, except in cases of an unjustified delay in court proceedings or irresponsible court services. The ombudsperson has no legislative, executive or judicial powers, and is neither a prosecuting organ nor inspection authority. It is an oversight mechanism that intervenes with proposals, suggestions, recommendations and the like. Its role is ethical and moral in terms of respect and exercise of human rights and freedoms. Therefore, the ombuds’ actions are aimed primarily at promoting and improving the efficient and effective performance of public administration as a service to citizens to exercise their right and as an educational and advisory role in access and communication with citizens.981

The Ombudsperson’s budget does not cover the scope of work, especially resources for building the capacities of the institutional and human resources. Specifically, there is a lack of resources for sub-programmes such as the national preventive mechanism for torture, and a lack of integrity and whistleblowing training.

The legal framework secures the independence of the ombudsperson. However, the selection and appointment procedure lacks transparency, which could be misused to limit the independence of the office. The inclusion of the public in election of the ombudsperson, as with the election of the State Commission for the Prevention of Corruption, can strengthen both the independence and the role of the ombudsperson. Also, the possibility of re-appointment is not the preferred option according to the Venice Commission.

The website of the ombudsperson contains useful information and links related to the work of the institution. However, information is not always published timely and sometimes lacks details, such as the reporting of regular activities or special reports on discrimination.

The Ombudsperson is accountable to the Assembly via an annual report, but this report is often not reviewed on time, perhaps due to the lack of a legal deadline. The institution currently does not have its own codes of conduct, ethics or political integrity.

The Ombudsperson is very active in providing recommendations to the government and other institutions, but these are often not implemented, which limits the ombudsperson's effectiveness. Also, even though the ombudsperson deals with complaints from the public effectively, the complaints procedure and assessment tools of the ombudsperson lack gender-sensitive mechanisms and they might not be accessible enough for the wider public because of a lack of visibility of the ombudsperson.

**CAPACITY**

**INDICATOR 8.1.1 RESOURCES (PRACTICE)**

*To what extent does an ombudsperson or its equivalent have adequate resources to achieve its goals in practice?*

Score: 50/100

*The Ombudsperson's office suffers significant human and financial resource gaps, which leads to delays in the implementation of the working programmes and staff training.*

The Ombudsperson is financed by the state budget. From 2020 to 2023, there was a slight increase in the budget dedicated to the different programmes within the Ombudsperson’s office (see Table 8.1). However, the budget in 2022 was slightly lower than in 2020. In 2021, the budget was larger than the other years because of the amount of donations (projects) was higher.

*Table 8.1: Annual budget of the Ombudsperson Office, 2020-2022*

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget in EUR</th>
<th>Budget in MKD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>1,308,833</td>
<td>80,755,000</td>
</tr>
<tr>
<td>2021</td>
<td>1,259,935</td>
<td>77,738,000</td>
</tr>
<tr>
<td>2020</td>
<td>1,339,498</td>
<td>82,647,000</td>
</tr>
<tr>
<td>2019</td>
<td>1,398,590</td>
<td>86,293,000</td>
</tr>
</tbody>
</table>

982 Annual report on the work of the ombudsperson: https://ombudsman.mk/Почетна/Годишни_извештаи.aspx
The biggest portion of the budget is dedicated to salaries, and there is a lack of resources for investment in equipment, field work and continuous professional development. According to the ombudsperson, the current resources are insufficient to properly fulfil its roles, and there is no budget for the education and professional development of staff.\textsuperscript{983} For example, the listed employee training was supported by international donors.\textsuperscript{984} In addition, international donors, such as the UNHCR, supported the improvement of the system of legal aid related to asylum and naturalisation. However, they only have one staff member working on international cooperation, which limits the institution’s ability to receive more funds.\textsuperscript{985}

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of planned staff positions</th>
<th>Number of unfulfilled staff positions</th>
<th>% of unfulfilled position</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>183</td>
<td>83</td>
<td>45.4</td>
</tr>
<tr>
<td>2021</td>
<td>183</td>
<td>85</td>
<td>46.5</td>
</tr>
<tr>
<td>2020</td>
<td>155</td>
<td>86</td>
<td>55.5</td>
</tr>
<tr>
<td>2019</td>
<td>155</td>
<td>90</td>
<td>58</td>
</tr>
</tbody>
</table>

There is also a lack of staff, as in 2022, where less than half (only 83 of 183) planned staff positions were filled. There is a strong need for qualified and competent staff to implement the sub-programmes, such as the national preventive mechanism for torture.\textsuperscript{986} In 2019, two more programmes were approved with sufficient budget, but not used due to late staffing.\textsuperscript{987}

**INDICATOR 8.1.2 INDEPENDENCE (LAW)**

*To what extent is the ombudsperson independent by law?*

Score: 75/100

There are quite comprehensive laws to ensure the independence of the ombudsperson. However, loopholes exist in the election procedure, the possibility of re-appointment and the lack of an obligation for judicial reviews.

The ombudsperson’s independence is ensured in the constitution\textsuperscript{988} and is additionally regulated with the Law on the Ombudsman.\textsuperscript{989}

The ombudsperson and supporting staff have to be selected based on professional criteria.\textsuperscript{990} The Assembly has to elect and appoint the ombudsperson with a majority of votes.\textsuperscript{991} However, the election procedure can be improved by introducing open sessions for the introduction of candidates. Civil society organisations (CSOs) and other relevant stakeholders, such as legal practitioners, media, representatives from state institutions, and so on, can participate in these sessions and have the possibility to pose questions to candidates for ombudsperson. This

\textsuperscript{983} Interview conducted with the ombudsperson, Mr. Naser Ziberi on 26 January 2023


\textsuperscript{985} Interview conducted with the ombudsperson, Mr. Naser Ziberi on 26 January 2023

\textsuperscript{986} National Preventive mechanism Article 31 https://ombudsman.mk/Почетна/НПМ/ЗА_НАС/Надлежност.aspx


\textsuperscript{988} Constitution of Republic of Macedonia: https://www.sobranie.mk/content/Odluki%20USTAV/UstavSRSM.pdf


\textsuperscript{990} Ibid, Article 6

\textsuperscript{991} Ibid, Article 5
secures transparency of the election and appointment. The ombudsperson has a term of eight years and has a right to be reappointed.\textsuperscript{992} However, the Venice Commission does not recommend re-election.\textsuperscript{993}

According to the ombudsperson, the salary is in line with the salaries of the other high-profile officials; however this is only regarding the basic salary since the ombudsperson does not receive additional reimbursement.\textsuperscript{994}

The ombudsperson can employ and remove staff within the professional service in accordance with the legal provision regulating the status of administrative servants.\textsuperscript{995} There are existing legal provisions which restrict the removal of the ombudsperson without relevant justification\textsuperscript{996} and ensure that the ombudsperson is not prosecuted criminally for acts performed under the law.\textsuperscript{997}

The ombudsperson’s activities are not subject to judicial review.

The Law on the Ombudsperson forbids political engagement and is incompatible with other public functions, professions and functions in a political party.\textsuperscript{998} The Law on the Prevention of Corruption and Conflict of Interest also forbids political engagement and states the incompatibility with other public functions for the appointed persons.

**INDICATOR 8.1.3 INDEPENDENCE (PRACTICE)**

*To what extent is the ombudsperson independent in practice?*

Score: 75/100

*The ombudsperson operates freely from any interference by other actors, particularly the executive and the ruling party, and is not engaged in any political or other activities which may compromise the independence or political neutrality of the office. However, the media and CSOs were critical of the appointment of the ombudsperson, with allegations that the political influence.*

Overall, there is an enabling environment for the ombudsperson to work independently in a professional and non-partisan manner. However, in 2020 the media and CSOs criticised the appointment of the current ombudsperson because he was the prime ministerial candidate for the Democratic Union for Integration (DUI) in the previous parliamentary election. In addition, CSOs cited insufficient transparency when the call for an election on the ombudsperson was published only in the Official Gazette and three media outlets.\textsuperscript{999} This raised concerns about the conduct of the newly appointed ombudsperson’s work because he is closely connected with one political party in government.\textsuperscript{1000}

There are, however, no known examples of the ombudsperson’s political engagement or of conducting other activities prohibited by law or holding positions which might compromise independence. The previous ombudsperson had been reappointed, and his term lasted from 2004 until 2020. There are no cases of an
ombuds person (or senior staff member) being removed from their position before the end of their term without relevant justification or because of political influence.

Citizens can file complaints without fear of retaliation.

GOVERNANCE

INDICATOR 8.2.1 TRANSPARENCY (LAW)

To what extent are there provisions in place to ensure that the public can obtain relevant information on the activities and decision-making processes of the ombuds person?

Score: 75/100

There are sufficient legal provisions in place to ensure that the public can obtain relevant information on the activities and decision-making processes of the ombuds person. However, there is no deadline by which documents prepared by the ombuds person should be published on the website.

The ombuds person has to respect the privacy and confidentiality of the persons filing the complaint.\(^{1001}\) The handling of reports is additionally regulated with the rulebook on the work of the ombuds person.\(^{1002}\)

The ombuds person has to publish an annual report,\(^{1003}\) but the law does not establish a timeframe for this report. The annual report has to include an analysis of the ombuds person’s work, the level at which the respect, promotion and protection of the constitutional and legal rights of the citizens, respect of the principles of non-discrimination and equitable representation of community members are ensured by the relevant bodies, as well as recommendations for overcoming any established problems. If necessary, the ombuds person can prepare special reports\(^{1004}\) and publish reports on the activities undertaken within the national preventive mechanism.\(^{1005}\)

The ombuds person’s office also has to provide information requested under the Law on Access to Information of Public Character by respecting the confidentiality clause.\(^{1006}\)

The ombuds person and its deputies have to make asset declarations publicly available.\(^{1007}\) The staff is not obliged to make declarations of assets publicly available.

The rulebook defines cooperation with other organisations, bodies and the public. It regulates the cooperation with state bodies and CSOs, as well as cooperation with foreign institutions and international organisations.\(^{1008}\)

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Within the framework of the ombudsperson, there is a mechanism for citizen’s control in which three external members from CSOs participate. This mechanism was established to provide possibilities for controlling policies and enabling procedures to be initiated when there is a breach of human rights by police.

INDICATOR 8.2.2 TRANSPARENCY (PRACTICE)

To what extent is there transparency in the activities and decision-making processes of the ombudsperson in practice?

Score: 75/100

The public can readily obtain relevant information on the organisation and functioning of the ombudsperson, on decisions that concern them and how these decisions were made. However, there is a lack of detailed information on the work of the ombudsperson, such as regular activities or special reports on discrimination.

The ombudsperson’s office has a website on which information regarding its work are available, including information on the legal framework that regulates its work, annual reports and other reports, such as financial reports, reports for the work of the national preventive mechanism, working programmes, organisational structure and other information relevant to the work of the ombudsperson.

The ombudsperson also publishes statistical reports on received complaints, without details on the content and the manner of handling. However, there is no available information on whether the ombudsperson handles the complaints within a reasonable deadline.

All asset declarations of the ombudsperson are published on the website of the State Commission for the Prevention of Corruption.

In an external monitoring report on the ombudsperson that focused on prevention from discrimination, the CSO Coalition Margini noted that transparency on this issue needs to be improved and recommended issuing special reports on discrimination as well as more detailed information on the procedures conducted and decisions adopted.

The Ombudsperson cooperates with CSOs through MoUs. The CSOs follow and monitor the work of the Ombudsperson, they conduct analyses on the legal framework and share opinions on improvements of legislation, receive cases and complaints that can be also reviewed by the ombudsperson, while the ombudsperson participates in various projects implemented by CSOs. However, this is currently not visible in practice and there are rarely any public conferences where the public can learn more about the work of the ombudsperson.

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1010 https://ombudsman.mk/

1011 Annual reports on the work of the ombudsperson: https://ombudsman.mk/Почетна/НПМ/ИЗВЕШТАИ/Годишни.aspx

1012 Financial reports on the work of the ombudsperson: https://ombudsman.mk/Почетна/ЗА_НАС/Буџет_на_НП/2022.aspx


1014 Working programme of the ombudsperson for 2022: https://ombudsman.mk/Почетна/ЗА_НАС/Програма_за_работа.aspx

1015 Organisational structure of the office of the ombudsperson: https://ombudsman.mk/Почетна/ЗА_НАС/Програма_за_работа.aspx

1016 Statistical data on received complaints are available on the webpage of the ombudsperson: https://ombudsman.mk/Почетна/ПРЕДМЕТНО_РАБОТЕЊЕ/Статистика/Месечна.aspx. Also the annual reports contain more detailed information on the received complaints.

1017 Assets declarations: http://www.dksk.org.mk/imoti_2/detail.php?detail=20930&search=&ime=&prezime=%D0%B7%D0%B8%D0%B1%D0%B5%D1%80%D0%B8&funkcija=&institucija=


INDICATOR 8.2.3 ACCOUNTABILITY (LAW)

To what extent are there provisions in place to ensure that the ombudsperson has to report and be answerable for its actions?

Score: 75/100

Extensive provisions are in place to ensure that the ombudsperson has to report and be answerable for its actions to the legislature. However, there is no deadline for the submission of the annual report to the Assembly.

The Ombudsperson has to submit an annual report to the Assembly but the law does not determine the time for submission. The Ombudsperson can also prepare special reports when needed.

The Assembly has to review the report in a plenary session with representatives of the government. However, there are no deadlines for when the Assembly should review the report. The activities of the ombudsperson are not subject to judicial review.

In accordance with the Law on the Protection of Whistleblowers, this institution is authorised to receive external and internal whistleblower disclosures.

INDICATOR 8.2.4 ACCOUNTABILITY (PRACTICE)

To what extent does the ombudsperson report and is answerable for its actions in practice?

Score: 75/100

Existing provisions are mostly effective in ensuring that the ombudsperson has to report and be answerable for its actions in practice. However, the Assembly only reviewed the last two annual reports after a delay.

Ombudsperson annual reports are regularly submitted to the Assembly and published in the media. The annual report includes an analysis of the work of the ombudsperson, the level at which the respect, promotion and protection of the constitutional and legal rights of the citizens, respect of the principles of non-discrimination and equitable representation of community members are ensured by the bodies, as well as recommendations for overcoming the established problems.

The last two annual reports have been reviewed by the Assembly but with delays. For example, the 2020 report was reviewed at the end of 2021 and the 2021 annual report has not yet been reviewed. In an interview, the ombudsperson explained that the 2021 report is in the process of being reviewed by the commission for political system and inter-community relations as a competent commission within the Assembly. He is satisfied with the debate conducted within the commission regarding the proposals and recommendations.

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1020 Ibid, Article 36
1024 Law for the Protection of Whistleblowers, Official Gazette of RM, number 196/2015
1025 Article 36 Law on the Ombudsperson
1026 Annual reports on the work of the ombudsperson: https://ombudsman.mk/Почетна/Годишни_извештами.aspx
1027 Conclusion from the plenary session of the Assembly, held on 23 December 2021: https://www.sobranie.mk/detali-na-materijal.nspx?param=aaa0c7e3-85e-4b20-a855-824c7adc1999
1029 Interview conducted with the ombudsperson, Mr. Naser Ziberi on 26 January 2023
1030 Ibid 26 January 2023
However, according to the ombudsperson, the discussion in the plenary session of the Assembly fails to address the gaps highlighted in ombudsperson’s reports.

Internally, the staff is accountable to the ombudsperson in accordance with internal policies and procedures, regulated with the rulebook on the work of the ombudsperson.\textsuperscript{1031} Even though the Law for the Protection of Whistleblowers came into effect in 2016, it took until 2022 before the ombudsperson’s office had appointed the official for receiving the reports in practice.\textsuperscript{1032} However, the ombudsperson’s role in the protection of the whistleblowers is not proactive as it has not undertaken any activity to explain to the public its role in receiving reports as an external disclosure point.

**INDICATOR 8.2.5 INTEGRITY MECHANISMS (LAW)**

**To what extent are there provisions to ensure the integrity of the ombudsperson?**

**Score: 75/100**

*There are sufficient legal provisions to ensure the integrity of the Ombudsperson and its deputies. However, it lacks its own ethical code with rules on employee conflicts of interest and sanctions for misconduct.*

There is no ethical code or code of conduct for the office of ombudsperson. The European Commission prepared a draft version of an ethical code in 2021, but it was never completed and no final version was prepared and adopted.\textsuperscript{1033}

There are still legal provisions for the prevention of conflict of interest, receiving of gifts and other related issues in the Law on the Prevention of Corruption and Conflict of Interest.\textsuperscript{1034} The staff further has to act in accordance with the code of conduct of administrative servants. However, legal provisions related to the prevention of conflict of interest should be more specific. It should also include sanctions for staff misconduct, regulated through an ethical code. The ombudsperson has adopted an anti-corruption programme which generally regulates conflict of interest. This also foresees the creation of an ethical code, but there is no timeframe in which should be finalised.\textsuperscript{1035}

The Law on the Ombudsperson forbids political engagement (see 8.1.2).\textsuperscript{1036} The ombudsperson, prior to taking the office, should make a solemn declaration in front of the president of the Assembly, promising to exercise the function conscientiously and responsibly in accordance with the constitutions and the laws of Macedonia.\textsuperscript{1037}

The ombudsperson and its deputies have to submit declarations of assets and interests to the State Commission for the Prevention of Corruption (see 8.2.3).

Respecting confidentiality in the communication and complaints received the ombudsperson is clearly defined within the law and the rulebook, within one section proscribing the procedures for receiving complaints, protecting personal data, and the confidentiality and storage of complaints.\textsuperscript{1038}


\textsuperscript{1032} For the purposes of a project implemented by TI-M in 2019, TI-M asked for information from the ombudsperson about an authorised person for receiving of reports of whistleblowers. At first TI-M did not receive any information, as the ombudsperson did not know the name of the person responsible. But finally TI-M received information on the responsible person.

\textsuperscript{1033} Interview conducted with the ombudsperson, Mr. Naser Ziberi on 26 January 2023


\textsuperscript{1037} Ibid, Article 7

\textsuperscript{1038} Rulebook on the work of the ombudsperson, from Article 52: https://ombudsman.mk/CMS/Upload/NarodenPravobranitel/upload/Interni%20akti/Delovnik%20na%20NP/Delovnik%20na%20NP-29.03.2022.pdf
The State Commission for the Prevention of Corruption has created an integrity policy that should be implemented by all state institutions. Also, it has prepared directions for the preparation of ethical codes and other internal documents regulating the prevention of conflicts of interest.

**INDICATOR 8.2.6 INTEGRITY MECHANISMS (PRACTICE)**

*To what extent is the integrity of the ombudsperson ensured in practice?*

Score: 50/100

There is a piecemeal and reactive approach to ensuring the integrity of members of the ombudsperson, including only some of the following elements: enforcement of existing rules, inquiries into alleged misbehaviour, sanctioning of misbehaviour and training of staff on integrity issues. However, there is no code of conduct to regulate conflict of interest, post-employment procedures and the establishment of integrity bodies.

There is no code of conduct to regulate gifts and hospitality, post-employment restrictions, conflicts of interest, internal integrity or effective mechanisms for ensuring ethical behaviour by the ombudsperson and staff. In 2021 and 2022, there was no staff training on integrity issues. The Law on the Prevention of Corruption and Conflict of Interest regulates this for the ombudsperson and its deputies, as does the Law on Administrative Servants is for the staff. However, having an internal code of conduct based on the existing legal framework can strengthen the integrity of the institution and give more precise, detailed and specific guidelines for staff on the prevention of corruption and conflicts of interest.

There were no cases revealed publicly regarding misconduct and misbehaviour of staff. However, there were allegations about the behaviour of the previous ombudsperson towards the staff. In 2020, the media published articles on conflicts between the ombudsperson and his deputies along with allegations of bullying.

The ombudsperson’s assets are published and are publicly available in the registry published by the SCPC (see 8.2.4).

**INDICATOR 8.2.7 GENDER**

*To what extent are the ombudsperson’s mechanisms gender-sensitive?*

Score: 25/100

There are no explicit gender-sensitive protocols and guidelines, but there is a front-facing female staff member for the whistleblower channel.

The ombudsperson does not have specific protocols or guidelines that are gender-sensitive. There is no gender-disaggregated data for the complaints that the ombudsperson receives (for example, complaints filed by gender women, processing times of complaints filed by women and men, complaints solved or disregarded by women and men). The ombudsperson has no practice of providing gender-sensitive material to staff and, based on an interview with the ombudsperson, there is a lack of resources, mainly budget, for staff training in general.

However, the person authorised to receive whistleblower reports is female.

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1039 SCPC, Section related to information and material for the Policy of integrity: https://dksk.mk/mk/политика-на-интегритет-за-државните-

of


1041 Interview conducted with the ombudsperson, Mr. Naser Ziberi on 26 January 2023

1042 Transparese International Macedonia, Web platform for protection of whistleblowers, Section with personse responsible for external disclosure: https://ukazuvac.mk/nadvoreshno-prijavuvanja/
Even though the mechanisms of the ombudsperson are not gender-sensitive, there is a gender balance in the institution. Three out of five deputies to the ombudsperson are women.

The ombudsperson produces gender-disaggregated data on gender equality within the institution, such as the number of employees by gender, number of appointed persons, number of managerial positions lead by women: 64 per cent of the employees are women. In the reports, it emphasises the rights of women from different nationalities (Roma). The ombudsperson is ex officio the national rapporteur for trafficking in human beings, and in the report for 2021, it refers to the victims of human trafficking and illegal migration, indicating the number and origin of trafficked women.

ROLE

INDICATOR 8.3.1 INVESTIGATION

To what extent is the ombudsperson active and effective in dealing with complaints from the public?

Score: 75/100

The ombudsperson is generally very active and successful in dealing with complaints from the public. However, the recommendations the office gives to government are rarely implemented, and the institution lacks visibility for citizens.

The ombudsperson has established simple procedures to enable every citizen to easily file a complaint. Citizens can file a complaint in writing, directly to the offices of the ombudsperson and in other forms. The ombudsperson institution has six regional offices in an effort to be more accessible to citizens.

In 2021, 2,686 complaints were received/filed, and 389 cases were transferred from the previous year. The total number of cases/complaints on which the ombudsperson acted/reviewed is 3,075 in 2021, of these the ombudsperson initiated a procedure for 2,108 (67.8 per cent) of complaints, and did not initiate a procedure for 655 (21.30 per cent) of complaints. Of the 2,108 cases on which the ombudsperson initiated proceedings, 755 (35.82 per cent) found a violation of human freedoms and rights and intervened to enable citizens to execute their rights. In 1,353 cases (64.89 per cent), no violation of human freedoms or rights were found and the procedure was stopped.

The ombudsperson points out in a 2022 report that the government does not implement its recommended measures, and did not submit reports for the implementation of the recommendations. However, the ombudsperson still had some success in this regard. In 2021, in cooperation with CSOs and other interested parties, the ombudsperson succeeded in speeding up the process to suspend a provision in the Law on Social Protection that did not allow for citizens over 65 to receive compensation for disabilities. The constitutional court
responded positively to this initiative. The ombudsperson was also successful in suggesting amendments to a law on the enforcement of sanctions so young women would not be placed in the Idrizovo prison, which lacks appropriate conditions and standards.

However, the institution is not visible enough to citizens. There is no communication strategy or other programme to promote the work of the ombudsperson.

**INDICATOR 8.3.2 PROMOTING GOOD PRACTICE**

*To what extent is the ombudsperson active and effective in raising awareness within government and the public about standards of ethical behaviour?*

Score: 75/100

While the ombudsperson does seek to raise awareness within the government about standards of ethical behaviour through recommendations, its efforts are generally limited as the government and other institutions fail to implement them.

The ombudsperson can review the work of any institution if there are indications that the institution breaches fundamental human rights and freedoms or acts beyond its competences. For gaps in institutions, the ombudsperson prepares recommendations and suggestions on how the current situation should be improved. For example, the 2021 annual report mentions the poor conditions and corruption in prisons and in detention facilities in the police stations.

There are no examples of campaigns in which the focus is on the ethical behaviour of government institutions, but the ombudsperson recognised in an interview for this report that this would be good to implement in the future.

The ombudsperson prepares an annual report and other special reports, which include findings and recommendations for the assessed sectors and areas. However, due to the Assembly’s slow adoption of the recommendations, the actions are limited in practice. This also limits the follow-up of the implementation of these measures.

**INTERACTIONS**

The Law on the Ombudsperson has established principles for interaction between the ombudsperson, Assembly and the government. It also establishes interactions with civil society through the national preventive mechanism and activities related to protection of victims. The ombudsperson is accountable to the Assembly and submits an annual report to the Assembly with recommendations the Assembly should adopt. The office has a close relationship with the government as established by the law. Law enforcement agencies are of great importance too for effective execution of the ombudsperson’s work since it monitors the rights of people in...
detention. The ombudsperson is entitled to oversight of these facilities and can start an administrative or other procedure to establish a violation of human rights, including rights of persons in detention.\textsuperscript{1058}

In the fight against corruption, the ombudsperson office cooperates closely with State Commission for the Prevention of Corruption and with Transparency International Macedonia (TI-M) in fulfilling its role as an external point for whistleblower reporting. It participates in joint workshops, meetings and trainings, which makes the ombudsperson office one of the country’s anti-corruption institutions.

However, the ombudsperson and the Assembly need to ensure that ombuds reports are reviewed in a timely manner and avoid delays longer than one year to ensure the reports are relevant. There is, therefore, a need for further strengthening of cooperation with the Assembly and acting without delays to implement the given recommendations and measures. This could be done through regular communication, meetings and exchange of information.

**PILLAR RECOMMENDATIONS**

**The Ombudsperson institution**

- The Ombudsperson needs to draft and adopt a code of ethics and integrity policy in accordance with the directions from the State Commission for the Prevention of Corruption.
- The ombudsperson’s office needs to hire more staff to be able to implement sub-programmes properly.
- The Ombudsperson needs to increase visibility by developing and implementing a communication strategy that will also promote the ombudsperson’s competences as a point for external disclosure and the protection of whistleblowers.
- The ombudsperson needs to provide the possibility for integrity and whistleblowing training for staff.
- The Ombudsperson should include gender-disaggregated data of received complaints in its annual report in the general statistical data section.
- The Ombudsperson should actively promote the implementation of the Law on the Protection of Whistleblowers by preparing campaigns, conducting training with the people responsible for external and internal disclosure and closer communication with the other institutions responsible for external disclosure: SCPC, public prosecutor’s office and the Ministry of Interior.

**For the government**

- Provide additional budget for the ombudsperson office to better implement sub-programmes, and hire more staff and deliver integrity and whistleblowing training.
- Amend the Law on the Ombudsperson, other legal acts and internal procedures in line with the Paris Principle, so the institution can receive the statutes as a national human rights institution.

**The Assembly**

- Finalise the review of the ombudsperson office 2021 report and ensure future reports are reviewed and discussed within a legal deadline, which should be included in the legal framework.
- Establish effective and time-determined procedures that will ensure efficiency in the monitoring and implementation of the ombudsperson’s recommendations. Ombuds staff should be responsible for monitoring the implementation of the recommendations with a publicly available report.
- Establish a more transparent and open procedure for the election and appointment of the ombudsperson and its deputies within the Law on the Prevention of Corruption and Conflict of Interest, Article 12, similar to the one for the election and appointment of the president and the members of the State Commission for the Prevention of Corruption.

\textsuperscript{1058} Ibid
9. SUPREME AUDIT INSTITUTION

SUMMARY

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL PILLAR</td>
<td>87.6</td>
</tr>
<tr>
<td>CAPACITY</td>
<td>83.3</td>
</tr>
<tr>
<td>GOVERNANCE</td>
<td>92</td>
</tr>
<tr>
<td>ROLE</td>
<td>87.5</td>
</tr>
</tbody>
</table>

**Indicators scores: law and practice**

The State Audit Office (SAO) is an independent institution led by the auditor general, appointed by and accountable to the Assembly, whose conduct is regulated with the state audit law (SAL).

The SAO has financial and operational independence that enables the smooth conduct of its work. In the last five years, the SAO’s annual budget continuously increased, and retained stable human resources and established a strategy for the continuous professional development of its staff. However, there is a significant gap between the systematised and filled staff positions, even though the SAO has sufficient human resources to conduct its work.

The SAL provides the legal basis for the independence of the SAO; however, its independence is not included within the constitution.

The SAO is transparent, regularly publishing relevant information in a timely manner on its website, even though there is no legal deadline for the publication of these details. The information is also published on Facebook and LinkedIn, and sent to all relevant stakeholders via mail. The SAO has developed its own integrity policy and code of ethics. The SAO is continuously working on the integrity of the institution and its employees by implementing...
the relevant domestic legal acts and applying international standards of integrity in the state audit institutions. The SAO is accountable to the Assembly, submitting an annual report on audits and operation. However, timely review of the annual reports has been lacking because there is no legal deadline for reviews.

The SAO provides effective financial audits, but their impact is limited by auditees failing to implement its recommendations in a timely manner. There is also no mechanism or webtool for the Assembly or the public to monitor the implementation of recommendations in a timely and user-friendly way.

The SAO cooperates with the Assembly, the public prosecutor’s office, the State Commission for the Prevention of Corruption and the Ministry of Finance to increase their capacity in reading and using the SAO reports in their work of oversight and investigations into the expenditure of public funds. However, when it comes to sanctioning misbehaviour detected in audit reports, the PPO often fails to initiate investigations, due to a lack of capacity and external interference (see 4.1.4).

**CAPACITY**

**INDICATOR 9.1.1 RESOURCES (PRACTICE)**

*To what extent does the audit institution have adequate resources to achieve its goals in practice?*

*Score: 75/100*

The SAO has adequate financial and human resources to carry out its work and meet its goals. However, according to the systematisation of staff positions, the SAO is understaffed, which indicates that the systematisation is not correct. Also, additional human resources have to be approved by the minister of finance, potentially limiting the SAO’s ability to remain properly staffed, even if the workload is increasing.

The SAO is in control of managing its own resources. The Assembly is responsible for deciding on the budget based on the SAOs proposal. However, there are no legal provisions that regulate the application for additional necessary resources.

Overall, there are continuous increases in financial resources, which is also seen in increased salaries. However, many positions remain unfilled, which can decrease the effectiveness of the SAO (see Table 1 and 2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total budget in MKD</th>
<th>Total budget in EUR</th>
<th>Increase in % per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>155,940,000</td>
<td>2,535,609</td>
<td>9.17</td>
</tr>
<tr>
<td>2022</td>
<td>142,845,000</td>
<td>2,322,683</td>
<td>22.86</td>
</tr>
<tr>
<td>2021</td>
<td>116,295,000</td>
<td>1,890,976</td>
<td>12.63</td>
</tr>
<tr>
<td>2020</td>
<td>103,258,000</td>
<td>1,678,992</td>
<td>3.83</td>
</tr>
<tr>
<td>2019</td>
<td>99,757,000</td>
<td>1,616,807</td>
<td></td>
</tr>
</tbody>
</table>

The budget for 2023 has increased by 42 per cent compared to the 2019 budget.

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1059 State Audit Law, Official Gazette of RM, no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16, 83/18 and 122/21, Article 12
1061 Information received by SAO on 25 October 2023
Table 2: Human resources (data received from SAO).

<table>
<thead>
<tr>
<th></th>
<th>Number of staff positions according to rulebook on the systematisation of staff positions</th>
<th>Filled positions</th>
<th>Unfilled positions</th>
<th>% of unfilled position</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>183</td>
<td>113</td>
<td>70</td>
<td>38</td>
</tr>
<tr>
<td>2021</td>
<td>183</td>
<td>113</td>
<td>70</td>
<td>38</td>
</tr>
<tr>
<td>2020</td>
<td>168</td>
<td>98</td>
<td>70</td>
<td>42</td>
</tr>
<tr>
<td>2019</td>
<td>143</td>
<td>90</td>
<td>53</td>
<td>37</td>
</tr>
</tbody>
</table>

The number of employees remained relatively stable in the last four years, but more than a third of systematised positions are not filled. The SAO effectively implements its responsibilities with the current number of staff; however, the systematised working places need to be fulfilled.

The SAO regularly prepares annual plans for professional development. The latest is for 2023, based on the results of an employee survey. Key areas identified are methodological training, financial reporting, accounting, ethics and integrity, IT, and so on.

**INDICATOR 9.1.2 INDEPENDENCE (LAW)**

*To what extent is there formal operational independence of the audit institution?*

Score: 75/100

*The independence of the SAO is ensured through self-determined programming, merit-based recruitment and protection against undue dismissals. However, the independence of the SAO is not guaranteed in the constitution but in the SAL. To change that, the SAO submitted proposals for draft amendments of the constitution to the Ministry of Justice.*

In 2022, the SAO initiated the procedure for the preparation of the new SAL and published it on the unique national electronic registry of legal acts (ENER), and it is expected to be adopted by the end of 2023, which should strengthen the financial and operational independence of the SAO.

The SAO carries out its audits in accordance with a self-determined programme and methods specified in the annual working programme (AWP).
Recruitment to the SAO has to be based on merit in accordance with the SAL\textsuperscript{1070} and the Law on Administrative Servants.\textsuperscript{1071} The SAO is headed by the auditor general (AG),\textsuperscript{1072} elected and appointed by the Assembly. The AG serves for a fixed term of nine years, without the right for re-election.\textsuperscript{1073} The auditor general should not hold any other public office or occupation, nor be a member of a political party, managing board, supervisory board or any body of another legal entity.\textsuperscript{1074}

State auditors are protected from dismissal for expressing opinions in relation to the performance of official authorities.\textsuperscript{1075} The auditor general and deputy cannot be held criminally liable or be detained for stated views, opinions and recommendations regarding the audits.\textsuperscript{1076} They can only be dismissed in specific cases, such as ceasing to meet the requirements that they need to fulfil to be appointed as auditor general and are unable to perform their duty longer than six months due to illness or other justified reasons.\textsuperscript{1077}

**INDICATOR 9.1.3 INDEPENDENCE (PRACTICE)**

*To what extent is the audit institution free from external interference in the performance of its work in practice?*

Score: 100/100

The audit institution operates largely free from political influence and its activities are non-partisan. However, the appointment of the auditor general has been used as leverage in political disputes.

Although the legal framework establishes a professional and non-partisan environment, the political parties try to have their influence over the work of this body as well. As an example, from 2017 to the end of 2019, the SAO functioned without an auditor general due to political differences in deciding on the candidate. After pressure from the public, media\textsuperscript{1078} and non-governmental organisations,\textsuperscript{1079} a professional and SAO employee was appointed.\textsuperscript{1080}

There were no cases of political interference in the SAO’s activities nor cases of political engagement by the director and staff. The reports from the international community\textsuperscript{1081} confirm the independence and professionalism of the SAO.

Since the establishment of the institution, there have been no cases where the auditor general was removed before the end of the nine-year term. There is also no case of senior SAO staff being removed from their position before the end of their term without relevant justification or for political reasons.

\textsuperscript{1070} State Audit Law, Head 2-а
\textsuperscript{1071} Law on Administrative Servants, Consolidated version. Official Gazette of RM no. 6p.27/14, 199/14, 48/15, 154/15, 5/16, 142/16 and 11/18 and in Official Gazette of RM no. 275/2019, 14/20 and 215/21
\textsuperscript{1073} State Audit Law, Article 4.4
\textsuperscript{1074} State Audit Law, Article 5
\textsuperscript{1075} State Audit Law, Article 28
\textsuperscript{1076} State Audit Law, Article 11
\textsuperscript{1077} State Audit Law, Article 7
\textsuperscript{1079} Anti-Corruption Platform of CSOs. 2019. https://www.antikorupcija.mk/архиви/509
\textsuperscript{1080} SAO, Maksim Acevski unanimously elected as new auditor general: https://dzr.mk/en/191219-maksim-acevski-unanimously-elected-new-auditor-general, Accessed on 01 November 2023
GOVERNANCE

INDICATOR 9.2.1 TRANSPARENCY (LAW)

To what extent are there provisions to ensure that the public can obtain relevant information on the relevant activities and decisions by the SAI?

Score: 75/100

Comprehensive provisions are in place for MPs and the public to obtain information on the organisation and functioning of the SAO, on decisions that concern them and how these decisions were made. Loopholes exist in the lack of a legal deadline for the publication of audit reports.

The SAO should prepare and submit its annual report to the Assembly no later than December of the current year. The budget of SAO is separately adopted by the Assembly, and the Assembly reviews the report on conducted audits and the work of SAO and adopts conclusions based on the report.

The SAO has to communicate with the media and inform the public about its work and the conducted audits by publishing the relevant information on its website. For increased transparency and accountability, as well as availability of information on SAO operations and the shortcomings in the final audit reports, SAO has put together a register of 1,110 stakeholders. SAO has also prepares audit abstracts and press releases for the public, where key shortcomings/information contained in the final audit report are presented in a simple and comprehensible way. When publishing final audit reports on the SAO website (www.dzr.mk), the information is also sent to all stakeholders and posted to the SAO Facebook page. All audit reports are published when submitted to the audit institution. However, there is no legal deadline in the laws detailing which information should be published on the website. The deadline for publishing of the audit reports is indicated in the action plans for implementation of the annual programme.

The SAO has created a communication strategy to strengthen the transparency of the institution.

The Law on Access to Information of Public Character contains clear provisions regulating which information should be available to the public.

As the state budget provides public funds for political parties, the SAO also has to publish the financial reports of the political parties related to their regular activities and electoral campaigns (see 7.2.1 and 11.2.1)

INDICATOR 9.2.2 TRANSPARENCY (PRACTICE)

To what extent is there transparency in the activities and decisions of the audit institution in practice?

Score: 100/100

1082 State Audit Law, Article 23
1083 Ibid, Article 12 and 33
1085 Information received by SAO on 25 October 2023
MPs and the public are able to readily obtain relevant information on the organisation and functioning of the SAI, on decisions that concern them and how these decisions were made.

The SAO regularly publishes the information in accordance with the SAL, and in a timely manner, even though there is no legal deadline. The SAO has its own website that is regularly updated with all the required information, including their budget and annual working programme, individual reports on each of the conducted audits, annual report on the conducted audits and the work of SAO plus other related documents.

The SAO website is well developed, with information related to its work and categorised for easy access. The public can find all relevant information as provided by the law. All other information not available on the website can be requested through the law on access to information.

To maintain transparency, the SAO prepared a communication strategy for the period 2020 - 2023 as part of a Westminster Foundation for Democracy project to contribute towards the creation of “checks and balances” by including the general public, media and NGOs in the communication processes of the SAO with other institutions.

INDICATOR 9.2.3 ACCOUNTABILITY (LAW)

To what extent are there provisions to ensure that the SAI has to report and be answerable for its actions?

Score: 100/100

The law provides comprehensive provisions to ensure that the SAI has to report and be answerable for its actions.

The SAO has to submit its annual report on conducted audits and operation to the Assembly by 30 June for the previous year. There are no legal requirements on the content of the report. The Assembly should review the report and adopt its conclusions.

Audits on the SAO’s operations has to be conducted by an independent audit company. To ensure transparency, the selection of an audit company is made by the Assembly based on previously conducted procedure in line with the Law on Public Procurement. The audit report is submitted to the Assembly no later than 30 June of the current year and is reviewed by the Assembly.

The SAO’s authorised state auditor prepares and submits draft audit reports to the legal representative of the auditee and, within 30 days from the days of receipt of the draft report, the auditee may submit comments to the SAO. After this deadline, the SAO prepares the final audit report. The final report is submitted to the auditee and is published on the website of the SAO with comments from the auditee, if any.

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1089 SAO’s website: https://dzr.mk/mk
1090 Information on the SAO annual budget from 2019: https://dzr.mk/mk/zavrsni-smetki
1091 Annual working SAO programmes, from 2004: https://dzr.mk/mk/godisni-programi-arhiva
1092 Individual audits by SAO, from 2006: https://dzr.mk/mk/revizorski-izvestai
1093 Annual report on the conducted audits and the work of SAO, from 2001: https://dzr.mk/mk/godisni-izvestai-dzr?page=0
1095 State Audit Law, Article 33.2
1096 State Audit Law, Article 33
1097 State Audit Law, Article 38
1098 Law on Public Procurement. Official Gazette of RM no.24/19
1099 State Audit Law, Official Gazette of RM, no. 60/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16, 83/18 and 122/21, Article 38
1100 Ibid, Article 30 and 31 and 32
There are no other legal provisions which allow administrative bodies audited by the SAO to challenge or appeal against audit results. They can only submit comments to the State Audit Office within 30 days from the day of receipt of draft report.1101

**INDICATOR 9.2.4 ACCOUNTABILITY (PRACTICE)**

**To what extent does the SAI have to report and be answerable for its actions in practice?**

Score: 75/100

The SAO has to report and be answerable for its actions in practice via annual reporting to the Assembly. However, timely reviews of the annual reports by the Assembly has been lacking. For example, the 2021 annual report submitted in June 2022 was reviewed at the end of March 2023.

SAO annual reports contain detailed information on the general work of the SAO and on its conducted audits. Reports are divided into sections that cover different areas of the work of the SAO. The general part explains the legal framework and other relevant strategic documents. A separate section is dedicated to the conducted audits. At the end, systematic weaknesses are outlined.1102 The report from the annual financial audits of SAO finances are also included in the report. On 29 September 2023, the president of the committee for finance and budget in the Assembly submitted a request for information to SAO and informed that the committee that, in accordance with Article 60 paragraph 4 of the Rules of Procedure of the Assembly of the Republic of North Macedonia, it will review the final report of J3U University’s clinic for radiotherapy and oncology in Skopje. The committee then discussed the reports on 12 October 2023.

In 2021, at two separate Assembly’s plenary sessions held in March and December1104 annual reports submitted by the SAO on conducted audits were reviewed by the Assembly, with the conclusions adopted, which were then submitted to the government, the Ministry of Finance and to the SAO. The conclusions are posted on the SAO website. The annual report for 2021 was reviewed in March 2023, almost a year after its submission.1105

The SAO findings can be challenged in practice in accordance with the procedure given within the SAL.1106

**INDICATOR 9.2.5 INTEGRITY MECHANISMS (LAW)**

**To what extent are there mechanisms in place to ensure the integrity of the audit institution?**

Score: 100/100

There are comprehensive provisions in place to ensure the integrity of SAO officials regarding conflicts of interest, rules on gifts and hospitality, as well as post-employment restrictions.1107

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1101 Ibid, Article 30 and 31
1102 Ibid
1103 Ibid
1104 34 Plenary Session held on 3 March 2021 were reviewed in the annual report for 2019: Assembly of Republic of Macedonia. 2021. Conclusion regarding the annual report: https://dzr.mk/sites/default/files/2021-04/Zaklucoci_SobranieRSM_GI2019_DZR.pdf and on the 54 plenary session were reviewed the annual report for 2020: Assembly of R. 2021. Conclusion regarding the Annual report: https://dzr.mk/sites/default/files/2021-12/Zaklucoci_Godisni_izvestaj_2020_GDR_Sobranie_RSM.pdf
1106 State Audit Law, Article 30
The SAO has its own integrity policy adopted in February 2022.\footnote{SAO. 2022. Policy on integrity: https://dzr.mk/sites/default/files/2022-02/politika-integritet-dzr.pdf} According to the auditor general, the SAO also has developed a new code ethics for the SAO's employees who have signed a statement to say that they have seen the code.\footnote{Interview conducted with Maksim Acevski, auditor general on 23 December 2022} The new code of ethics is available on the SAO's website.\footnote{SAO. 2023. Code of Ethics: https://dzr.mk/sites/default/files/2023-06/8.%20Kodeks%20na%20etika_MAK_11_0.pdf} It includes rules on conflict of interest and receiving gifts and services. The code foresees the establishment of a commission for professional ethics that will follow if the principles of the code are being respected.

In addition, regulation of conflicts of interest are included in the Law on the Prevention of Corruption and Conflict of Interest and the ethical code for administrative servants.\footnote{Ministry of information society and administration. 2014. Ethical code for administrative servants: https://aa.mk/content/pdf/Drug%20odokumenti/ZAS/podzakonski%20akti/kodeks_za_administrativni_sluzbenici.pdf} The auditor general and the deputy AG, as appointed persons, are obliged to submit asset and interests declarations to the State Commission for the Prevention of Corruption (LPCCI).\footnote{State Commission for Prevention of Corruption and Declaration of Assets: http://www.dksk.org.mk/moti_2/detail.php?detail=19234&search=&ime=%D0%BC%D0%B0%D0%BC%20%E1%81%D0%B8%D0%BC&prezime=&institucija=;}

The SAO code of ethics and the LPCCI make the SAO accountable to a two level integrity system, one on the level of the institution itself and the second by the competent authority, the SCPC. The follow-up of the integrity system will determine the efficiency of the established procedures and policies that provide a base for the implementation of the principles of integrity and the measurement of the results for the measures implemented to decrease the risk of corruption.\footnote{Ibid}

**INDICATOR 9.2.6 INTEGRITY MECHANISMS (PRACTICE)**

*To what extent is the integrity of the audit institution ensured in practice?*

Score: 100/100

There is a comprehensive approach to ensuring the integrity of members of the SAO, comprising effective enforcement of existing rules, proactive inquiries into alleged misbehaviour, sanctioning of misbehaviour, as well as regular staff training on integrity issues.

The SAO implements the policy of integrity in practice, and there have been no cases where the integrity of the institution or the reports that they publish were in question.

The institution appointed a person for integrity who is responsible for follow-up and reporting on the implementation of this policy.\footnote{SAO. 2022. Policy on integrity, p.5: https://dzr.mk/sites/default/files/2022-02/politika-integritet-dzr.pdf}

There were no cases where employees of SAO were publicly blamed for a breach of the regulations related to conflict of interests, integrity and gift and hospitality regulations.

The programme for continuous professional development for SAO employees in 2022 included regular training on integrity and ethics for all staff members.\footnote{SAO. 2021. Programme for continuous professional development of the employees of the SAO, p.8: https://dzr.mk/sites/files/2022-01/Godisni_plan_kontinuirano_profesionalno_usovrsuvanje_2022_godina.pdf}
INDICATOR 9.2.7 GENDER

To what extent are the audit institution’s mechanisms gender-sensitive?

Score: 100/100

Gender-sensitive protocols and guidelines exist and are actively implemented, and there is significant training.

There are two appointed staff members for internal disclosure in accordance with the Law on the Protection of Whistleblowers, one of whom is a woman. Also, a woman is responsible for receiving reports and complaints.1117

In June 2021, the State Audit Office signed a memorandum of understanding with UN Women that provides a framework for strengthening the capacities of the SAO on gender-responsive policy-making and budgeting. According to the UN Women Regional Office for Europe and Central Asia, by 2022 “90 auditors have attended informative sessions on the basic concepts of gender equality and GRB [gender-responsive budgeting] and 35 state auditors and the auditor general have completed in-depth training on how to mainstream gender into auditing processes and the methods and tools for conducting gender impact assessments of policies and regulations”.1118

In 2021, the SAO conducted its first performance audit on the effectiveness of government measures for gender equality and appropriate gender budgeting initiatives.1119

Regarding the structure of human resources of SAO, it has 116 employees of whom 72 are women and 44 are men. There are 23 head of audit teams of which 16 are women and 7 are men.1120

From April until November 2022, the SAO, with support from UN Women, prepared a guide for auditing gender equality.1121 This was the first time this type of type of guidance had been prepared and provides basic guidance on the key issues to be included during the selection, implementation and reporting of audits related to areas of gender equality and when integrating gender aspects in the general topics of an audit.

ROLE

INDICATOR 9.3.1 EFFECTIVE FINANCIAL AUDITS

To what extent does the audit institution provide effective audits of public expenditure?

Score: 100/100

The SAO has the full authority to oversee all public financial operations and always reports the results of the audit to the Assembly. All the reports prepared by the SAO are submitted to the Assembly in a timely manner.

The SAO conducts audits of legality, regularity of financial management and performance.1122 The SAO also examines and assesses the effectiveness of internal control and public internal financial control.1123

Audits are conducted on the basis of annual programmes that are prepared and published by the SAO at the beginning of the year.1124 According to criteria set out in the guidelines for strategic and annual audit planning, the SAO’s 2023 plan will carry out a total of 78 audits, 50 of which relate to regularity audits (financial audit with a compliance audit), 13 audits of compliance, 11 performance audits and 4 audits on the implementation of the recommendations contained in the final audit reports of the past period, which are shown in the review of planned

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1117 Authorised persons for internal disclosure and complaints: https://dzr.mk/mk/kontakt-informacii
1118 ECA UN Women, Transformative financing for gender equality in the Western Balkan, p.18, https://eca.unwomen.org/sites/default/files/2022-03/GRBMagazine_Issue1Winter2022-1.pdf
1119 Ibid
1122 State Audit Law, Official Gazette of RM, no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16, 83/18 and 122/21, Article 18
1123 State Audit Law, Official Gazette of RM, no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16, 83/18 and 122/21, Article 19
revisions, which forms an integral part of the 2023 annual plan for. Under the 2023 SAO annual work programme, there are plans to conduct a total of 11 performance audits, of which at least 4 performance audits will be cooperative audits with the SAI.1125

Further, the SAO also has to conduct audits on political financing from the state budget1126 (see 11.2.1). In the previous years (2019 to 2022), the SAO conducted all required audits and submitted its reports to the Assembly on time.

### Table 9.3. Number of conducted audits in the period from 2019-20221127

<table>
<thead>
<tr>
<th>Annual programme of the work of SAO</th>
<th>Planned audits</th>
<th>Conducted audits</th>
<th>Published final audits reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>188</td>
<td>188</td>
<td>223</td>
</tr>
<tr>
<td>2021</td>
<td>68</td>
<td>68</td>
<td>109</td>
</tr>
<tr>
<td>2020</td>
<td>58</td>
<td>58</td>
<td>82</td>
</tr>
<tr>
<td>2019</td>
<td>54</td>
<td>54</td>
<td>90</td>
</tr>
</tbody>
</table>

The audit reports published on the website are up-to-date and comprehensive.1128 In 2022, the SAO issued 223 final audit reports.1129 A total of MKD 411,508 million of public revenue and MKD 284,839 million of public expenditure were audited in line with SAO annual work programme for 2022.1130

In its audit, the SAO takes into consideration the environmental and climate impact of public expenditures and how the activities undertaken by public institutions are influencing natural resources and environment. It also provides training for the employees in this area. The 2021 annual working programme contained 9 performance audits, where the SAO provides recommendations to the authorities regarding their work and use of public resources, health and social themes, natural resources and the protection of the environment.1131

**INDICATOR 9.3.2 DETECTING AND SANCTIONING MISBEHAVIOUR**

**Does the audit institution detect and investigate misbehaviour of public officeholders?**

**Score: 75/100**

*Misbehaviour of public officeholders can be and has been assessed by the SAO. Whenever irregularities are detected, the SAO has a legal obligation to submit a copy of the audit report to the SCPC and to the PPO for further investigation. However, as the PPO does not have a proactive role in opening investigations and there is a lack of information on PPO investigation sanctioning of detected irregularities.*

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1125 Ibid, p.3  
1127 Information received through a freedom of information request  
1128 SAO. Annual report on performed audits and operation of the State Audit Office (All the reports available): https://dzr.mk/mk/godisni-izvestai-dzr  
1130 Ibid, p.13  
The SAO has adequate mechanisms to identify misbehaviour through access to all the relevant information needed for the audit, including operation and financial irregularities. The auditors also have the right to request the necessary documents in case they are not submitted by the entity subject to an audit.1132

The SAO also has the authority to investigate misbehaviour and identify responsibilities of office holders.1133

Through regular submissions of final audit reports to the Assembly and the competent authorities, the SAO brings attention to the identified weaknesses in the operation of audited entities. However, identified irregularities and illegalities in the operation of entities may be expected only if competent institutions take necessary measures.1134

There is no public information on open investigations by the PPO for any findings contained in the audit reports. The lack of transparency in PPO case management (See 4.2.2) means citizens cannot obtain relevant information for its work.

In the report for the audit of the SEC published in 2021, irregularities were detected in the public procurement procedure and in the preparing and printing of confidential election material and voting lists for the 2019 local elections. For these irregularities, a report to the State Commission for the Prevention of Corruption was submitted.1135

In the report issued on the 2021 census, the SAO noted numerous irregularities, such as: low response of candidates for enumerators and instructors, problems with the application software, problems with the internet connection and hacker attacks that stopped the census for a certain period.1136 In relation to public procurements, the SAO indicated the need for full transparency of procedures and competition between economic operators but this was not implemented.1137

**INDICATOR 9.3.3 IMPROVING FINANCIAL MANAGEMENT**

**To what extent does the audit institution provide effective audits of public expenditure?**

Score: 75/100

The SAO makes comprehensive, well-grounded and realistic recommendations on how to improve financial management and engages government in an effective follow-up to ensure their implementation. However, although a large percentage of the SAO’s recommendations are implemented by the auditees, there is still a need for additional effort in the full implementation of the recommendations.

The SAO continuously records, monitors and analyses the feedback it receives from audited institutions submitted to the public prosecutor’s office, the State Commission for the Prevention of Corruption, financial police directorate, Ministry of Interior and the deputy prime minister of RNM in charge of good governance policies.1138

The SAO then publishes reports on how the audited institutions followed up on its recommendations.1139

In April 2022, the SAO submitted a request to the competent bodies for investigating and opening cases relevant to the fight against corruption, such as prosecution, ministries and agencies, to provide updates on measures taken upon the key final audit reports in 2021. Until the time of writing, feedback has been received by the public

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1132 State Audit Law. Official Gazette of RM, no. 66/10, 145/10, 12/14, 43/14, 154/15, 192/15, 27/16, 83/18 and 122/21, Articles 24 to 39
1134 Ibid, p.35
1137 Ibid, p.129
The SAO also has a memorandum of cooperation with the public prosecutor’s office, appointing a person for regular communication with the SAO and for organising joint events. However, according to the auditor general there are still gaps in following up on feedback due to resource gaps in the public prosecution office (see 4.1.2). This situation is expected to be overcome in the next period by enabling inter-education.1141

However, there is no mechanism or overview website that enables the Assembly and the public to monitor the implementation of recommendations in a timely and user-friendly way.

The 2022 EC progress report on North Macedonia concludes that State Audit Office’s recommendations are not efficiently implemented by the auditees. In 2021, 88 per cent of the audit recommendations were implemented.1142 In 2022, the percentage was 80 per cent.1143

The SAO also participates with the council for the conduct of public finances, which is the coordinating body of the government for following up on the implementation of reforms to public finances within the public finance management reform programme Smart Public Finances 2022 – 2025.1144

The SAO is also responsible for auditing the regular financing of political parties and, in accordance with the electoral code, conducts audits on the financial reports for their electoral campaigns.1145 In 2022, the SAO carried out audits on the income statements of all 141 participants in the 2021 local elections, with 27 political parties audited, 22 coalitions and 92 independent candidates.1146

INTERACTIONS

The SAO is accountable to the Assembly. The interaction between these two institutions is regulated by the SAL. This cooperation is of great importance for the further implementation of the SAO’s recommendations, addressing different systemic and procedural failures that otherwise enable the misuse of public funds. However, the communication and adoption of the SAO reports is not always done in a timely manner, which leads to delay in action for addressing the gaps detected in the audit reports (see 9.2.3 & 9.2.4). The SAO and the Assembly signed a MoC to promote cooperation in the execution of competences of both bodies by setting up professionally sustainable and efficient relations for strengthening efficiency and transparency in public finance oversight. The signed MoC regulates the method of communication and exchange of information and data in relation to audit reports, technical assistance and cooperation with the Assembly’s professional committees in the field of audit, by organising joint meetings, training, briefings and other events for better informing MPs and clarifying audit reports. This MoC regulates the manner for reviewing final audit reports or summary reports for a group of entities at a session of the relevant working body of the Assembly, plus the way of consulting and deciding on final audit reports or summary reports to be reviewed at Assembly sessions.1147

1140 Ibid, p.36
1141 Information received by representative of SAO during the meeting of the Advisory group held on 29 June 2023
1144 Ibid, p.28
1147 Memorandum of cooperation (MoC) between the Assembly and the State Audit Office, October 2023: https://dzr.mk/sites/default/files/2022-10/Memorandum_Sobranie_RSM_DZR.pdf, Accessed on 30 October 2023
The SAO and the State Commission for the Prevention of Corruption have signed a memorandum of cooperation too. The MoC will enable a smooth exchange of data and information. Both institutions also cooperate with the state electoral commission for the control and increased transparency of political party finances (see 10.3.3).

**PILLAR RECOMMENDATIONS**

- The government should follow the request of the SAO to include the independence of the SAO in the constitution.
- The government should introduce legal deadlines for the timely review and publication of SAO annual reports.
- The SAO should fulfil the systematised working places.
- The SAO should make publicly available the follow-up mechanism for the implementation of the recommendations given by the SAO.
10. ANTI-CORRUPTION AGENCIES

SUMMARY

Overall Pillar Score: 72.9
Capacity Score: 68.75
Governance Score: 83.3
Role Score: 66.7

Indicators scores: law and practice

The State Commission for the Prevention of Corruption (SCPC) is an independent institution whose function is regulated with the 2019 Law on the Prevention of Corruption and Conflict of Interest (LPCCI). The SCPC consists of 7 members, and one is the president of the commission. Their work is supported by the SCPC secretariat, which is a professional service composed of civil servants, led by the secretary general.

The institution is financed by the state budget but the legal provisions are missing objective indicators for budget changes and the option to acquire further funds. The independence of the institution and the financial and human resources for its functioning were increased in line with its new competencies, such as the anti-corruption check of the legal acts, financing of political parties and improvement of the integrity at an institutional level under the LPCCI. However, 25 per cent of systematised staff positions remain unfilled and there is a high dependency on donor funds for staff training.

The 2019 LPCCI introduced a new and transparent procedure for the selection of the president and members of SCPC via an election by members through an open procedure and including external experts, and aired on the Assembly TV channel.
The SPSC conducts its work transparently and informs the public of its activities through various means (website, briefings for the media, regular communication with CSOs and other institutions, and so on).

The SCPC is accountable to the Assembly through the submission of an annual report and other thematic reports such as special reports after the elections, plus annual reports for the implementation of the law for access to information. All these reports and other details relevant to the work of SCPC are published on its website (dksk.mk) in timely manner.

In the last four years, the SCPC took a more proactive role in the fighting corruption. Its openness and transparency have contributed towards an increased number of reports submitted by the citizens and the media. However, there is no follow-up action by the other relevant authorities, such as the public prosecutor’s office, government and the judiciary, who do not always take the necessary measures when irregularities are confirmed.

**CAPACITY**

INDICATOR 10.1.1 RESOURCES (LAW)

*To what extent are there provisions in place that provide the ACA with adequate resources to effectively carry out its duties?*

Score: 50/100

While a number of provisions exist, they do not cover fiscal stability, objective indicators for budget changes or the acquisition of further funding through, for example, asset confiscation.

The SCPC is financed by the state budget. The institution has to prepare its budget proposal in accordance with the law on budgeting and has to submit it to the Ministry of Finance.1149

There are no legal acts that secure fiscal stability and the government can conduct budgetary changes.1150 There are no objective performance or problem based indicators incorporated into the law to determine budgetary changes. Finally, there is no leeway for SCPC to acquire further funding (for example, from confiscating assets) due to the fact that the SCPC is a preventive body and has no competences related to confiscation of the assets.

INDICATOR 10.1.2 RESOURCES (PRACTICE)

*To what extent does the ACA have adequate resources to achieve its goals in practice?*

Score: 50/100

The ACA has some resources. However, there are gaps in human resources and a high dependency on donor funds for staff training.

The SCPC budget increased in the last five years after the LPCCI from 2019, which introduced new competencies for the SCPC1151 that required additional IT and human resources. In 2021, there was a substantial increase in

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employment in the area of financial and bank statement checks, anti-corruption reviews of legislation and other related areas for the secretariat. In 2021, the institution moved to new offices and was supplied with additional IT equipment.\footnote{SCPC. 2022. SCPC annual report for 2021: https://dksk.mk/wp-content/uploads/2022/03/%D0%93%D0%98-2021-final.pdf, p.1}

**Table 10.1: Budget allocation to SCPC for the period from 2019 until 2022**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount in MKD</th>
<th>Amount in EUR</th>
<th>Realisation of the budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>46,824,000</td>
<td>761,366</td>
<td>MKD 44,650,298 (726,021€) or 95.4%</td>
</tr>
<tr>
<td>2021</td>
<td>46,517,000</td>
<td>756,373</td>
<td>MKD 35,909,482 (583,894€) or 77.2%</td>
</tr>
<tr>
<td>2020</td>
<td>33,749,000</td>
<td>548,764</td>
<td>MKD 31,143,751 (€506,402) or 92.3%</td>
</tr>
<tr>
<td>2019</td>
<td>35,603,000</td>
<td>578,910</td>
<td>MKD 26,876,694 (€437,019) or 75.49%</td>
</tr>
</tbody>
</table>

Also, the human resources, after a five-year stagnation with around 24 employees, increased substantially in 2021, followed by a bigger increase in 2022. However, according to the systematisation of staff needs, 64 positions are allocated for the SCPC secretariat, but 25 per cent of the positions remained unfulfilled at the end of 2022. According to the general secretary of the SCPC, there is a need for additional financial and human resources, particularly in the units for the prevention of conflicts of interest and for monitoring asset status and interests.\footnote{Ibid}

**Table 10.2: Number of employees in the SCPC secretariat\footnote{Annual reports for the work of SCPC for the years 2019, 2020, 2021 and 2022: https://dksk.mk/mk/годишни-извештаи/}**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of staff positions according to systematisation</th>
<th>Number of staff positions filled</th>
<th>% of unfulfilled positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>64</td>
<td>48</td>
<td>25.00</td>
</tr>
<tr>
<td>2021</td>
<td>64</td>
<td>34</td>
<td>46.88</td>
</tr>
<tr>
<td>2020</td>
<td>60</td>
<td>23</td>
<td>61.67</td>
</tr>
<tr>
<td>2019</td>
<td>51</td>
<td>24</td>
<td>52.94</td>
</tr>
</tbody>
</table>

The SCPC president and six commissioners have to be elected in an open competition and they are not political appointees. The selection has been conducted in the Assembly in a very transparent procedure with the participation of CSOs and media and was broadcast via the parliamentary TV channel.\footnote{Statement of the Anti-Corruption platform of CSOs regarding the election and appointment of the new members of SCPC: https://transparency.mk/2019/02/18/ochekuvanje-za-nova-borbena-komisija-za-borba-proti-korupcijata/, Accessed on 10 July 2023}
Secretariat employees are civil servants and are employed in accordance with the procedures in the Law on Administrative Servants, general working rules and the LPCCI. No ethics screening is needed, and recruitment is based on necessary competences and experience depending on the position.

The SCPC conducts a procedure that ensures career development. For example, in March 2021 through internal procedures, six administrative servants with longer term work experience were promoted to managerial positions.

The LPCCI does not outline additional training sessions or screening process for the employment in the secretariat. However, the SCPC has its own training programme, and employees do need to undergo specific training to increase their competence. The employees regularly take part in training workshops in the country and internationally. According to the general secretary of SCPC, employee training is conducted with resources provided by international donors, not from the institution’s own budget. The SCPC is continuously supported by EU, USAID, MATRA, Council of Europe, OSCE Mission in Macedonia and other donor funded projects that offer technical assistance and capacity building for the employees.

**INDICATOR 10.1.3 INDEPENDENCE (LAW)**

*To what extent is the ACA independent by law?*

Score: 100/100

*There are comprehensive laws to ensure the independence of the SCPC.*

The SCPC is an autonomous and independent statutory body. The law provides for the SCPC’s independence from political interference, and the commissioners and staff are obliged to adhere to principles of legality and integrity.

The 2019 LPCCI outlines the procedure for the election of the SCPC president and six commissioners that provides transparency and aims to ensure professionalism and integrity among the members of the commission. The Assembly has to make a public announcement and create a special committee and involve numerous experts in the selection of the president and members of the SCPC. The committee has to be composed of two MPs from opposition and two from the MPs from the leading coalition; one representative from the ombuds office, one CSO and one media representative. The list of candidates that fulfil the formal criteria has to be published along with the times to interview each candidates, and public and media are invited to monitor. After the interviews, the list of selected candidates and all the related documents are to be sent to the Assembly for discussion and election/appointment. The Assembly appointed the president and the members of the SCPC for a period of five years, without the possibility of re-election.
The staff is recruited based on the Law on Administrative Servants,\textsuperscript{1170} based on merit principles, in accordance with the required educational background and experience which the working position requires.

The president and the members of the SCPC have the status of appointed public officials. The function of president and member of the SCPC is incompatible with other public functions, professions or a position in a political party.\textsuperscript{1171}

The law details protection for the people working in the bodies for the detection and suppression of corruption to effectively exercise their powers and duties and shall not be subjected to pressure in their work or in the undertaking of specific actions. Those authorised to receive disclosures from whistleblowers also receive full protection. Any pressure made on them they should be reported to the SCPC, which should then inform the Assembly.\textsuperscript{1172}

**INDICATOR 10.1.4 INDEPENDENCE (PRACTICE)**

*To what extent is the ACA independent in practice?*

Score: 75/100

The ACA operates freely from any interference by other actors, particularly the executive through a transparent and participatory election process for the ACA president and committee members. However, there is decrease in citizens trust in the SCPC and it lacks proper mechanisms for investigation and sanctioning, which makes it dependent on law enforcement agencies.

The new transparent procedures for the selection of the president and members of SCPC (see 10.1.3) was also mentioned in the 2019 EC Progress Report for Macedonia as a positive result in the fight against corruption.\textsuperscript{1173} However, analysis conducted by the International Republican Institute in 2022\textsuperscript{1174} showed that citizens distrust of the SCPC is at 44 per cent, while in 2021 in an analysis by the National Endowment Institute\textsuperscript{1175} found it was 33 per cent. The lack of concrete results in the fight against corruption caused this decrease in trust towards the SCPC.

There has not been any evidence of political interference in the work of the SCPC since 2019, when the new anti-corruption law came into effect and new commissioners were appointed.

The SCPC is independent in terms of administrative processing of the cases within its authority. In 2022, it continued to fulfil its role proactively and opened several new cases. In 2022, the SCPC processed 583 cases of alleged corruption, 145 cases for alleged conflict of interest and 71 cases into asset declarations.\textsuperscript{1176} In October 2022, the SCPC signed a memorandum for the exchange of data with the Ministry of Interior.\textsuperscript{1177} However, the


\textsuperscript{1171} Law on the Prevention of Corruption and Conflict of Interest. Official Gazette of RM, number 12/19, article 13

\textsuperscript{1172} Ibid, Article 43


\textsuperscript{1175} NDI, December 2021, “Citizens’ Perception of Anti-Corruption”: https://www.ndi.org/sites/default/files/Corruption%20Poll%20NDI%20MK%20December%202021%20%D0%BC%D0%BA.pdf

\textsuperscript{1176} SCPC. 2023. SCPC annual report for 2022, page 12: https://dksk.mk/wp-content/uploads/2023/03/GI-2022-%D0%BA%D0%BE%D0%BD%D0%B5%D1%87%D0%B5%D0%BD.pdf

\textsuperscript{1177} SCPC. Signed MoC between the State Commission for Prevention of Corruption and Ministry of Interior: https://dksk.mk/претседателката-на-дкск-билјана-иван-?hilite=внатрешни, Accessed on 6 November 2023
SCPC lacks proper mechanisms for sanctioning officials (see 10.3.3), which makes it dependent on the government and other institutions in applying the sanctions.

In July 2023, there were attacks on the independence of the SCPC. The deputy prime minister, Artan Grubi, expressed reservations about the capacities of the current composition of the SCPC to successfully fight corruption. Previously, the commission had misunderstandings with the deputy prime minister responsible for good governance, Slavice Grakovska. The latter dispute was resolved in a positive manner with an agreement for regular meetings to address the issues. These attacks over the current composition of SCPC could have a negative influence on SCPC independence and even have a negative impact on the fight against corruption as those institutions should be partners, not opponents in this work.

**GOVERNANCE**

**INDICATOR 10.2.1 TRANSPARENCY (LAW)**

*To what extent are there provisions to ensure that the public can obtain relevant information on the activities and decision-making processes of the ACA?*

Score: 75/100

Comprehensive provisions are in place to allow the public to obtain information on the organisation and functioning of the SCPC, on decisions that concern them and how these decisions were made. However, there are no legal deadlines for the publication of reports or decisions.

The SCPC has to submit an annual report to the Assembly and special reports on the financing of election campaigns and on identified abuses in the financing of election campaigns, no later than three months after the elections. These reports have to be published on the SCPC's website; however, there is no legal deadline to do so.

The SCPC has to inform the public via press-conferences about cases of conflict of interest on which it acted. Data from the declaration of assets and interests and reports for changes in assets and interests submitted to the SCPC have to be published on the commission’s website, but again there is no legal deadline for this.

The SCPC also has to submit relevant data to interested parties in accordance with the Law on Access to Information of Public Character. This procedure is based on the deadlines established in the Law for the Free Access to Official Information that states that the information should be sent, at latest, 20 days after the receipt of the request by the institution.

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1179 21 TV, Besir Arifi. “Grubi suspects in the capacities of the members of SCPC; they state that these are organized attacks”, Accessed on 10 July 2023
1181 Law on the Prevention of Corruption and Conflict of Interest. Official Gazette of RM, number 12/19, Article 19
1182 Ibid, Article 36
1183 Ibid, Article 32
1184 Ibid, Article 80
1185 Ibid, Article 87
1187 Ibid, Articles 17-23
The SCPC has to adopt a five-year national strategy for preventing corruption and conflict of interests. The SCPC then has to monitor the implementation of this national AC strategy and prepare annual reports and a final report on its implementation. These reports also have to be submitted to the Assembly no later than March 31 each year. The national AC strategy, changes to the strategy, as well as the reports have to be published on the SCPC’s website.1188

**INDICATOR 10.2.2 TRANSPARENCY (PRACTICE)**

*To what extent is there transparency in the activities and decision-making processes of ACA in practice?*

**Score: 100/100**

The public is able to readily obtain relevant information on the organisation and functioning of the SCPC on decisions that concern them and how these decisions were made.

The SCPC has its own website1189 that is regularly updated and where all information required by law is made publicly available, and in three languages. The published documents1190 are readable, open and available for analysis by interested parties. The SCPC has regular briefings with the media, cooperates with experts and civil society organisations and continuously is working for the improvement of transparency.1191

The SCPC has appointed a person who receives requests for information of public interest according to the Law on Access to Information of Public Character. The SCPC is also obliged to publish reports on the received requests. The 2021 report notes that the SCPC received 31 such requests, from which 30 were positively responded and 1 was declined.1192

The SCPC is working on international projects supported by various donors to improve its transparency standards.1193 The project included exchange on good practices regarding transparency and accountability, a community portal was developed to enable the SCPC to communicate with all institutions and develop IT solutions to measure the performance, transparency and accountability of the SCPC.1194

The SCPC is open for cooperation and communication and is visible within society. SCPC sessions are broadcast publicly and their decisions, documents and other related information are regularly published on their website.1195 According to the SCPC general secretary, the practice of conducting public session held by SCPC contributed towards an increased number of reports received from citizens and the media.1196

**INDICATOR 10.2.3 ACCOUNTABILITY (LAW)**

*To what extent are there provisions to ensure that the ACA has to report and be answerable for its actions?*

**Score: 75/100**

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1188 Law on the Prevention of Corruption and Conflict of Interest. Official Gazette of RM, number 12/19, article 14
1189 SCPC Website: https://dksk.mk.mk/
1194 SCPC website, Information on international cooperation: https://dksk.mk.mk/ипа-2-промовиране-на-транспарентност-
1196 Interview (face-to-face) with the General Secretary of SCPC, Irena Popovska, on 20 January 2023
Extensive provisions are in place to ensure that the SCPC has to report and be answerable for its actions to the legislature. However, it is not possible for citizens to file a complaint against the SCPC and there are no citizen oversight committees. Also there is no legal basis for the application of a judicial review mechanism.

The SCPC is accountable to the Assembly and has to submit an annual report no later than 31 March each year. This report is also has to be submitted to the president of the state. The annual report has to contain statistical data on cases opened, solved and cases upon which it acts in accordance with its competencies, the number of initiatives submitted to the public prosecutor’s office and other bodies, plus information about the institutions that have not acted upon the SCPC’s requests.

In accordance with the Law for the Protection of Whistleblowers, the SCPC is authorised to receive whistleblower reports from persons inside the institution and reports from other institutions, for which the SCPC established an internal whistleblowing channel and appointed authorised persons for both internal and external disclosure.

The State Audit Office can conduct and audit the SCPC’s work in accordance with its annual programmes. Internal audits of the SCPC are regulated in the Law on Public Internal Financial Control. According to this law, the internal audit unit should be established for all public sector entities whose average annual budget/financial plan in the last three years exceeded MKD 50 million. This provision applies for the SCPC.

There is no legal or other regulatory act that enables citizens to file complaints against the SCPC. Based on Article 50 of the constitution, the right of judicial review for the legality of individual acts of state institutions is guaranteed. Constitutional amendment No. XXI provides the right to appeal. However, there is no legislative provision to ensure judicial review of SCPC decisions.

There are no formal citizen oversight committees for the work of the SCPC.

**INDICATOR 10.2.4 ACCOUNTABILITY (PRACTICE)**

*To what extent does the ACA have to report and be answerable for its actions in practice?*

**Score: 75/100**

Existing provisions are effective in ensuring that the ACA has to report and be answerable for its actions. However, gaps in the law lead to ineffective judicial reviews and a lack of citizen oversight.

The head of the SCPC accounts for the activities of its staff in its annual report, which has to be sent to the Assembly within the legal deadline and made available on its webpage (see 10.2.2).
The whistleblowing policy is effective\textsuperscript{1207} as the SCPC works with whistleblowers and regularly reports on whistleblowers’ reports received.\textsuperscript{1208} The SCPC website contains a separate software application for the support of the whistleblowers,\textsuperscript{1209} by simplifying reporting to the authorised persons within the SCPC.\textsuperscript{1210} The SCPC has implemented various projects and educational programmes in cooperation with CSOs and the Ministry of Justice to increase the capacity for the support and protection of whistleblowers.\textsuperscript{1211}

The judiciary review mechanism has not been effective as there is no clear legislative basis for its application. Civil society organisations have very good cooperation and communication with the SCPC. They regularly prepare reports with information on the SCPC.\textsuperscript{1212} However, there are no citizen oversight committees.

**INDICATOR 10.2.5 INTEGRITY MECHANISMS (LAW)**

**To what extent are there mechanisms to ensure the integrity of members of the ACA(s)?**

Score: 100/100

There are comprehensive provisions to ensure the integrity of members of the SCPC. Examples are a code of conduct, rules regarding conflicts of interest, rules on gifts and hospitality and post-employment restrictions.

The SCPC has its own code of ethics for the president and members to follow.\textsuperscript{1213} The secretariat staff is obliged to also follow the code of ethics for the administrative servants, which does not cover specific areas such as the asset declarations and conflict of interest rules specific to the SCPC. However the SCPC has established rules for internal order and discipline of employees in the secretariat of SCPC,\textsuperscript{1214} which additionally regulates the professional conduct of the employees within the secretariat. The rulebook for prevention of conflict of interest and reporting of additional engagement for officials in the SCPC was also developed.\textsuperscript{1215} The anti-corruption law covers all asset declarations and conflict of interest rules, as well as the rules on gifts, hospitality and post-employment restrictions applicable to SCPC commissioners.\textsuperscript{1216}

In 2021, the SCPC adopted and implemented an integrity policy\textsuperscript{1217} to contribute towards the protection of public interest and the prevention of conflicts of interest, compliance with the code of ethics relevant for the official’s position, human resources management based on a merit and qualifications system, efficient management of public resources, transparency of the public sector, quality management and protection for whistleblowers.

The anti-corruption law also provides very complex and transparent procedures for integrity checks of candidates for election and appointment of members of the SCPC (see 10.1.3).\textsuperscript{1218} However, there are no integrity screenings for regular staff.

\textsuperscript{1207} Handbook on Protection of Whistleblowers: https://dksk.mk/mk/прирачници-за-защита-на-укажувачите-2
\textsuperscript{1208} SCPC annual report for 2021, 2022, page 45: https://dksk.mk/wp-content/uploads/2022/03/D0%93%D0%98-2021-final.pdf
\textsuperscript{1209} Software for the protection of whistleblowers: https://dksk.mk/mk/апликација-за-укажуващи
\textsuperscript{1210} SCPC, Protection of whistleblowers section: https://dksk.mk/mk/апликација-за-укажуващи/
\textsuperscript{1211} TI- Macedonia, Information on cooperation with SCPC, https://transparency.mk/2022/05/18/pet-godini-od-implementacziata-na-zakonot-za-zashtita-na-ukazhuvachi/
\textsuperscript{1212} SCPC info on cooperation with CSOs: https://dksk.mk/mk/учество-на-обуки-на-представници-на-пок;
\textsuperscript{1214} SCPC. 2020. Rules for internal order and discipline of employees in the secretariat of SCPC: https://dksk.mk/mk/учество-на-обуки-на-представници-на-пок;
\textsuperscript{1215} SCPC. 2023. Rulebook for Prevention of Conflict of Interest and Reporting of Additional Engagement for Officials in the SCPC: https://dksk.mk/mk/учество-на-обуки-на-представници-на-пок;
\textsuperscript{1216} Article 10 LPCCI Закон за спречување на корупцијата и судирот на интереси.pdf
\textsuperscript{1217} https://dksk.mk/mk/имплементација-на-систем-на-интегритет
\textsuperscript{1218} Article 12 of the LPCCI
INDICATOR 10.2.6 INTEGRITY MECHANISMS (PRACTICE)

To what extent is the integrity of members of the ACA(s) ensured in practice?

Score: 75/100

There is a comprehensive approach to ensuring the integrity of members of the SCPC, comprising effective enforcement of existing rules, proactive inquiries into alleged misbehaviour, sanctioning of misbehaviour, as well as regular training of staff on integrity issues. However, an internal assessment has identified missing mechanisms to handle risks of conflict of interest.

In 2021, the SCPC conducted an assessment of possible risks of corruption, especially conflict of interest, based on employee surveys. The assessment results noted the following missing mechanisms: no internal act for management of conflict of interests (there is a lack of procedures for reporting conflicts of interest or withdrawal of a procedure due to an existing conflict of interest); no regular educational programmes as preventive mechanisms; no internal act for limitation or forbidding receiving gifts; and a risk of unrecognition of unlawful request by competent persons within the institution due to a lack of training. As a follow-up, the SCPC decided to develop new mechanisms and monitor their implementation.

In June 2022, the SCPC adopted a rulebook for receiving gifts, benefits and hospitality within the SCPC. The rulebook for the prevention of conflicts of interest and reporting of additional engagement for officials in the SCPC was developed in 2023.

The new procedure for selection and appointment of the SCPC commissioners (see 10.1.3) has significantly contributed to ensuring integrity of the selected and appointed individuals.

The SCPC secretariat staff is continuously trained and the commission is organising training for public institutions in Macedonia on integrity policy and protection of whistleblowers. According to the general secretary, the SCPC is working on implementing the integrity policy. Continuous trainings and education is planned for SCPC employees and they have given training to other state institutions. The SCPC has appointed a person for integrity and a deputy. Also, for each of the elements contained within this policy, there is an appointed person to follow-up on the implementation.

There have been no public cases of violation of the codes of conducts by SCPC employees.

INDICATOR 10.2.7 GENDER

To what extent are the ACA mechanisms gender-sensitive?

Score: 50/100

1220 Ibid
1224 Training for the implementation of the system of integrity: https://dksk.mk/mk/обуки-за-систем-на-интеритет/
1225 Interview (face-to-face) with the General Secretary of SCPC, Ms. Irena Popovska, on 20 January 2023
No explicit gender-sensitive protocols and guidelines or gender-disaggregated data on complaints exist. However, there is front-facing female staff for the SCPS's whistleblower mechanism.

The president of the SCPC is a woman and 3 out of 7 members of the SCP are women. Out of 14 senior managerial positions, 13 are led by women. However, the SCPC does not have specific gender-sensitive policies and protocols.

The commission has data on the number of men and women employees. But the SCPC does not produce other gender-disaggregated data. The data available in their reports includes the total number of received reports, in which sector and what number of reports were resolved.

**ROLE**

**INDICATOR 10.3.1 PREVENTION**

*To what extent does the ACA engage in preventive activities regarding fighting corruption?*

Score: 50/100

The SCPC is active in preventive anti-corruption activities, but its efforts are generally unsuccessful because of a lack of action from institutions to follow its recommendation.

The SCPC’s main role is in the prevention of corruption. Its competences for prevention include: adopting a national strategy for the prevention of corruption and conflicts of interest; conducting corruption proofing of laws, by-laws and other general legislature; acting upon reports from individuals and legal entities about suspicions for corruption and conflicts of interest.

Based on the national strategy and its competences, the SCPC can recommend to the Ministry of Justice legislative reforms or other interventions. For example, in 2022 the SCPC sent a recommendation to the Ministry of Transport and Communications to amend the construction law to provide independence for local level inspectors and minimise the influence of mayors. The SCPC further recommended to the Ministry of Justice to digitalise submitted bar exam documents and to create an e-account for each of the candidates. However, there is no indication that these recommendations have been implemented. In 2021, the SCPC also met with the Ministry of Information Society and Administration regarding the update of the Law on Administrative Servants, the law on employees from the public sector and the law for senior civil service, which are still in procedure for adoption.

The SCPC has no specific role in the coordination of anti-corruption activities, but it is preparing the national strategy for prevention of corruption and conflict of interests, which indirectly coordinates efforts across the country. The latest strategy covers 2021 until 2025. Along with the strategy, the SCPC adopts action plans and

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1227 SCPC, Protection on whistleblowers protection: https://dksk.mk/mk/заштита-на-укажувачите/
1229 Law on the Prevention of Corruption and Conflict of Interest. Official Gazette of RM, number 12/19, Article 17
1230 The Ministry of Justice is the competent authority for regulation of the legal framework in the field of anti-corruption. The SCPC is included in the whole process of creating new laws or preparing amendments.
prepares annual reports for the implementation of the strategy. From 165 activities for implementation in 2022, 17 (10 per cent) were completely implemented, 58 activities (35 per cent) were started and 90 (55 per cent) have not been implemented yet. It can be concluded that there is a need for more proactive role by the SCPC and all institutions relevant for the prevention and fight against corruption.

The SCPC has no research unit or staff assigned to do research only. There is a unit for strategic planning, cooperation, projects, analytics and education, which is responsible for the preparation of projects and international cooperation. The SCPC’s head of the sector for strategic planning and integrity notes that they are planning to establish an analytical centre by the end of 2023. At the moment, they are getting expert support from Technical Assistance and Information Exchange instrument of the European Commission (TAIEX). The general secretary notes that additional technical and human resources will be needed.

The SCPC receives responses and reports from the public and other government agencies based on their assigned anti-corruption activities in the national strategy. Officials can also request advice on conflict of interest from the SCPC.

**INDICATOR 10.3.2 EDUCATION**

*To what extent does the ACA engage in educational activities regarding fighting corruption?*

Score: 100/100

The SCPC is proactive in providing educational programmes and training for its staff and for educating the public on corruption and how fight it.

The SCPC is responsible for education and awareness-raising activities to fight corruption and prevent conflicts of interest. One of the aims (goal 11) of the national anti-corruption strategy is raising awareness and anti-corruption education.

In 2019, the SCPC in collaboration with the CSO IDSCS, the Bureau for Development of Education and the Ministry of Education and Science started a pilot project for anti-corruption education for secondary school students in 10 schools. The aim was to include anti-corruption content in the regular curricula.

In 2021, the SCPC implemented education programmes on integrity systems for the local government, plus training for its staff and authorised persons in other institutions on whistleblower protection.

The SCPC has a fruitful cooperation with domestic CSOs and international donors. A list of projects can be found in its annual report for 2021. Transparency International Macedonia has been working with the SCPC on

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1235 Ibid
1237 Interview with Maja Konevska, head of the sector for strategic planning and integrity, conducted on 30 June 2022
1238 Interview (face-to-face) with the General Secretary of SCPC, Irena Popovska, on 20 January 2023
1240 Law on the Prevention of Corruption and Conflict of Interest. Official Gazette of RM, number 12/19, Article 74 (3)
1241 Law on the Prevention of Corruption and Conflict of Interest. Official Gazette of RM, number 12/19, Article 17, Paragraph 19
1243 Ibid
1244 SCPC (2022). SCPC annual report for 2021: https://dksk.mk/wp-content/uploads/2022/03/%D0%93%D0%98%D0%9B-2021-final.pdf, from pp.40 to 43
1245 Ibid, from pp.53 to 63
various projects for the prevention of corruption in the public sector, urbanism and construction and other fields relevant to its work. The SCPC regularly participates in public debates and conferences organised by CSOs.

**INDICATOR 10.3.3 INVESTIGATION**

**To what extent does the ACA engage in investigations of alleged corruption?**

Score: 50/100

The SCPC’s track record in detecting, investigating and sanctioning misbehaviour is mixed. This is due to its limited investigative power and the lack of measures taken by the prosecution.

The SCPC has no investigative powers, but it can act upon reports from individuals or legal entities about suspicions of corruption and conflict of interest. It can also: instigate initiatives before the competent authorities to determine the liability of officials; instigate initiatives for criminal investigation and prosecution; and instigate initiatives before the competent authorities on the basis of reports from the State Audit Office. Also, the Misdemeanours Commission of the State Commission leads the misdemeanours procedures and enforces misdemeanour sanctions.

The SCPC has an open case against the former (2017–2021) general secretary of the government, which is currently being processed at court. The general secretary is charged with the misuse of position in procedures for the procurement of software for state institutions.

In January 2023, the SCPC submitted a request to the government to hold the minister of interior responsible for not stopping work at the station for the technical control of vehicles in time. This station was responsible for conducting controls on the bus that was involved in an accident in which 45 people died.

In 2021, the SCPC received 698 reports from citizens with allegations of corruption, conflict of interest and misuse of public functions. The institution created 127 cases on its own initiative and 1,056 decisions were adopted.

**INTERACTIONS**

The SCPC is accountable to the Assembly that appoints the commissioners, adopts the annual and other SCPC reports and the national strategy for prevention of corruption (see 10.2.3 & 10.2.4). However, there is a lack of debate in the Assembly on the weaknesses in the fight against corruption identified in the SCPC reports.

The SCPC further cooperates with the State Audit Office in detecting irregularities in the financial reports of political parties and in other cases where failures budget funds are detected that may indicate risks of corruption. Their cooperation is regulated by law and a signed MoU for cooperation and the exchange of information. In practice, this cooperation works well and there is a timely exchange of information.

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1247 SCPC annual report for 2021, 2022, Section: Cooperation with CSOs and international organisations: https://dksk.mk/wp-content/uploads/2022/03/%D0%93%D0%98-2021-final.pdf
1248 Law on the Prevention of Corruption and Conflict of Interest. Official Gazette of RM, number 12/19, Article 17, Paragraph 3, 4, 5 and 8
1249 Ibid, Article 114
1250 Faktor, “Ivanovska: SCPC has opened a case for Rashkovski’s software, we think there are enough elements for the case to be investigated”: https://faktor.mk/ivanovska-otvorivme-predmet-za-softwaret-na-rashkovski-smetame-deka-ima-dovolno-elementi-za-sluchajot-da-se-istrazi, Accessed on 10 July 2023
The SCPC also has an effective and continuous cooperation and communication with CSOs. Their relationship is informal and SCPC is signing memoranda of cooperation to be formalise some of them. CSOs regularly conduct analyses and monitor the work of the SCPC. They contribute towards a more effective practical implementation of the anti-corruption policies and strengthening the human resource capacities of the SCPC.

**PILLAR RECOMMENDATIONS**

- **SCPC**
  - hire more staff to fill the current human resource gaps
  - improve the capacity for research and analysis of asset and interest declarations, as well as other corruption risk assessments
  - implement missing mechanisms to handle risks of conflict of interest identified in the SCPC’s internal assessment
  - establish a mechanism for citizens to file a complaint against the SCPC and introduce citizen oversight committees for greater accountability of the institution.
  - implement gender-sensitive protocols and guidelines for internal and external complaints mechanisms and produce gender-disaggregated data on such complaints
- **Public prosecutor’s office**
  - establish working relations with the SCPC to increase understanding of their procedures when working on corruption related cases and to develop capacity for supporting the investigations.
- **Government**
  - establish a mechanism in the general secretariat of the government to follow up on the findings and recommendations of the SCPC in cases of established conflict of interest, non-reported assets or asset declarations that were not submitted, and to call high-level officials accountable
11. POLITICAL PARTIES

SUMMARY

OVERALL PILLAR SCORE: 60.42
CAPACITY SCORE: 68.75
GOVERNANCE SCORE: 62.5
ROLE SCORE: 50

Indicators scores: law and practice

In December 2022, North Macedonia had a total of 62 registered political parties. In this pillar of the NIS report, only parties represented in the parliament are analysed, as follows:

- SDSM – largest ruling party
- VMRO-DPMNE – largest opposition party
- DUI – ruling coalition party
- BESA
- DPA
- Alliance of Albanians
- Alternative
- Levica
- Union of Roma
- GROM
- Liberal Democratic Party
The independence of the parties is guaranteed in the constitution and regulated by several laws, such as the Law on Political Parties and the Law on Financing of Political Parties. In practice, political parties face occasional interference via influence-trading for tailored-made laws. Also, public procurement processes are influenced by political ties between businesses and political parties.

Parties are entitled to receive public funding for the regular functioning and for the electoral activities; however, they are still dependent on private donations that can influence the policies pursued by the parties.

The reporting system is quite complex, with various reports that must be submitted to different institutions at different times (for example, two reports on donations during the election campaigns and one financial report at the end of the elections). Also, there is no public online platform for the submission and publication of reports. Not all parties make their financial information publicly available on their website and, when they do, it is often not in an open or searchable format. The template for reporting developed by the Ministry of Finance also lacks a separate item/category for funds spent on political advertisements on social media.

The State Audit Office (SAO) and State Commission for the Prevention of Corruption (SCPC) effectively oversee party financing and provide annual reports to the Assembly. However, there is a lack of execution of misdemeanour provisions by the Ministry of Justice.

Factionalism and power struggles within parties are common, affecting internal democracy. Most parties are strongly influenced by their political leader, which in most parties is elected indirectly by the party congress. Only SDSM have held direct elections for a party leader, so far. Leadership positions in parties are primarily held by men.

All major parties have anti-corruption policies in their party programmes, but their commitment to these issues wanes once they are in power. Hence, it is imperative to strengthen political parties' dedication to anti-corruption policies and intra-party transparency. Their active involvement holds significant potential in the battle against corruption, potentially helping to eradicate impunity associated with grand corruption and corruption at all levels within the country.

CAPACITY

INDICATOR 11.1.1 RESOURCES (LAW)

To what extent does the legal framework provide an environment conducive to the formation and operations of political parties?

Score: 75/100
The constitution and specific laws provide comprehensive provisions related to the establishment and operations of political parties. However, regulations on public funding lead to an unfair playing field between larger and smaller parties.

The constitution provides general provisions on the establishment of political parties and their role, which are also covered in the legal procedures along with, number of founders, registration, de-registration, and other related matters, all of which are extensively regulated in the Law on Political Parties.

Political parties can be established by a minimum of 1,000 citizens with the right to vote. Political parties are registered in the unique court registry on political parties. The court’s decision for rejecting a registration has to explain why it was rejected. An appeal can be filed against such a decision within 15 days from the day of the reception.

Legal restrictions on the functioning of political parties include that the programme, statute and functioning of the political parties cannot contain a call for violent devastation of the constitutional order, inciting or calling for military aggression or inciting national, racial or religious intolerance.

All these provisions enable a conducive environment for the formation and operation of political parties in which the parties can be easily registered in accordance with the required procedures. The restrictions are well regulated and provide space for the establishment of parties, without applying overburdening procedures and rules that will undermine free association in parties.

The Law on Financing of Political Parties (LFPP) and electoral code (EC) contain provisions for public funding. With the 2020 amendments of the LFPP, the share of public funding for all parties has to be 0.105 per cent of the state budget. Additionally, the law allows for €280,000 to support research centres that are part of the internal organisation of the political parties. Parties are also allowed to receive private funding.

According to the LFPP, 30 per cent of the amount provided as public funding has to be allocated in equal terms to all political parties that have won at least 1 per cent of the vote of the turnout at the last elections for representatives in the Assembly, at the national level or the last held local elections. The remaining 70 per cent is to be allocated to political parties proportionally to the number of elected representatives or the number of counsellors elected. This rule leads to significant differences between larger and smaller parties, which lack funds to promote themselves to citizens (see 11.1.2).

During the election campaign, the public broadcasting service needs to provide equitable access by allocating 30 per cent of its programme time to the campaign activities of the ruling political parties, 30 per cent to opposition parties and 10 per cent to parties not represented in the Assembly. The remaining 30 per cent can be used for regular programming.
INDICATOR 11.1.2 RESOURCES (PRACTICE)

To what extent do the financial resources available to political parties allow for effective political competition?

Score: 50/100

While small and opposition parties can draw on some financial resources, these are considerably lower than the resources of the larger or ruling parties. Therefore, political competition among parties is biased towards the ruling party.

Political parties are financed from various sources (private and public). They receive donations, substantial public funding and collect membership fees.

Table 11.1: Funding of political parties, 2019-2022 (amounts in euro) 1264:

<table>
<thead>
<tr>
<th>Year</th>
<th>State budget</th>
<th>Percentage of the state budget</th>
<th>Amount reallocated to the parties by Ministry of Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>6,822,277,022</td>
<td>0.082</td>
<td>5,630,007</td>
</tr>
<tr>
<td>2021</td>
<td>3,304,650,406</td>
<td>0.105%</td>
<td>3,469,883</td>
</tr>
<tr>
<td>2020</td>
<td>3,079,577,236</td>
<td>0.105%</td>
<td>3,234,050</td>
</tr>
<tr>
<td>2019</td>
<td>3,296,292,633</td>
<td>0.15%</td>
<td>4,944,439</td>
</tr>
<tr>
<td>2018</td>
<td>3,047,170,732</td>
<td>0.15%</td>
<td>4,570,756</td>
</tr>
<tr>
<td>2017</td>
<td>2,898,569,106</td>
<td>0.06%</td>
<td>1,739,141</td>
</tr>
<tr>
<td>2016</td>
<td>2,702,000,000</td>
<td>0.06%</td>
<td>1,621,200</td>
</tr>
<tr>
<td>2015</td>
<td>2,516,260,163</td>
<td>0.06%</td>
<td>1,509,756</td>
</tr>
</tbody>
</table>

However, there are significant differences between public funding of larger and smaller political parties.

1265 Data available on: https://open.finance.gov.mk/mk/home, Accessed on 01 November 2023
1266 Ibid
Table. 11.2: Amount of state funds received by the parties from 2011 until 2021 (amounts in euro)\textsuperscript{1267}

<table>
<thead>
<tr>
<th>Party</th>
<th>Amount of State Funds Received (in euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDSM</td>
<td>6,077,817</td>
</tr>
<tr>
<td>VMRO-DPMNE</td>
<td>5,771,340</td>
</tr>
<tr>
<td>DUI</td>
<td>2,955,835</td>
</tr>
<tr>
<td>BESA</td>
<td>1,067,873</td>
</tr>
<tr>
<td>DPA</td>
<td>1,055,109</td>
</tr>
<tr>
<td>AA</td>
<td>902,161</td>
</tr>
<tr>
<td>DPTM</td>
<td>807,043</td>
</tr>
<tr>
<td>Union of Roma</td>
<td>628,292</td>
</tr>
<tr>
<td>GROM</td>
<td>520,891</td>
</tr>
<tr>
<td>DNK</td>
<td>409,801</td>
</tr>
</tbody>
</table>

The parties receive funds to cover their day-to-day functioning and electoral campaigning. In the last couple of years, an increase in funds is linked to the increase in the state budget. The resources that the parties have received from 2019 until 2021 are the following (amounts in euro):

\begin{center}
\includegraphics[width=\textwidth]{revenues_donations.png}
\end{center}

\textsuperscript{1267} Ibid, p.6
Although one of the arguments for increasing state funding to the parties was that it will make the parties more independent, still they receive high portion of private donations.

**INDICATOR 11.1.3 INDEPENDENCE (LAW)**

*To what extent are there legal safeguards to prevent unwarranted external interference in the activities of political parties?*

Score: 100/100

*There are comprehensive legal safeguards to prevent unwarranted external interference in the activities of political parties.*

State authorities have the legal power to order the exclusion of a political party. The Law on Political Parties provides for the possibility that a political party is dissolved by deleting its registration from the court register.\(^{1268}\)

However, the law states that this can only happen when the official deletion is requested by the party itself, when the political party is forbidden to act, if there is a decision to merge with another party or when the party’s operations are not in compliance with the constitution.\(^{1269}\)

Political parties are also equal before the constitution and the law. They are guaranteed freedom and independence in determining their internal structure, the goals and the choice of democratic forms and methods.

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\(^{1268}\) Law on Political Parties, consolidated version, Official Gazette of RM, number 76/04, 5/07, 8/07, and 23/13, Article 29

\(^{1269}\) A political party can be dissolved when: a) it submits a request for deletion from the court register based on legally valid determination; b) the political party is forbidden to act by a legally valid determination; c) the body determined by the statute of the political party adopts a decision to merge with another political party; d) the membership determined by the law is decreased and when the constitutional court determines that the programme or statute of the political party are not in compliance with the constitution.
of action. The acts provide independence of the parties and prevent the state form interference in the parties’ activities.

Regarding foreign influence, political parties can participate in international organisations and cooperate with other foreign political parties, known as “sister parties”. However, foreign actors cannot finance them.

The state authorities do not have other powers over political parties except those outlined in the Law on Political Parties to ensure reasonable oversight. The state does not have the power to ensure mandatory attendance at the parties; meetings or other forms of organising. The State Commission for Prevention of Corruption (SCPC), the State Audit Office (SAO) and the State Election Commission (SEC) are legally entitled to monitor the financing of political parties and elections (see 11.2.3).

INDICATOR 11.1.4 INDEPENDENCE (PRACTICE)

To what extent are political parties free from unwarranted external interference in their activities in practice?

Score: 50/100

External interference in political parties occurs between the ruling and opposition parties through influence-trading and undue influence to create tailor-made laws. Also, business actors exert undue influence on parties to win public procurement contracts.

There are no examples of the state dissolving or prohibiting political parties. In general, there is no interference in the political parties’ activities from the state or third parties. There are no examples of harassment and attacks on opposition parties by state authorities or actors linked to the state/governing party.

However, there are examples of trading in influence and using undue influence to gain support from another political group. The most notable cases were the amendment of the criminal code and the vote for the adoption of the so-called Prespa agreement between Greece and Macedonia in 2018, when the name of the country was changed to North Macedonia.

In 2018, the criminal offence of the “misuse of the procedure for the public call (tender), award of a public procurement contract or public-private partnership” was adopted, reducing the maximum penalty from five to four years in prison. That amendment meant that a number of criminal proceedings against former high-level officials from the current opposition and former ruling party VMRO-DPMNE needed to be reviewed based on the rule “in dubio pro reo” (doubts about the guilt of the accused). It is alleged that, in exchange for these amendments, VMRO-DPMNE MPs voted in favour of the Prespa agreement, which resulted in changes in the constitution and the country’s name change. This change was not supported by the citizens, and it is highly likely that this was the result of a political bargain. In this case, there was political influence from the current ruling SDSM party as it was supported by the opposition party, VMRO-DPMNE, for strategic reasons.

In September 2023, SDSM proposed another draft amendment to the criminal code, suggesting reduced penalties for the criminal offence of “abuse of official position and authority”. By reducing the severity of the penalties for

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1270 Law on Political Parties, consolidated version, Official Gazette of RM, number 76/04, 5/07, 8/07, and 23/13, Article 6
1271 Ibid, Article 8
1273 Criminal Law Convention on Corruption: https://rm.coe.int/168007f3f5, Article 12
1274 Ibid
1275 Amendment 248/2018 of the Article 275-v. Paragraph 3 of the criminal code
these offences, the duration of their statute of limitations is also reduced. With this legislative decision, which was adopted in the parliament, investigations into several crimes of financial corruption crimes involving high-level officials from ruling and opposition parties will face the issue of statute of limitations.  

Public procurements are also influenced by political ties. Many companies are awarded tenders based on their political affiliation or close relationship with the governing officials at the national and local levels. For example, one of the biggest oil suppliers to state institutions in the last 10 years is a company that is related to an MPs from DUI. 

The biggest private donor to DUI is the company Eurovia, which donated €30,000 EUR in 2022 and was awarded numerous tenders.

There are no cases of political party members being arrested for their work.

GOVERNANCE

INDICATOR 11.2.1 TRANSPARENCY (LAW)

To what extent are there regulations in place that require parties to make their financial information publicly available?

Score: 100/100

There are comprehensive regulations requiring political parties to make their financial information publicly available.

The legal framework on the financial accounting of parties provides clear provisions on the parties’ obligations to reporting of financing. The Law on Financing of the Political Parties regulates the regular financing, while electoral financing is regulated by the electoral code. The financing of the parties’ research centres is regulated with the Law on Party Analytical Centres. The political parties have to keep their accounts in accordance with the provisions of the Law on Accounting of Non-profit Organisations.

Political parties have to prepare a report of private donations they receive. 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...
reports on their websites, while political parties have to publish their annual financial statements, covering both public and private funds, on their websites.

The templates for reporting are adopted by the Ministry of Finance. The parties have an obligation to disclose the full name of the contributor, the amount of donation and the date of the transaction. In order to receive public funding, parties are obliged to disclose information on the public and private donations received along with any other resources. If the reports are not submitted by the deadline (30 April of the current year for the previous year), the State Audit Office can ask the Ministry of Justice to suspend public funding.

Online campaigning on registered news portals is regulated by the electoral code. Registered online news portals have to present the candidates in a balanced and transparent manner. The prices for advertising are defined in advance and are submitted to the SEC, SAO and SCPC. Political parties are not required to declare resources spent on social media campaigning and related activities. In its annual report, the SAO recommended that social media campaigning be regulated in terms of the manner of organising, paying, monitoring and reporting to the competent authorities on the internet representation of the participants in the election campaign through social media.

**INDICATOR 11.2.2 TRANSPARENCY (PRACTICE)**

*To what extent can the public obtain relevant financial information from political parties?*

Score: 25/100

While it is possible for the public to find financial information from political parties, they often do not have the register of donors and the reports are not available in an open and searchable format.

In general, not all political parties make their financial information publicly available. In 2022, the SCPC found that of 31 parties that have their own websites, only 7 parties fulfilled their obligation of publishing reports (including annual, election, list of donations, etc.) completely. Three parties published their reports partially, 18 parties do not have any information and 3 parties do not have an active website.

In June 2023, the leading political parties, SDSM and DUI, published their financial reports on their websites up to the year 2022 and, from the other reviewed parties’ websites, VMRO-DPMNE, Levica, Liberal-democratic party and others had their financial reports available, while VMRO-DPMNE and Levica also showed the expenses for advertisements on social media, including Facebook. Meanwhile, the party Besa

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1284 Ibid, Article 27-a
1285 Reports on political parties financing (templates): https://finance.gov.mk/%D0%B8%D0%B7%D0%B2%D0%B5%D1%88%D1%82%D0%B0%D0%B8-%D0%B7%D0%B0-%D0%BF%D0%BE%D0%B8%D1%82%D0%B8%D1%87%D0%BA%D0%B8-%D0%BF%D0%B0%D1%80%D1%82%D0%B8%D0%B8/
1287 Electoral code, Consolidated version: https://drive.google.com/file/d/1Sa9L6emhxwL2VaV_8d7oK3hJ6r1usnuY/view, Section VI, Part 2.
1290 Yearly financial statements of SDSM: https://sdsm.org.mk/finansiski-izveshtai/godisni-smetki
1293 Financial statements of Levica: https://levica.mk/informatsii-od-javen-karakter/izvestaj-donacii
submitted a financial report to the SAO for 2022, but there are no reports on its website. This is the case with other parties as well.

Financial reports for 54 parties can be found on the SAO website.\textsuperscript{1294}

In 2022, the Open Society Macedonia organisation created an index of transparency of the political parties in Macedonia. The general findings are that political parties rarely publish their register of donations or donation report. Even the parties which are highly ranked on the list as most transparent lack one or two of these types of documents. Another issue is the publishing of the data in an open and selectable format which can be copied, and there is only two such examples by NSDP (report on donations for 2019 in excel format) and DPTM (balance sheet for 2018).\textsuperscript{1295}

\begin{table}[ht]
\centering
\begin{tabular}{|c|c|c|}
\hline
\textbf{Financial transparency (max.48 points)} & & \\
\hline
1 & Levica & 30 \\
2 & DS & 25 \\
3 & Demokrati & 22 \\
4 & SDSM & 21 \\
5 & BESA & 20 \\
6 & Srpska stranka & 18 \\
7 & NSDP & 16 \\
8 & DOM & 14 \\
9 & Glas za Makeodnija & 14 \\
10 & PP & 13 \\
\hline
\end{tabular}
\caption{Top 10 highest-ranking parties in the category of financial transparency}
\end{table}

INDICATOR 11.2.3 ACCOUNTABILITY (LAW)

To what extent are there provisions governing financial oversight of political parties by a designated state body?

Score: 75/100

\textsuperscript{1294} Parties’ financial reports for 2022: https://dzr.mk/mk/izvestai-politicki-partii?field_godina_na_odrzhuванe_value=&field_tip_izbori_value=All&page=0

There are comprehensive provisions which mandate political parties to maintain records of their finances and report on them. Still, there are loopholes related to the role of oversight institutions when reports show a surplus, or there are more expenses than income.

There are clear provisions in the Law on Financing of Political Parties and the electoral code for the financial reporting by the political parties, and the law determines that the parties submit different reports to different institutions. Reports on the donation received should be submitted to the State Audit Office and the Public Revenue Office and published on their websites and those of the parties. Annual balance sheet for the financial operation should be submitted to the PRO, SAO and the central register and published on the parties’ websites. Annual financial reports should be submitted to the SAO and published by the parties.

A participant in an electoral campaign needs to keep a registry of donations and submit the following reports: a financial report on income and expenditures from the election campaign bank account from the day it was opened until it is closed and a report with for donations received one day after the electoral campaign and one day before the start of the second cycle of elections. The reports are submitted to the SEC, SAO and SCPC, which should publish them on their websites. Election campaign participant’s should submit financial reports on the electoral campaign immediately or within 30 days after the closer of the election bank account to the SEC, SAO and SCPC. These institutions should publish the financial report on their websites.

The SAO is responsible for auditing the financial reports (both annual and electoral) and can initiate a procedure if irregularities are detected. The same is applicable for media financial reports. The SCPC can initiate a procedure for examining the financing of a political party or upon a complaint by an election campaign organiser or accredited observers if irregularities are detected or where there is suspicion of unlawful financing in an election campaign.

Most political parties have assessed the submission framework of the reports for the financing of the elections as redundant and burdensome, and no participants in the election process submitted all of the periodic reports, despite the legal requirement.

The annual financial statement have to contain data on the total income, including the total amount of donations, gifts, contributions, grants, sponsorships, loans, money, material assets, equipment, services, incomes, membership fees, legates and the total expenditures per item/category, but not individual expenditure. By 31 March at the latest, the political parties have to prepare the annual financial statement for the previous year and

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1297 Ibid, Article 17
1298 Ibid, Article 25
1299 Ibid, Article 26
1300 Ibid, Article 27
1301 Ibid, Article 27-a
1302 Electoral code, consolidated version, Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17,125/17,35/18, 99/18,140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 31 and Article 83-b https://drive.google.com/file/d/1Sa9L6emhxw12VaV_8d7oK3hJ6r1usnuY/view,
1303 Ibid, Article 84-b
1304 Ibid, Article 85
1305 Electoral code, consolidated version. Official Gazette of RM, no. 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17,125/17,35/18, 99/18,140/18, 208/18, 27/19, 98/19, 42/20, 74/21 и 215/21), Article 31: https://drive.google.com/file/d/1Sa9L6emhxw12VaV_8d7oK3hJ6r1usnuY/view
1306 Ibid, Article 85-a and Article 85-b
1307 Law on the Prevention of Corruption and Conflict of Interest, Official Gazette of Republic of Macedonia, number 12/19, Head 4
submit it to the State Audit Office,1309 including the financial operations of the parties’ bank accounts.1310 Failure to submit a financial report is a misdemeanour and parties can lose state funding.1311,1312

The SAO’s annual report for 2022 provides recommendations to improve the electoral code and the Law on Financing of Political Parties, specifically Article 14 related to the manner of payment and the recording of membership fees and Article 15 for defining preconditions and limitations when the political party receives donations of real estate as a tangible asset. The recommendations in the electoral code are related to the financing of electoral campaigns with resources from the regular party account, regulation of cases when the financial report shows surplus funds as well as unpaid liabilities on the election campaign account.1313 The format for reporting is supplied by the Ministry of Finance.1314

INDICATOR 11.2.4 ACCOUNTABILITY (PRACTICE)

To what extent is there effective financial oversight of political parties in practice?

Score: 50/100

Parties generally provide partial, low-quality and/or late reports on their financing sources to the SEC, SCPC and SAO. The SAO and SCPC are effective in the oversight of political party financing and provide annual reports to the Assembly. However, there is a lack of execution of the misdemeanour provisions by the Ministry of Justice.

The SAO 2022 annual report notes that some parties have not submitted financial reports for their election campaign, while others have not submitted reports on revenue and expenditure during election campaigns on time.1315 The report does not mention the exact number of parties that did not submit financial reports.

Regarding regular financial reports, the SAO report notes that unpaid obligations to suppliers from past years (due to the obligation to close the election bank account 30 days after the election results have been announced) and that the structure of funding sources from private and public funding sources is incomplete. Meanwhile, 72% of election campaign funding was provided from the state budget and paid by the State Election Commission, while 28% was provided by other funding sources.1316

The accuracy of the reports may be questioned, according to a former member of SCPC because, allegedly, political parties are taking illicit money and are not transparent about the interests of the legal entities or people donating to them. This is clear from the fact that they have more expenses than revenue, but there is no legal evidence to prove that they have been financed illegally.1317

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1309 Ibid
1310 Ibid
1311 Article 27-b
1312 Electoral code, Official Gazette of RM, number 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19 and Official Gazette of RM, number 98/19, 42/20, 74/21 and 215/21, Article 27-b
1314 Reports on political parties financing (templates): https://finance.gov.mk/wp-content/uploads/2009/02/Obravec-za-Godisen-finansinski-izvestaji-zas-delegacija-partii_0.doc; https://finance.gov.mk%d0%be%d0%b1%d1%80%d0%b0%d0%b7%d0%b5%d1%86-%d0%b7%d0%b0-%d1%84%d0%b8%d0%b2%d0%bd%d1%81%d0%b8%d0%b2%d1%82%d0%b0%d1%88%d0%bd%d1%82%d0%b0%d1%83%d1%83%d0%b8-%d1%83%d1%87%d0%b5/1315 SAO. 2023. Annual Report on Performed Audits and Operation of the State Audit Office, p.230: https://dzr.mk/sites/default/files/2023-07/dzr_godisen_izvestaj_2022_en.pdf
1316 Ibid, p.232
1317 Interview with Arif Musa, former member of SCPC conducted in September 2021; Article from the magazine Focus from 16 September 2021
A 2022 analysis conducted by Foundation Open Society Macedonia shows that in the past four years, in 38% of the cases where the Ministry of Justice gave notice of the suspension of public party funding, the irregularities were resolved and the payment was transferred.\textsuperscript{1318}

**INDICATOR 11.2.5 INTEGRITY (LAW)**

*To what extent are there organisational regulations regarding the internal democratic governance of the main political parties?*

Score: 75/100

*In general, all major parties have comprehensive regulations in place on internal democratic governance; however, provisions regulating the implementation of disciplinary measures and exclusion of party members remain vague.*

The establishment of the party bodies, their organisations, rules for electing members of the bodies, their programme and other issues related to the functioning of parties should be in the party statutes, in accordance with the Law on Political Parties.\textsuperscript{1319}

The principles for the election of party bodies and party platforms are more or less regulated in the in the party statutes.\textsuperscript{1320} The party congress is the highest body in political parties and is composed of members and delegates. All political parties, including the largest, SDSM, VMRO, DUI, and others, have adopted a programme and statute.\textsuperscript{1321}

For example, the statute of Levica regulates internal procedures, bodies, the election of members and leader of the party and all other issues regarding the organisation and functioning of the party.\textsuperscript{1322} The congress elects the president, and presidential candidates can be proposed by 30 delegates and elected by a majority of votes.\textsuperscript{1323} The Statute regulates the election of members of other bodies as well.

Although included in the statutes, disciplinary measures against political party members who act against party principles or have irregularities detected in their work, remain vague and unspecific. It is not fully clear in which cases the disciplinary measures are implemented or if they could lead to the exclusion of a party, creating a risk of arbitrary exclusions based on personal disputes.

Political parties do not have a code of ethics.

**INDICATOR 11.2.6 INTEGRITY (PRACTICE)**

*To what extent is there effective internal democratic governance of political parties in practice?*

Score: 50/100

*The majority of political parties do not follow provisions for internal democratic governance comprehensively, especially in the regulation of the selection of members in the party bodies and of the party president.*

In most cases, the integrity of the political parties is strongly connected to the party’s president as the main person of influence. Although all of the party statutes say they are democratic, in practice, there is a lack of transparency,

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\textsuperscript{1319} Law on Political Parties, Official Gazette of RM, no. 76/ 2004, Articles 15 and 16


\textsuperscript{1321} Statute of SDM: https://sdsm.org.mk/sdsm/statut


integrity and accountability.\textsuperscript{1324} For example, the latest intra-party struggles within the Democratic Union for Integration (DUI) in 2023 brought to light the factionalism within the party and the consequences of power struggles that have persisted within it for years.\textsuperscript{1325} DUI is the biggest political party of Albanian citizens and has been a coalition partner in every government in the past 20 years. In July 2023, DUI organised elections in 14 branches where party members selected their regional leaders.\textsuperscript{1326} On 21 March 2021, the leading political party, SDSM, held the first internal party elections for party president.\textsuperscript{1327} Besides democratic elections to the party bodies, political leaders still influence the selection of party members in electoral ballots for official positions. Only the SDSM party, so far, has held a direct election for a party leader, and only once.\textsuperscript{1328}

The 2022 EC progress report notes that some of the parties took steps to improve internal democracy.\textsuperscript{1329}

An assessment conducted in 2020 by the National Democratic Institute on the organisational culture of political parties measured whether the public leadership behaves according to the values of the party, whether the leadership shows respect for the rest of the membership and whether it is accountable to the party bodies. The average score of 68 per cent indicates that integrity\textsuperscript{1330} is at risk and parties need to identify areas for reform.\textsuperscript{1331}

\textbf{INDICATOR 11.2.7 GENDER REPRESENTATION}

\textit{To what extent are women part of political parties’ leadership?}

Score: 50/100

Legal provisions exist and in practice political parties routinely follow them, supplemented by additional measures to enable and promote equal participation. There is a balance in the participation and conditions for women and men across the parties. However, leadership positions of parties are in the hands of men.

The gender balance in politics is regulated by the electoral code. At least 40 per cent of the candidates from the submitted list of candidates for members of parliament and members of council municipalities and the City of Skopje have to be of the under-represented sex. At least one out of every three places has to be reserved for the under-represented sex, with at least one additional place out of every ten places.\textsuperscript{1332} There are no legal provisions to ensure political parties face non-symbolic consequences for failing to implement parity mechanisms.

Each of the parties have a union of women, which is the main body that ensures gender balance within the party.\textsuperscript{1333} Party membership is not restricted based on gender, however, the party statutes do not have specific

\begin{footnotesize}
\textsuperscript{1324} The general situation in Macedonia regarding intra-party democracy has been probably best described by Gordana Siljanoska-Davkova stating that: “The party leaders are tragi-comical when they speak up for democracy and the development of democratic processes in the country on one side, and run sultan-parties on the other.” Petreski. 2012. https://www.kas.de/documents/252038/2532527_dokument_dok_pdf_33615_2.pdf/f0548a69-5e7f-7a10-0ee1-1b06895ded93?version=1.0&f=1539663295631
\textsuperscript{1326} A1on, The Democratic Union for Integration organised internal party elections for 14 branches. https://a1on.mk/macedonia/izbori-vo-14-ogranoci-na-dui-ova-se-iminjata-na-lugjeto-koi-kje-gi-vodat/
\textsuperscript{1327} SDSM, Elections section: https://sdsm.org.mk/izbori
\textsuperscript{1328} Ibid, p.11
\textsuperscript{1330} NDI conducted an analysis of the party integrity with 35 representatives in 7 political parties, in the following: organisational culture and structure, selection of candidates, inclusion of marginalised people and financing of political parties. Organisational structure and internal processes refers to whether the party statutes are taken into consideration for involving municipal branches in decision-making and the inclusion of marginalised groups, as well as whether there are mechanisms for resolving internal disputes. The average score is 69 per cent (55 out of 80 points).
\textsuperscript{1331} Presentation delivered on 22 June 2021 by Aleksandra Krsteska, project manager in National Democratic Institute at a training course on financing political parties organised by Transparency International Macedonia.
\textsuperscript{1332} Electoral code, Official Gazette of RM, number 40/06, 136/08, 148/08, 155/08, 163/08, 44/11, 51/11, 54/11, 142/12, 31/13, 34/13, 14/14, 30/14, 196/15, 35/16, 97/16, 99/16, 136/16, 142/16, 67/17, 125/17, 35/18, 99/18, 140/18, 208/18, 27/19 and number 98/19, 42/20, 74/21 and 215/21, Article 64
\end{footnotesize}
provisions for gender balance protected by quotas or similar measures. The high-level positions in the parties usually belong to men.

A 2020 OIDHR report for the early parliamentary elections mentions efforts by the SDSM and the VMRO-DPMNE to increase the prominence of women in their campaigns. The SDSM campaign focused on the top two candidates in each electoral district, a man and a woman in each case. Women headed the VMRO-DPMNE list in two out of six electoral districts.

Two smaller political parties have woman leader: the Liberal Democratic Party and Democratic renewal of Macedonia.

**ROLE**

**INDICATOR 11.3.1 INTEREST AGGREGATION AND REPRESENTATION**

*To what extent do political parties aggregate and represent relevant social interests in the political sphere?*

Score: 50/100

*While the political party system is effective in aggregating and representing many of the social interests in the country, they often lack a proactive approach to resolve major issues such as increasing economic development and the fight against corruption.*

In the SDSM parliamentary election programme, the party appealed to citizens based on the following projects: maintenance of sustainable economic development, opening of new work places, support for new businesses, support for the agriculture, building roads, increased social aid, etc.

Similarly, the VMRO-DPMNE programme for the 2020 parliamentary elections was divided into four pillars, focusing on the creation of: efficient state and strong institutions (including the fight against corruption and the grey economy), a competitive private sector, integrated, secure and stable country and better living conditions for the citizens.

The party Levica stands for social justice, improvement of laws and anti-corruption policies, efficient administration, redistribution of social wealth, etc.

There is no precise assessment on the fulfilment of the programmes once the parties are in parliament or become part of the executive. There is often no real connection between what is written in the programmes and what is actually implemented. Often there is criticism that some companies are favoured in public procurement.

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1334 Every two years, political parties should adopt a plan for equal opportunities, which should clearly define the measures for the promotion of equal participation of women and men in the bodies of the parties, the candidate lists for elections of local self-government units, the Assembly and for the election of the President. Such plans should be submitted to the Ministry of Labor and Social Policy for their opinion.


1336 LDP. Structure of the party: https://ldp.mk/struktura/pretsedatel/

1337 DOM party: https://dom.org.mk/


procedures, tenders are awarded because of close business or family ties, or nepotism or a lack of resources for capital investment, etc. which negates the effective implementation of the planned activities.\footnote{Transparency International Macedonia. 2020. “Vulnerability to corruption: assessment of the employment policies and procedures, with a special focus on nepotism, cronyism and clientelism” https://transparency.mk/wp-content/uploads/2021/07/proczenka-na-ranlivost-od-korupczi%D1%98a-vo-politikite-i-postapkite-za-vrabotuva%D1%9Aee-so-poseben-fokus-na-nepotizam-kronizam-klientelizam-.pdf; IDSCS. 2020. “Political party programs and fight against corruption: A vision or pre-election pamphlet?” https://idscs.org.mk/en/2020/01/29/political-party-programs-and-fight-against-corruption-a-vision-or-a-pre-election-pamphlet/}

The majority of the political parties have good cooperation and communication with CSOs. They participate in meetings, conferences and other events related to their filed of work. The parties are also supportive when there is a need to support legal changes suggested by CSOs.

**INDICATOR 11.3.2 ANTI-CORRUPTION COMMITMENT**

*To what extent do political parties give due attention to public accountability and the fight against corruption?*

Score: 50/100

While there are a number of reforms promoted by political parties to counter corruption and promote integrity, there is a lack of practical implementation once parties are in power.

The political parties’ programmes place anti-corruption policies and the commitment to strengthening these policies highly on their agenda. It is usually the most important issue in electoral campaigns. The same goes for public accountability. During elections, these are among the most exploited themes.

In the party programme for the 2020 parliamentary elections, VMRO-DPMNE included the fight against corruption and the grey economy in the first of its four pillars.\footnote{VMRO-DPMNE. 2020. Programme for the early parliamentary elections 2020: https://www(vmro-dpmne.org.mk/programa/programa2020.pdf, Accessed on 4 July 2023} They propose four measures with 11 projects for the fight against corruption.\footnote{One of the measures is the strengthening of the transparency and accountability of institutions through five projects: publishing State Audit Office reports of institutions and action plans for correction of any irregularities; improvement of the access to data; relieving companies of the pressure of complying with different inspections by decreasing the many inspection regulations; zero tolerance of corruption; and implementation of the ISO 37001 standard. Another measure is to strengthen the capacities of the State Audit Office by enabling systematic networking of this body with the state prosecutor’s office and by establishing an office to audit public procurement. They plan to have low taxes to strengthen the fight against the grey economy and to simplify the tax system, and they propose a project to strengthen the capacities of the State Commission for the Prevention of Corruption.} Levica had a chapter dedicated to the legal system and anti-corruption. Among the measures they proposed are: introduction of strict preventive anti-nepotism measures for protection against family influence in the judiciary and barring the performing of different roles within the same appellate area; non-statutory limitation of criminal charges related to so-called economic crimes and corruption committed by public officials; abolition of corruption as a misdemeanour and making it a criminal liability, with a tightening of penalties and a mandatory ban on performing a professional activities; among others.\footnote{Election programme of Levica, Early parliamentary elections 2020: https://levica.mk/wp-content/uploads/2020/06/2.-Levica-programa-A5-final-za-web-11.06.2020.pdf}

SDSM included: awards for the citizens who report corruption; digital follow-up of reported cases that based of corruption; EU monitoring of cases of grand corruption; transparency of institutions.\footnote{SDSM, Program of activities 2020–2024, parliamentary election 2020: https://sdsm.org.mk/wp-content/uploads/2020/06/Programa-2020_Mozeme.pdf} SDSM is part of the executive, so they have a programme of work for the government. The latest is for 2022-24 which includes anti-corruption measures.\footnote{Program for the work of the Government of the Republic of North Macedonia for the period 2022–2024: https://sdsm.org.mk/wp-content/uploads/2022/02/programa_na_vladata_2022-2024-Copy.pdf} Political parties from the Albanian block do not publish data or resources in Macedonian on their websites. But
the BESA party, for example, do not have programmes published in Albanian on their website either. Neither does the DUI.

In general, all the parties pledge to fight corruption in their programmes and in their electoral campaigns but it is not reflected in the policies they push once they get elected. North Macedonia is still low on the index for the perception of corruption. The political parties in power are lacking significant commitments and efforts to achieve measurable and visible results in the fight against corruption. They are only interested in anti-corruption activities when they are in the opposition.

For example, the Assembly shows little commitment to the fight against corruption as they postpone the review of the annual reports of the main anti-corruption bodies, such as the SCPS (See 10.2.4) and the SAO (See 9.2.4).

Also, in 2023, the Assembly passed amendments to the criminal code in favour of a government proposal that allegedly provided a "quiet amnesty" for corrupt kleptocrats from the ruling parties.1347 CSOs and the opposition criticised the ruling party for essentially “legalising the illegal”.1348

Occasionally the parties are also supportive of the participation of anti-corruption CSOs in legislative amendments, such as the working groups for amendments to the Law on the Prevention of Corruption and Conflict of Interest and the whistleblower protection law in 2023.1349

INTERACTIONS

At the policy-making level political parties are connected to businesses, the media and CSOs. The business community is usually consulted on economic issues. With CSOs, there is regular communication and participation of political party members in various activities such as workshops, training, skill development and other activities organised by the CSOs. The party leaders and members constantly communicate with the media and participate in informative media programmes.

Political party activities are very varied and there is no effective cooperation between the ruling party and the opposition. In fact, in May 2022 the political opposition party VMRO-DPMNE officially declared a blockade of parliament1350 with complaints about the economy, health, education and international politics and after a request for the Prime Minister Dimitar Kovačevski and leader of the largest opposition party, Hristijan Mickoski, to discuss a date for early parliamentary elections. However, the state budget and the session to vote on criminal law amendments were excluded from the blockade.1351

1349 The Platform of NGO’s against corruption was invited to participate in drafting of the legal amendments to those two laws.
PILLAR RECOMMENDATIONS

- The Law for the Financing of Political Parties should establish a more balanced model of public financing of parties between the larger and smaller ones by sharing the percentages of funding more equally among participants in parliamentary elections.
- The Ministry of Finance needs to establish an online platform for political parties to submit their financial reports. This platform should provide a public database with all the financial reports available in a searchable format, this would reduce the burden of reporting and make the data useful for other institutions and transparent for the media and citizens.
- The Ministry of Finance needs to improve the financial reporting template by adding a separate item on political advertisement on social media and to enable online reporting with the possibility of a comparison of the data.
- The Ministry of Justice in cooperation with the SCPC, the SAO and the SEC, as well as other bodies related to the oversight of political financing, need to establish a mechanism for the proper application of legal obligations and apply misdemeanour provisions for violations by political parties in their political finance obligations, in particular for not submitting their financial reports.
- The government and the Assembly need to work together with media associations to find a solution to include regulation of campaigns on social media within the electoral code.
12. MEDIA

SUMMARY

The legal framework related to media is not restrictive in terms of licensing and setting up broadcasting entities; however, online media – for example, online news portals and social media, such as Facebook, Twitter, and so on) – is not sufficiently regulated by law, and disinformation is prolific in internet media reporting along with a lack of professional standards, also noted in the EC report on North Macedonia. Since the country is striving for EU membership, the authorities have made efforts to reduce this gap in legislation by regulating online news portals, as well as video-sharing platforms such as YouTube.

There have also been changes in the financing of media from the state budget. The 2018 amendment to the law\(^{1354}\) established a ban for state institutions, the public sector, local governments, state-owned enterprises and companies with state ownership to advertise in the media. However, on 2 November 2023, parliament passed a decision to adopt a new amendment to the law that will bring back the possibility for government advertising on commercial channels.\(^{1355}\)

The dominating media landscape in North Macedonia is more traditional and depicts programmes and channels that the general public wants to see – sensational news that presents opposing statements by the ruling versus opposition parties on daily events and challenges in the country, entertainment programmes that generally consist of regional music shows, Turkish TV series, morning call-in programmes, among others. There is a lack of an alternative media scene and independent media outlets, and the most popular media are the national state media channels (Kanal5, Sitel, Alfa, Alsat).

Political and business elites in the country have a large influence on the media which has decreased media integrity, professionalism\(^{1356}\) and quality reporting. Journalists also face verbal attacks and legal pressures, often involving defamation lawsuits. Parallel media systems have been established by political parties in power, and journalists, especially female ones, are targeted. Although attacks are reported to authorities, investigations are rarely initiated.

**CAPACITY**

**INDICATOR 12.1.1 RESOURCES (LAW)**

*To what extent does the legal framework provide an environment conducive to a diverse independent media?*

**Score:** 75/100

*The legal framework is mostly conducive to the existence and operations of independent media. Media have the freedom to cover wide-ranging content and are not limited in their scope of broadcasting content. However, plans to reintroduce state funding of the media has raised concerns about media pluralism.*

The legal framework for the media is the Law on Media,\(^ {1357}\) the Law on Audio and Audiovisual Media Services, the Law on Free Access to Information of a Public Character\(^ {1358}\) and the Law on Civil Liability and Defamation.\(^ {1359}\)

To set up broadcast media entities, registration for a licence as a broadcasting company enterprise or non-profit is required. Only universities and educational institutions can broadcast on radio without having to register.\(^ {1360}\)

The Agency for Audio and Audiovisual Media is responsible for granting, terminating or extending licences for

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\(^{1355}\) SDK. "SDSM and VMRO-DPMNE together to pass a law on bribing TV channels with at least €2.3 million annually from the state budget," https://sdk.mk/index.php/makedonija/sdsm-i-vmro-dpmne-se-zdruzhija-da-donesat-zakon-za-potkup-na-televiziite-so-najmalku-2-3-milioni-evra-od-drzhavniot-budhet/, [accessed on 14 November 2023].


television and radio broadcasting. A decision not to grant a licence can be appealed to the agency. The agency has a register of all the entities and persons with a licence to broadcast content, along with the information of the responsible person or owner of the media entity. Also, the agency has to take into account the pluralism in the broadcast content when granting a licence to the broadcaster in order to ensure diversity.

The Law on Media requires electronic publications, online magazines and online media outlets to publish information about their ownership and editorial structure, as well as the names of the journalists writing the online articles.

Any natural person or legal entity can publish print or online media, but they have to be registered in the central registry with the necessary information such as address of the publisher and the name of the print/electronic media/website. Media diversity in terms of languages is ensured in the Law on Audio and Audiovisual Media Services which requires that broadcasters emit content in Macedonian and its Cyrillic alphabet, except in cases when the broadcast content is intended for a different group with a language different than the official one. If the broadcast content is subtitled in a different language than the one in which it was originally made, it must be subtitled in Macedonian or in a language to a minority, which should represent at least 20 per cent of the overall population in Macedonia.

Media programming contributes to developing and raising awareness of equal opportunities, as well as equal participation of women and men in creating programming concepts and content. The Broadcasting Council of the Republic of Macedonia is responsible for reporting each year to the Assembly on how women and men are portrayed and represented in programming concepts and content.

The state financing of media was not allowed with the legislative reforms in the Law on Audio and Audiovisual Media Services. However, in 2022, the government submitted amendments to the Assembly that will enable indirect state budget funding for the media by allowing the government to advertise on commercial channels. This proposal has caused some media non-profits to claim that state financing in the media will contribute to more media bias and even greater polarisation in the media. However, the media community is divided on this question. There is a lot of pressure from national and local TV and radio channels for financing “campaigns of public interest”. There is a perception that corruption in the media occurs before elections. Media associations continued to express concern over legal provisions enabling political parties to use state funding to advertise in the media and about the lack of transparency of party political advertising generally and on online media platforms in particular. However, on 2 November 2023, parliament passed a decision to adopt new amendment to the law.
INDICATOR 12.1.2 RESOURCES (PRACTICE)

To what extent is there a diverse independent media providing a variety of perspectives?

Score: 50/100

While there is a plurality of media sources (in terms of type and topic), they are biased towards the conservative political and social spectrum, due to challenges such as media ownership concentration and threats to alternative journalists.

There are both public (Macedonian Radio Television\footnote{Macedonian Radio Television, MRT, https://www.mrt.com.mk/}) and private media (Nasha TV, Kanal 5, Telma, Alfa TV), national radio stations (Antena 5, Kanal 77, Metropolis, Radio Skopje, Life Radio), and local radio (Radio 105, Akord, BubaMara), newspapers (Sloboden Pechat, Nova Makedonija, Fokus, Veche and Koha), and online news portals (MIA - Macedonian Information Agency - government media portal, Centar.mk, A1on.mk, 24info, Kapital, among others). These outlets cover a range of topics, including politics, economics, culture and entertainment. News in Albanian is covered by the TV channel Alsat-M, the Albanian newspaper Koha and the online media outlets PortalB and Almakos.\footnote{Prizma, Database of Media in North Macedonia, http://mediumi.prizma.mk/mk}

There is, however, a lack of alternative and investigative programmes. It is important to note that the media landscape in Macedonia has faced challenges in terms of media ownership concentration and political influence. Some media outlets have been associated with specific political parties or individuals, which can potentially limit the diversity of perspectives and independence of journalism. Additionally, there have been instances of pressure, threats and attacks on journalists in the country. Such incidents can create an atmosphere of self-censorship and limit the willingness of journalists to pursue critical or alternative perspectives (see 12.1.4).

Despite these challenges, there are still media outlets (such as Prizma\footnote{Prizma, https://prizma.mk/}, Scoop\footnote{Scoop, Center for Investigative Journalism, Macedonia, https://en.scoop.mk/}) and individual journalists who strive to provide independent and diverse perspectives. The rise of digital media has also provided alternative avenues for independent voices and opinions. Online news portals and social media platforms have allowed individuals and organisations to express diverse viewpoints and provide alternative sources of information. Scoop Macedonia\footnote{Scoop Macedonia, CSO for investigative journalism, http://en.scoop.mk/} has produced many investigative and good quality stories and have covered many national and international cases and scandals. BIRN Macedonia is another independent NGO that is part of the regional Balkan Investigative Reporting Network.\footnote{BIRN Macedonia, https://birn.eu.com/network/birn-macedonia/}

Some journalists and media organisations, such as Snezana Lupevska Sozen, who runs the investigative show Kod, prioritise investigative reporting and critical analysis, aiming to present different viewpoints and contribute to a pluralistic media environment.\footnote{KOD Lupevska, YouTube Channel, https://www.youtube.com/channel/UCJWqgAOqccI0VdV0mWraB7bA}

INDICATOR 12.1.3 INDEPENDENCE (LAW)

To what extent are there legal safeguards to prevent unwarranted external interference in the activities of the media?

Score: 50/100

While a number of laws to protect the independence of media exist, the current defamation law enables intimidation and pressure of media and individual journalists. Also plans to re-authorise the government to advertise in private media have been met with concerns for media independence.
The constitution of North Macedonia guarantees freedom of expression and freedom of the press. These constitutional provisions provide a foundational framework for protecting the independence of the media from external interference. The constitution further guarantees the right to protect and not to disclose sources, and prohibits censorship. The constitution only prohibits the dissemination of information that incites cultural, ethnic, religious, gender, racial, national or other forms of intolerance. This is also covered by the Law on Media which prohibits any content that incites military aggression, discrimination, religious or national intolerance.

Laws such as the Law on Protection of Personal Data and the Law on Access to Public Information including the right to protect sources, access information and work without undue pressure further provide journalists with the legal tools to protect their independence.

However, Reporters without Borders note in their 2023 analysis of North Macedonia that lawsuits based on the Law on Civil Responsibility for Defamation are used to intimidate and pressure media outlets, inciting self-censorship.

In July 2021, the Ministry of Justice proposed a new draft of the Law on Civil Liability for Defamation, which establishes the legal principles, procedures and remedies related to defamation cases. The amendment to the law considered recommendations from experts engaged by UNOPS, international legal documents, such as the Council of Europe Resolutions, that provide for prison sentences for defamation, even if they are not actually imposed. It introduced the right to request a public apology or public withdrawal of the statement or content before filing a lawsuit and a significant reduction of the maximum amounts that the court can award as compensation for non-material damage caused by insult or defamation by a journalist in the exercise of their journalistic profession, by editors or the person who replaces them or by a legal entity.

The Association of Journalists of Macedonia and the Journalists’ Syndicate further recommended to amend the Civil Responsibility for Defamation Law and the Criminal Law so attacks on journalists get treated as an attack on an official person, which means that the public prosecutor’s office should act and the penalties for the attackers will be increased. This should contribute to strengthened legal protection for journalists and will close the legal gaps where there was a lack of guaranteed protection for journalists.

A coalition of Macedonian not-for-profit media have raised concerns about the government’s plans to pass a law which will re-authorise the government to advertise in private media, which will likely lead to increased media
bias polarisation. In relation to this bill, Reporters without Borders further highlights concerns about possible influence peddling.

**INDICATOR 12.1.4 INDEPENDENCE (PRACTICE)**

*To what extent is the media free from unwarranted external interference in its work in practice?*

Score: 50/100

In practice, there is political influence due to media ownership and economic pressure on independent media. Attacks on journalists happen but are usually not severe, such as verbal attacks or legal pressure with threats of defamation lawsuits.

The 2023 World Press Freedom Index shows a slight increase from 68.44 (38 out of 180 countries) in 2022 to 74.35 (57 out of 180 countries).

However, the analysis from Reporters without Borders also notes that the media is often subject to pressure by the authorities, politicians and businessmen. Parallel media systems have been established by the two largest parties SDS, (in power) and VMRO-DPMNE.

The 2023 analysis further notes that journalists are regularly targets of verbal attacks and legal pressure in the form of gag proceedings or SLAPPs based on the Law on Civil Responsibility for Defamation (see 12.2.3). However, it also notes that a special prosecutor was appointed to uphold press freedom and handle attacks against it. In a report published in March 2022, the Association of Journalists of Macedonia stated that, compared to 2020, threats in 2021 had decreased, but have also taken new forms, targeting more female journalists. Although all of the attacks were reported to the police and the public prosecutor’s office, no further investigations were ever opened.

**GOVERNANCE**

**INDICATOR 12.2.1 TRANSPARENCY (LAW)**

*To what extent are there provisions to ensure transparency in the activities of the media?*

Score: 75/100

In general, the legal provisions and individual rules and codes of media outlets seek to establish full transparency with regard to relevant media activities. However, there is need for inclusion on the names of internal staff, authors of the articles and original articles when the information is rewritten form another media.

Print media as well as registered broadcast companies, are required to disclose their ownership. According the Law on Media, the media outlet is required to publish information such as its address, ownership, responsible

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1397 Ibid
person for the media outlet, and the responsible editor(s) in accordance with the internal structure of the organisation, as well as the address of the press where the print media was produced and the number of printed media produced.\footnote{Law on Media, Article 14, Official Gazette of RM, No. 184/2013, https://dejure.mk/zakon/zakon-za-mediumi#} Additionally, broadcasters have to submit data to the agency on their ownership structure, technical data and financial information. The broadcasters are required to disclose this information at the beginning or end of the audio/audiovisual programme. Besides the ownership structure and responsible persons, the media publisher is required to disclose the information of the author of the published content.\footnote{Law on Media, Article 15, Official Gazette of RM, No. 184/2013, https://dejure.mk/zakon/zakon-za-mediumi#}

INDICATOR 12.2.2 TRANSPARENCY (PRACTICE)

To what extent is there transparency in the media in practice?

Score: 75/100

While most media outlets usually disclose relevant information on their activities, there are media portals that lack contact information, addresses, information about their ownership or organisational structure and fail to provide sources for their published information.

In general, print and broadcast media outlets disclose their ownership, editing policies, internal staff and so on, although there are also media outlets that do not have this information published. The online media outlet Prizma has published an online database\footnote{Prizma. Database of Media in Macedonia, http://mediumi.prizma.mk/mk} of media and print outlets with the relevant information. For example, the online media A1-ON has published its e-mail address, location\footnote{TV A1-ON. Contact information https://a1on.mk/kontakt/} and staff,\footnote{TV A1-ON. Impressum, https://a1on.mk/impressum/} although there is not a phone number available, which should be published and visible according to the Law\footnote{ibid} on Audio and Audiovisual Media Services.\footnote{Law on Audio and Audiovisual Media Services, Article 28, Official Gazette of RM, No.184 26 December, 2013} One of the five biggest national TV broadcasters, Kanal 5, has the relevant information published and there is data to be found in terms of its ownership structure as well as history of ownership since its existence and establishment in 1998.\footnote{One of the biggest national TV broadcasters Kanal 5, http://mediumi.prizma.mk/mk/medium/kanal-5}

One of the oldest established newspapers in Macedonia is the daily Nova Makedonija that exists since 1944. It has all the necessary relevant information available in terms of contact, ownership and internal structure. Besides being a print media, it also has its web-portal. Moreover, the TV broadcaster Alsat-M\footnote{Alsat-M, one of the biggest national TV broadcasters of bilingual programming, https://alsat.mk/} is one of the first TV broadcasters with a national concession that is bilingual, broadcasts in both Albanian and Macedonian. Other media broadcasters also have programmes in both languages.\footnote{Alsat-M, media information, http://mediumi.prizma.mk/mk/medium/alsat-m}

The 2023 EC progress report for Macedonia notes that there is a lack of transparency in paid political advertising in online media since there is no specific law regulating these media.\footnote{EC Progress Report on Macedonia for 2023: https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_693%20North%20Macedonia%20report.pdf, p.32, Accessed on 14 November 2023} It recommends stronger self-regulation for online media, in particular through the promotion of a registry of online media (promedia.mk) and the development of professional standards for online journalism.\footnote{Ibid}

As required by law, the media regulator publishes a register of broadcasting and print media, including information on the number of employees and type of employment.\footnote{Ibid}
INDICATOR 12.2.3 ACCOUNTABILITY (LAW)

To what extent are there legal provisions to ensure that media outlets are answerable for their activities?

Score: 100/100

Comprehensive legal provisions and mechanisms are in place to ensure the accountability of media outlets.

The Audio and Audiovisual Media Services performs oversight of broadcast media, especially in periods of elections, election campaigns and paid political advertising, and is responsible for granting or terminating broadcasting licences for media operators. The agency also performs programme, administrative and expert supervision. The programme and administrative supervision may be systematic, ad-hoc or controlled supervision.

The supervision of media content is limited to ensuring the protection of minors and compulsory broadcasting of special government or state-of-emergency announcements.

Moreover, the supervision can be performed by the agency to ensure that the requirements related to technical, spatial and personnel are satisfied. However, this supervision should be done with prior notice from the agency and provide a justification for it.

Moreover, the Law on Media outlines obligations that broadcasters need to fulfil to ensure transparency, accountability and visibility within the scope of their work. The broadcasters have until 31 March to provide data to the agency of ownership structure, the name and location of the legal person or the address of the physical persons who are shareholders with the publisher of the medium, with data on the percentage of shares they acquired and the date of acquisition. Additionally, broadcasters need to submit data related to the sources of financing in the previous year (advertising, sponsorship, content sale, other type of services); data related to income and expenditures, viewership or listenership of the broadcaster in the previous year. Besides submitting this data to the competent regulatory body, they also need to publish this data on their own programmes at least three times in a year.

According to Article 142, paragraph (3) of the Law on Audio and Audiovisual Media Services, financial reports need to be submitted to the Agency for Audio and Audiovisual Media Services and need to include all the financial information related to income and expenditure in the previous year. If this obligation is not fulfilled by the media broadcasters, there are financial fines to the legal entity and the responsible person of the legal entity.

The Council of Media Ethics of Macedonia (CMEM) is a non-governmental organisation which receives complaints from the public and institutions with regards to information published in the media which violate the professional standards and the Code of Journalists. This council is a member of the Alliance of Independent Press Councils of Europe (AIPCE) that maintains and promotes ethics and professional standards in the media. It functions as a body of self-regulation of the media. The council publishes the complaints and the outcomes of the complaints on their website. In addition, media outlets can submit complaints about other media that have breached rules.

1411 Competencies of the Agency for Audio and Audiovisual Media Services, https://avmu.mk/en/agencyys-competences/
1412 Law on Audio and Audiovisual Media Services, Article 29, paragraph (1), Official Gazette of RM, No.184 26 December, 2013
1413 Law on Media, Article 15, paragraph (1), pg. 80, Official Gazette of RM, No. 184, 26 December, 2013
1414 Law on Audio and Audiovisual Media Services, Article 142, paragraph (3), Official Gazette of RM, No.184 26 December, 2013
1415 https://avmu.mk/закон-за-аудио-и-аудиовизуелни-медиум/
1416 The Council of Media Ethics of Macedonia is an independent body of self-regulation of the media through the application of moral sanctions on those who do not observe the professional standards and the code of journalists, https://semm.mk/en/sovet-za-etika-3/za-nas
The decisions are published on the website of the council and delivered to the media that has breached the rules or code, and the decision should then be published on the outlet’s website within three days.\textsuperscript{1417}

**INDICATOR 12.2.4 ACCOUNTABILITY (PRACTICE)**

*To what extent can media outlets be held accountable in practice?*

**Score: 75/100**

*In general, media outlets have to answer for their activities to stakeholders. There are sector-wide accountability mechanisms, which work effectively. However, there is no media ombudsperson.*

The Agency for Audio and Audiovisual Media Services conducts public meetings twice a year where they present the activities it has implemented in accordance with its annual work programme. Moreover, at these meetings, there is information related to media outlets and broadcasters that have breached the rules related to the compulsory legal provisions for broadcasting.\textsuperscript{1418} For instance, at the Agency for Audio and Audiovisual Media Services’ second public meeting for 2022, on 29 June 2022, there were findings that broadcasters had breached the legal provisions and that the agency had brought misdemeanour provisions to certain media broadcasters. The most frequent violations, as pointed out by the agency’s department of legal affairs and public procurement covered the obligations to broadcast originally created programmes, provide information that should be made available to the users and ensure minors’ protection.

According to statistics published by the press complaints commission in 2020, the most common breaches were incorrect and unchecked information, absence of “second source of information” and absence of at least a two mutually unrelated sources (73 breaches or 67 per cent in total for 2020). Furthermore, 21 breaches or 19.2 per cent for 2020 were because a journalist had not made a distinction between facts and opinions, news and commentary.\textsuperscript{1419}

However, there is no media ombudsperson nor is there a public official who acts as a media ombudsperson.

**INDICATOR 12.2.5 INTEGRITY MECHANISMS (LAW)**

*To what extent are there provisions to ensure the integrity of media employees?*

**Score: 100/100**

*Comprehensive mechanisms are in place to ensure the integrity of media employees.*

There are several codes of ethics, guiding principles and guidebooks prepared by the Association of Journalists of Macedonia, the Council of Media Ethics of Macedonia, and others.\textsuperscript{1420}

For instance, the Council of Media Ethics of Macedonia has prepared some guiding points for ethical reporting in online media,\textsuperscript{1421} the Code of Journalists in the Online Sphere. There is also a self-regulatory code of professional

\textsuperscript{1418} Agency for Audio and Audiovisual Media Services. Agenda. https://avmu.mk/dneven-red/
\textsuperscript{1420} Guide for Ethical Reporting of the Online Media (application of the code of journalists in the online sphere), Council of Media Ethics in Macedonia; https://bit.ly/3Adarfl
\textsuperscript{1421} Guide for Ethical Reporting of the Online Media (application of the code of journalists in the online sphere), Council of Media Ethics in Macedonia; https://bit.ly/3Adarfl
ethical practices for digital publishing in Macedonia published by the Association for Interactive Publishing (IAB Macedonia), which is a non-profit organisation.

There is a Code of Journalists of Macedonia prepared by the Association of Journalists of Macedonia and distributed to all registered media. This code was first published in 2001 and contains guiding principles that broadcasters have to follow and implement in their work.

In general, there is no universal mandatory code of ethics for media employees, but there are individual voluntary codes that media organisations implement. Additionally, media outlets and broadcasters need to keep their work to the ethical standards compulsory by the laws related to non-discrimination, impartiality and to abide to the principles of legality, constitutionality and prohibition to encourage cultural, ethnic, religious, gender, racial, national, or any other form of intolerance.

There is also a charter for ethical reporting during local election campaigns that was conducted in 2021 and produced by the Media Ethics Council in Macedonia for journalists, editors and broadcasters to provide non-biased and objective information so that certain principles will be followed and respected in terms of professionalism, impartiality and integrity.

**INDICATOR 12.2.6 INTEGRITY MECHANISMS (PRACTICE)**

*To what extent is the integrity of media employees ensured in practice?*

Score: 50/100

While the Agency for Audio and Audiovisual Media Services and the Media Ethics Council inquire and sanction misbehaviour, there are still numerous integrity violations.

The Media Ethics Council is an independent organisation that advocates for ethics and respect of the professional standards in the media and by the media, promoting ethical and professional journalism and the principles, norms and rules related to these standards.

Additionally, the Media Ethics Council provides the opportunity for citizens, organisations and others to report on media portals and broadcasters that breach the rules and standards of reporting to the Commission for Complaints in the Council. The council publishes these complaints and their decisions on its official website.

The reporting of the media that have breached the standards designated by laws and the journalists’ code of ethics can be done through the Media Ethics Council’s website by filling a form and submitting it along with related files and documents.

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1424 Law on Audio and Audiovisual Media Services, Article 111, Official Gazette of RM, No.184 26 December, 2013


1426 The Council of Media Ethics of Macedonia (CMEM) is a non-governmental, non-political and non-profit organization, which is a body of media self-regulation through the application of moral sanctions on those who do not observe the professional standards and the code of journalists, https://semm.mk/en/sovet-za-etiika-3/za-nas


1428 Media Ethics Council of Macedonia. Submit a Report, https://complaints.semm.mk/?page_id=33
At their second public meeting on 29 June 2022, the Agency for Audio and Audiovisual Media Services presented the public reprimands they had given to broadcasters\textsuperscript{1429} for breaching the programme standards.

In 2021, there were 34 public reprimands and criminal proceedings, whereas in the first six months of 2022 there were 20 that have breached articles of the Law on Media and Law of Audio and Audiovisual Media Services. If the media outlet does not respond to these reprimands with a correction, then the agency initiates criminal proceedings in the event that the violation continues. Other measures may be followed in more serious situations, such as licence revocation or removal from the registry of media broadcasters.

\section*{ROLE}

\subsection*{12.3.1 INVESTIGATE AND EXPOSE CASES OF CORRUPTION PRACTICE}

\textit{To what extent is the media active and successful in investigating and exposing cases of corruption?}

\textbf{Score: 25/100}

\textit{In general, the task of investigating and exposing individual cases of corruption is neglected by the majority of media, but there are some investigative outlets and programmes that regularly uncover corruption cases.}

There are well-known media non-profit organisations (Scoop, IRL, Prizma) that are active in investigative journalism. Another is the Investigative Reporting Lab (IRL)\textsuperscript{1430} which is also part of the OCCRP global network that uncovers corruption cases involving high-profile actors in the country. Investigative journalists collaborate with civil society organisations\textsuperscript{1431} and often write stories and depict corruption cases. Moreover, there is an investigative show that runs once a week on one of the biggest national broadcasters, Kanal 5 TV, called KOD with the journalist Snezana Lupevska Sozen that uncovers corrupt schemes and focuses on high-profile cases and stories involving key politicians and businesspeople. It also depicts simulations based on current facts, statistics and data.\textsuperscript{1432}

In July 2022, there was one investigative report presented by the IRL that involved the well-known and distinguished hospital regarding treatments during the COVID-19 pandemic. IRL’s research and the documentary\textsuperscript{1433} is publicly available and has initiated a case by the public prosecutor’s office.

\subsection*{12.3.2 INFORM THE PUBLIC ON CORRUPTION AND ITS IMPACT}

\textit{To what extent is the media active and successful in informing the public on corruption and its impact on the country?}

\textbf{Score: 50/100}

\textit{While media outlets pay some attention to informing the public on corruption and its impacts, reports are often limited, biased and/or of poor quality.}

\begin{thebibliography}{10}
\bibitem{1430} Investigative Reporting Lab Macedonia. CSO active in the investigative journalism in Macedonia, https://irl.mk/en/
\bibitem{1431} Scoop, Investigative Reporting Lab (IRL)
\bibitem{1432} Investigative the Show KOD (Code) with journalist Snezana Lupevska-Sozen, https://www.youtube.com/channel/UCJYWgA0qcAtOIt5oMwraB7bA; https://arhiva.telma.com.mk/kategorija/kod/
\end{thebibliography}
In general, the national TV media broadcasters (Kanal 5, Sitel, Alsat-M, Alfa) report and inform the public on corruption related cases and claims, but there is lack of any educational or preventative information on corruption.

A lot of coverage was given to the Corruption Perceptions Index for 2021 and Transparency International Macedonia the press conference in 2022 for the low score Macedonia received (ranked 87 out of 180 countries, with a score of 39 out of 100). The press conference and the announcement were covered by more than 40 different media outlets/portals in both Macedonian and Albanian languages. Additionally, in August 2022, a publication on the vulnerabilities to corruption in urban planning and construction was reported by around 30 media outlets/portals.

**INDICATOR 12.3.3 INFORM PUBLIC ON GOVERNANCE ISSUES**

*To what extent is the media active and successful in informing the public on the activities of the government and other governance actors?*

Score: 50/100

While media outlets pay some attention to informing the public on governance issues, reports are often limited, biased and/or of poor quality.

In general, the trending topics and the daily reporting by the media revolves around government activities and activities related to the country’s EU integration process. There have been concerns following the government announcement that it would lift the ban on government advertising in private media as some have said this would contribute to the lack of media independence in news reporting. This statement was also supported by the Agency for Audio and Audiovisual Media Services, which has publicly stated that the amendments to the Law on Audio and Audiovisual Media Services are unclear, lack transparency and that the public funds should not be used for financing “public campaigns” that are unclear in their nature. This also contributes to the risk of corruption in the media and unbiased media reporting on government activities.

The media is the main source of informing the public on government activities. However, there are media outlets such as Kurir, Republika or Alfa TV that are at times subjective and favour the current opposition party’s interests or rely on scarce sources of information, while other media are in favour of the governing parties. In order to be informed in an objective manner, the public should also rely on other sources of information or media.

**INDICATOR 12.3.4 GENDER**

*To what extent does the media include women’s voices?*

Score: 50/100

Only some news portals feature women’s voices and perspectives and cover issues such as sextortion, female unemployment, reproductive rights, family and political violence on women.
The Law on Equal Opportunities for Women and Men obliges broadcasters to promote programmes that raise awareness to equal opportunities and participation of women and men in the creation of the programme concepts and content.\textsuperscript{1439}

Moreover, in November 2021, the agency adopted the guidelines of the Agency for Audio and Audiovisual Media Services on monitoring the reporting standards in cases of gender-based violence in the media. The guidelines aim to provide the media and all stakeholders with information on: reporting gender-based violence; an outline of the most important relevant international documents and domestic legislation; and the good practices to be followed in reporting. Further monitoring is required to determine whether these guidelines are followed by the media, and the agency will publish reports on this.\textsuperscript{1440}

The biggest national TV broadcaster Telma has the investigative documentary KOD (Code) exposing corrupt schemes\textsuperscript{1441} and run by the journalist Snezana Lupevska; the programme is also shared on the YouTube channel KOD Lupevska.\textsuperscript{1442}

Also, Kanal 5, which is one of the five biggest national broadcasters, has a show called Samo Vistina (Only Truth), which includes interviews with politicians and other relevant actors on current, trending and important relevant to the public. The show is run by six journalists, out of which five are women.\textsuperscript{1443} Moreover, another national TV channel, Alsat-M, has a political talk show Patot kon... (The path towards...)\textsuperscript{1444} run by a female journalist.

However, there is a need for more stories that focus on raising awareness about the problems women face in society. In the recent years, many areas where covered and questions asked about sextortion, female unemployment, reproductive rights, family and political violence on women, among others.\textsuperscript{1445} In the future, these issues need to be more represented in the media in order to open space for finding solutions and improving situations which stigmatise women.

**INTERACTIONS**

The ombudsperson, law enforcement agencies and public prosecutor’s office need to strengthen their cooperation with media organisations such as the Association of Journalists in Macedonia to cooperate in cases of attacks on journalists.\textsuperscript{1446} The Association of Journalists signed a Memorandum of cooperation with the ombudsperson in 2019 where both parties have agreed to cooperate on security for journalists.\textsuperscript{1447} Transparency International Macedonia collaborates with journalists to publish investigative stories that illustrate societal paradigms.\textsuperscript{1448}

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\textsuperscript{1440} Prof. Dr. Katharine Sarikakis, Council of Europe. Guidelines of the Agency for Audio and Audiovisual Media Services on monitoring the reporting standards in cases of gender-based violence in the media, Horizontal Facility for Western Balkans and Turkey 2019-2022, https://bit.ly/3dxhcwe

\textsuperscript{1441} Investigative Documentary KOD, https://arhiva.telma.com.mk/kategorija/kod/

\textsuperscript{1442} Snezana Lupevska Sozen. KOD Lupevska, investigative documentary, https://www.youtube.com/channel/UCJWqgAQcAI0rVoMwrAB7bA/featured

\textsuperscript{1443} Samo Vistina (Only Truth), Talk show, Kanal 5 TV, https://kanal5.com.mk/-samo-vistina/a362230

\textsuperscript{1444} Alsat M TV. Patot kon... (The path towards), Talk show, https://alsat.mk/mk/category/tv-alsat-2/emisii/patot-kon/


\textsuperscript{1447} Ibid, pg. 35,

\textsuperscript{1448} Miomir Serafinovik. Nobody accountable for the lack of public water, https://transparency.mk/2021/07/14/vodata-%d1%98a-snemuva-niz-vodovodnite-czvki-a-niko%d1%98-ne-odgovara-za-gube%d1%9aeto/
PILLAR RECOMMENDATIONS

- The Academy for judges and prosecutors along with the Council of Media Ethics of Macedonia and the Agency for Audio and Audiovisual Media Services needs to provide training to judges for the correct application of the Law on Defamation and Insult in accordance with international standards and practices, guaranteeing that state and party officials refrain from lawsuits against investigative journalists and the media for revealing information of public interest.

- Media owners need to give full legal protection to their journalists in court processes conducted against them after publishing articles on corruption. That way, journalists will feel encouraged to investigate and report on corruption in the knowledge that the media is behind them.

- Journalists should use more sources of information about corruption and not rely only on state institutions’ sources. Moreover, they can research the systemic problems uncovered by their findings and which allow for corruption.
13. CIVIL SOCIETY

SUMMARY

OVERALL PILLAR SCORE:
CAPACITY SCORE: 62.5
GOVERNANCE SCORE: 50
ROLE SCORE: 62.5

Indicators scores: law and practice

By June 2023, a total of 11,134 organisations were registered in North Macedonia and 7,957 of them were active, according to data provided by the Central Registry of North Macedonia (CRNM). However, the 2021 CSO Sustainability Index report for North Macedonia notes that the data publicly listed by CRNM lacks precision and should be considered with caution.

There is a variety of advocacy and service delivery CSOs. In terms of anti-corruption work, in 2014, 15 CSOs, growing to 18 CSOs in 2023, joined forces to build the Platform of Civic Organisations for the Fight against...

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The platform is active in joint activities for legislative anti-corruption reforms, is involved in working groups for legislative changes in the area of anti-corruption and good governance, and some member organisations also collaborate with the SCPC in this regard.

Table 13.1: CSOs participating in the Platform of Civic Organisations for the Fight against Corruption.

<table>
<thead>
<tr>
<th>Name of organisation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association for Democratic Initiatives</td>
<td>ADI aims toward inclusion, based on equality and non-discrimination, for any individual or group to freely participate in the democratic process.</td>
</tr>
<tr>
<td>Institute for Democracy/Societas Civilis Skopje</td>
<td>IDSCS is working towards promoting the active engagement of citizens to balance social and economic development.</td>
</tr>
<tr>
<td>Coalition for a Fair Trial for All</td>
<td>The coalition monitors court cases in the basic court of Skopje in the area of organised crime and corruption.</td>
</tr>
<tr>
<td>Macedonian Center for International Cooperation</td>
<td>In 2013, MCMS began an active contribution to the fight against corruption through USAID’s anti-corruption programme. MCMS initiated the Platform of Civil Society Organisations for the Fight against Corruption and implements a project to monitor the implementation of anti-corruption legal obligations, transparency and accountability by the SCPC.</td>
</tr>
<tr>
<td>MOST</td>
<td>MOST works on mobilising citizens to use their democratic rights, and on increasing the democratic capacity of CSOs, institutions and political actors.</td>
</tr>
<tr>
<td>Metamorphosis</td>
<td>Metamorphosis works on the transparency, accountability and political responsibility of public officeholders and politicians.</td>
</tr>
<tr>
<td>OHRID Institute</td>
<td>The OHRID Institute for Economic Strategies and International Relations provides research and analysis in the political sphere as well as policy-making.</td>
</tr>
<tr>
<td>Transparencies International Macedonia</td>
<td>TI-M monitors the implementation of anti-corruption laws, strategies and international standards, as well as advocacy and the creation of policies for greater transparency and accountability in public institutions.</td>
</tr>
<tr>
<td>Transparency Macedonia</td>
<td>TM aims to strengthen good governance at the national and local levels, improve standards and anti-corruption practices in the state sector, promote anti-corruption standards among political parties, business and civil society and raise public awareness of anti-corruption measures.</td>
</tr>
<tr>
<td>Open Society Foundation Macedonia</td>
<td>OSF Macedonia implemented numerous projects in the fight against corruption in the country.</td>
</tr>
<tr>
<td>Center for Strategic Research and Documentation</td>
<td>The CSRD works on the inclusion of citizens in processes of participatory democracy, educating hundreds of citizens and civil activists on how to influence decision-makers.</td>
</tr>
<tr>
<td>Center for Civic Communication</td>
<td>The Center for Civic Communications has focused its work on two groups of mutually related activities: (1) monitoring of state institutions, and on the basis of this,</td>
</tr>
</tbody>
</table>

The Platform of CSOs for the Fight against Corruption was established on 9 December 2014 by 15 organisations, [https://www.antikorupcija.mk/en/%d0%b8%d1%81%d1%82%d0%be%d1%80%d0%b8%d1%98%d0%b0](https://www.antikorupcija.mk/en/%d0%b8%d1%81%d1%82%d0%be%d1%80%d0%b8%d1%98%d0%b0)
The legal framework in North Macedonia allows for the easy establishment and operation of CSOs with some reasonable constraints to protect constitutional freedoms. However, certain laws, such as the 2021 Law on Prevention of Money Laundering and Financing of Terrorism, have increased administrative burdens for CSOs, and the Law on Protection of Personal Data imposes disproportionate costs, particularly on smaller CSOs.

Also, comprehensive legal safeguards exist to prevent unwarranted external interference in CSOs’ activities. CSOs operate relatively freely since the change in government in 2017, but there are cases of political actors verbally attacking CSOs. CSOs are further limited through a large dependency on foreign donors. State funding for CSOs is relatively low, and larger CSOs tend to have more stable funding compared to smaller ones.

In terms of their governance, larger CSOs tend to disclose annual and financial reports, while smaller CSOs struggle with transparency due to limited resources. Oversight, primarily in smaller CSOs, is limited due to overlapping structures between executive and governing bodies. About half of CSOs have a code of conduct or adhere to the sector-wide code from MCIC. Smaller organisations show less adherence to integrity policies. Gender CSO programmes funded by international donors often consider gender, but written gender equality policies are present in only 21 per cent of CSOs.

Some CSOs actively and successfully hold the government accountable, but the proactive public watchdog role of CSOs is not well developed. CSOs are actively engaged in advocating for anti-corruption reforms, but the government sometimes lacks collaborative consultations with them in legislative processes.

**CAPACITY**

**INDICATOR 13.1.1 RESOURCES (LAW)**

*To what extent does the legal framework provide an environment conducive to civil society?*

Score: 75/100

*The legal framework permits the easy establishment and operation of CSOs with reasonable constraints to protect other constitutional freedoms, and the environment became more conducive after the change in government in 2017. However, the 2021 Law on Prevention of Money Laundering and Financing of Terrorism has increased*
the administrative burdens for CSOs and the Law on Protection of Personal Data still causes disproportionate costs, especially for smaller CSOs.\textsuperscript{24}

Article 20 of the constitution states that citizens have the freedom to associate, establish citizens’ associations and become members of such associations as long as their work is not directed towards violating the constitution or inciting military aggression or religious, ethnic, or national hate and intolerance.\textsuperscript{1452}

The CRNM is responsible for the registration of organisations. The registration process is relatively easy and cheap. The registration form is available online on various official websites\textsuperscript{1453} and can be signed digitally.\textsuperscript{1454} To register an organisation, there must be a minimum of five persons of legal age,\textsuperscript{1455} and three have to be residents. A foreign organisation can also be registered, but it requires additional documents, such as the residence status of the responsible person in the organisation and an official translation of the documents for registration.\textsuperscript{1456} Necessary documents include a statute with a mission and vision for its purpose, act of establishment of the organisation, president or executive director, declaration, decision for the establishment by the assembly of the organisation and other documents.\textsuperscript{1457} Costs related to the registration procedure include approximately €39.81 EUR (MKD 2,452).\textsuperscript{1458}

The CRNM has to inform the applicant of registration or if additional documents are required within five days upon the receipt for the request for registration. Also, if the registration is rejected, the applicant is informed and may submit an appeal within 15 days to the State Commission for Decision-making in Administrative Procedure and Employment Procedure in the Second Degree.\textsuperscript{1459}

According to the latest CSO Sustainability Index report from 2021, the 2021 Law on Prevention of Money Laundering and Financing of Terrorism\textsuperscript{1460} has increased the administrative burden for CSOs, including high fines for failure to register a “real owner” in a timely manner. Also, the Law on Protection of Personal Data\textsuperscript{1461} potentially causes disproportionate costs, especially for smaller CSOs.\textsuperscript{1462}
The Law on Donations and Sponsorship in Public Activities\textsuperscript{1463} provides certain VAT and profit tax exemptions and preferential tax rates of 1 per cent.\textsuperscript{1464}

**INDICATOR 13.1.2 RESOURCES (PRACTICE)**

*To what extent do CSOs have adequate financial and human resources to function and operate effectively?*

Score: 50/100

In general, most CSOs tend to have some resources. However, the heavy reliance on foreign funding and lack of sufficient state funding makes many CSOs financially unsustainable and dependent on donor agendas and rules.

According to the Macedonian Center for International Cooperation, CSOs in North Macedonia are largely dependent on foreign donors (for approximately 80 per cent of their budget or more).\textsuperscript{1465} According to the latest CSO Sustainability Index from 2021 this has led to the implementation of donor-driven agendas for some CSOs rather than working on their core missions. The report also notes that larger CSOs tend to have more longer term funding support, while smaller ones often relied on short-term funding.\textsuperscript{1466}

The Civil Society Resource Centre provides a regular newsletter to update CSOs on funding opportunities.\textsuperscript{1467} The dominant funding source of CSOs are foreign donors, including: United States Agency for International Development, the European Union, the Embassy of the Kingdom of the Netherlands, Norwegian Embassy, Cívica Mobilitas programme (from Switzerland), and others. However, the requirement for co-financing by the EU presents an obstacle for some CSOs, especially as there is no state co-financing support. Also, according to latest CSO Sustainability Index from 2021, CSOs reported constraints on available funds for human resources as an obstacle in EU funds, using external consultants rather than using and strengthening their own capacities. At the local level, the Cívica Mobilitas programme provides smaller grants to local CSOs.\textsuperscript{1468}

As part of the government’s strategy for cooperation with and development of CSOs, central state funding is planned to gradually increase to account for 30 per cent of CSOs’ total revenue (or around MKD 2 million) by 2024. However, progress to meet this goal is rather slow. In the 2022 budget, adopted in 2021, state funding for CSOs was only about 5 per cent of CSOs’ total revenue.\textsuperscript{1469} In the 2023 budget state funding for CSOs is to be 25 per cent.\textsuperscript{1470} In general, the CSOs that receive most state funding are conducting project based work related to health protection, rare diseases, environment protection as well as the promotion of the rights of women and other marginalised groups.\textsuperscript{1471}

In terms of philanthropic donations, according to the latest report published by Catalyst Balkans in 2020, philanthropic donations increased in 2020 in comparison with 2019; more specifically, the number of donations


\textsuperscript{1467} Civil Society Resource Center, https://rcgo.mk/en/


\textsuperscript{1471} Government Budget Allocation Planning for CSOs, https://www.nvosorabotka.gov.mk/?q=mk/node/588

\textsuperscript{1471} Associations and foundations: recipients of government funding 2021, https://www.nvosorabotka.gov.mk/sites/default/files/Pregled%20na%20finansiska%20poddrcka%2020212%20-%20202021_1.pdf
increased for 7.5 times in 2020 with more than €14.7 million donated. This was especially due to increased donations for marginalised groups and the health sector related to the COVID-19 crisis.  

**INDICATOR 13.1.3 INDEPENDENCE (LAW)**

**To what extent are there legal safeguards to prevent unwarranted external interference in the activities of CSOs?**

Score: 100/100

Comprehensive legal safeguards to prevent unwarranted external interference in the activities of CSOs exist.

The Law on Associations of Citizens and Foundation allows for all citizens regardless of their political ideology, religion or objectives to be engaged in CSOs as long as their activities and objectives do not violate the constitution or threaten national security. It also establishes the independence of CSOs in their governance, determination and achievement of the goals and performance of their activities as determined in their statute, in accordance with the constitution or law. The law further states that they should not initiate any political favouritism or promotion of political interests, or participate in financing political parties’ campaigns. There are no regulations allowing for mandatory state attendance at CSO meetings. Also, there are no regulations that stipulate state membership on CSO boards. The structure of CSOs governing boards, assembly and membership structures is for the CSOs to define.

**INDICATOR 13.1.4 INDEPENDENCE (PRACTICE)**

**To what extent can civil society exist and function without undue external interference?**

Score: 75/100

CSOs operate relatively freely since the SDSM led government took over in 2017. However, external actors, such as current opposition parties, occasionally interfere with the activities of CSOs in the form of threatening verbal or written attacks, without significant consequences for their behaviour.

Overall, the civic space in North Macedonia is assessed as “narrowed” by the CIVICUS Civic Space Monitor. Freedom House concludes in their 2022 Freedom in the World report that CSOs that criticise the government operate in a freer and safer environment since the SDSM led government took over in 2017. However, CSOs, especially those that receive foreign funding, face pressure from the VMRO-DPMNE party and its supporters. Also, Levica party members and leaders have targeted civil society with “hate speech” meant to delegitimise their work, as demonstrated in an open letter by several CSOs.

The Macedonian Centre for International Cooperation (MCIC) regularly analyses and surveys Macedonian CSOs, including whether they face pressures, obstruction or influence in their activities. According to their latest survey from 2022, the MCIC CSOs responded that they did not face obstructions or did not respond to this question, which, according to the MCIC, indicates that the operational context for CSOs is enabling them to operate freely and independently.

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1473 Annual Report for Philanthropy, Catalyst Balkans, 12 January 2022, Article 4
1474 Ibid, Article 10
1476 Ibid, Articles 15 to 36
1479 Interview with Snezana Kamilovska Trpovska via ZOOM, Macedonian Center for International Cooperation, 26 December, 2022
GOVERNANCE

INDICATOR 13.2.1 TRANSPARENCY (PRACTICE)

To what extent is there transparency in CSOs?

Score: 50/100

While many larger international CSOs usually disclose legally required annual and financial reports or even go beyond that, smaller CSOs often struggle to be transparent due to lack of resources and capacity.

In a 2020 report analysing survey results of 234 CSOs in North Macedonia, MCIC shows that, even though it is a legal obligation to disclose annual and financial reports, some CSOs fail to do so: 89 per cent of CSOs prepare the report, and only 60 per cent publish an annual financial report on their website. Similarly, 83 per cent prepared a report, and only 52 per cent published an annual narrative report. According to this 2019 survey, more than three-quarters (82 per cent) share contact details of their organisation, but only 33 per cent share information on their governing body members and staff.

According to a 2020 report by the MCIC, larger CSOs are more likely to follow the legal obligations or even go beyond this because they have more capacity to do so. According to the SCPC response to MCIC, smaller CSOs especially lack sufficient public information about their governing structure. This might have contributed to 2018 survey results that showed that citizens in Macedonia believe that CSOs are not fully transparent and independent in their work and there is insufficient independence of CSOs from party influence and corruption in the civil society sector.

According to a representative from the MCIC, the numbers from the 2019 survey have only increased slightly, but once CSOs have signed the code of CSOs available since 2021 (see 13.2.3) their transparency increased in terms of publishing information related to their activities and work.

At a workshop organised by MCIC in July 2022, more than 17 CSOs participated and discussed how to strengthen the implementation of the code in practice for increasing transparency and integrity of CSOs. The code has been signed by 70 CSOs.

INDICATOR 13.2.2 ACCOUNTABILITY (PRACTICE)

To what extent are CSOs answerable to their constituencies?

Score: 50/100

In general, CSO boards and members are only partially effective in providing oversight of CSO management decisions because of overlapping structures between the executive and governing structures in many smaller CSOs.

According to a 2020 MCIC, report 87 per cent of the surveyed CSOs have an assembly as a governing body, 70 per cent have a board, 61 per cent have an executive body and 50 per cent have a supervisory body. The report

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1483 Interview with Snezana Kamilovska Trpovska via ZOOM, Macedonian Center for International Cooperation, 26 December, 2022
also notes that more than half of these organisations have a dual non-executive governance structures that includes the assembly and the board,\textsuperscript{1485} which goes back to the old law on citizen associations and foundations, which was replaced in 2010, 2011 and later in 2016 and required this structure.\textsuperscript{1486}

One of the main challenges with regard to accountability, according to the MCIC report, is the weak division of executive and governance functions, with the same people being part of the executive and governing bodies of the organisations. This practice, the report notes, is often related to the way organisations have been established (for instance, by groups of close friends or relatives). It is also rather an issue in smaller organisations with budgets of €2,500 to €100,000. Only 7 per cent of CSOs have a budget of between €500,001 to €1,000,000, and only 3 per cent of CSOs have a budget of more than €1 million and lack the separation of functions.\textsuperscript{1487}

**INDICATOR 13.2.3 INTEGRITY (PRACTICE)**

*To what extent is the integrity of CSOs ensured in practice?*

Score: 50/100

*In general, only half of the CSOs have some form of code of conduct or have signed up to the sector-wide code from MCIC. Since organisations are individually responsible for enforcement, but there is a lack of data on how this is done.*

In 2021, MCIC published the civil society code. This code was signed by more than 50 organisations. It is a voluntary, sector-wide code to improve transparency, accountability and self-regulation among North Macedonian CSOs. The implementation of this code is not regulated. It is the sole responsibility of the CSOs that join it to implement the code, complying with and practicing the commitments, values and standards set out in it.\textsuperscript{1488}

Also, according to a 2020 MCIC report, 55 per cent of surveyed organisations have statutes of the organisation that include conflict of interest rules, 37 per cent have their own ethical code of conduct, 16 per cent have a rulebook on conflict of interest, and 6 per cent have an integrity policy.\textsuperscript{1489}

According to a representative from the MCIC, there is increasing interest from CSOs to sign the code for integrity, transparency and professionalism.\textsuperscript{1490} As for anti-corruption CSOs, the Platform of Civil Society Organisations for the Fight against Corruption have signed the code, which obliges the CSOs to report the implementation of the code in their annual reports.\textsuperscript{1491}

**ROLE**

**INDICATOR 13.3.1 HOLD GOVERNMENT ACCOUNTABLE**

*To what extent is civil society active and successful in holding government accountable for its actions?*

Score: 50/100


\textsuperscript{1488} Civil society code, https://mcms.mk/mk/kodeks-za-go


\textsuperscript{1490} Interview with Snezana Kamilovska Trpovska via ZOOM, Macedonian Center for International Cooperation, 26 December, 2022

\textsuperscript{1491} The code for CSOs has been signed by 51 organisations, 30 November 2021, MCMS https://mcms.mk/mk/vesti-i-javnost/vesti/2351-kodeksot-za-grajanski-organizacii-dosega-go-potpishaa-51-organizacija.html
While some CSOs are active and successful in seeking to hold the government to account, overall, the proactive public watchdog role of CSOs is not well developed.

From 2021 to 2023, some CSOs implemented several successful advocacy campaigns. CSOs contributed to relevant policy-making processes, such as the draft lobbying law, the preparation of the 2021-2025 national strategy for the prevention of corruption and conflict of interest and the selection of candidates for the prevention and protection against discrimination.\textsuperscript{1492}

TI Macedonia is actively following the progress and the implementation of the reforms and politics that the government is implementing. Through its projects TI Macedonia creates advocacy campaigns for the improvement of the legal framework in some areas. For example, in 2021, TI-M developed recommendations for overcoming nepotism in employment procedures in the public sector. These recommendations were submitted to all the relevant institutions and was followed and assessed by TI-M. The reports are publicly available.\textsuperscript{1493} Similar activities were conducted in the area of prevention of corruption in the construction sector.

The Institute for Democracy, for example, followed the work of the State Commission for the Prevention of Corruption and parliament, and the Center for Civil Communication is following the implemented policies and practices in the area of public procurement; other organisations are doing the same in the area of rule of law, and so on.

There are proactive organisations in a public watchdog role; however, there is still a need for more pressure on the institutions for the implementation of the legal framework. Also, the government and the institutions are not always willing to accept the suggested recommendations or their implementation is not done in timely manner.

In 2023, there was strong advocacy activity regarding amendments to the criminal code. Reaction from TI-M\textsuperscript{1494} was followed by reactions from of the Platform of CSOs for the Fight against Corruption\textsuperscript{1495} and the Blueprint Group.\textsuperscript{1496} In 2023, CSOs criticised the government for deteriorating cooperation (see 13.3.2).

**INDICATOR 13.3.2 POLICY REFORM**

*To what extent is civil society actively engaged in policy reform initiatives on anti-corruption?*

Score: 75/100

In general, civil society is quite active in pushing for anti-corruption reforms and participated in the drafting of anti-corruption commitments in North Macedonia’s OGP plan. However, the government is either insufficient in initiating collaborative consultations processes with CSOs on upcoming legal reforms or does not involve them at all.

From 2021 to 2023, CSOs actively pushed and engaged on anti-corruption reforms. The Platform of CSOs for the Fight against Corruption is currently involved in legislative reforms for the preparation of the new draft law on whistleblower protection. The platform also prompted anti-corruption reforms in terms of increased transparency...
in cooperation with the deputy prime minister in charge of good governance through their work on the preparation of a strategy for transparency, which aims to increase the transparency of institutions in the country. This ongoing process is conducted by the Metamorphosis Foundation which is preparing the new strategy for government transparency with an action plan (2023-2026).\textsuperscript{1497}

In 2021, as part of a joint project with TI Macedonia, the SCPC provided recommendations for anti-corruption reforms in state and local institutions.\textsuperscript{1498} These recommendations refer to the need for adopting new amendments to the Law on Public Sector Employees, the Law on Administrative Officials, the Law on the Organisation and Work of State Administration Bodies, and the Law on Salaries of Public Sector Employees. So far these recommendations have only been implemented by publishing draft laws. TI-M regularly conducts follow-up monitoring, which saw an increased political will to implement recommendations.\textsuperscript{1499}

In 2021, TI-M participated in the development of the government’s anti-corruption plan, Action 21, to appoint an authorised person to receive reports from whistleblowers. Moreover in 2023, TI Macedonia on behalf of the Platform of CSOs for the Fight against Corruption participates in the working group for the reform of the law on whistleblower’s protection. The working group was established by the Ministry of Justice and consists of various stakeholders from different areas of society.\textsuperscript{1500}

CSOs are actively participating in the creation of the new action plan for Open Government Partnership 2024-2026.\textsuperscript{1501}

In 2023, the Ministry of Justice formed a working group which is also comprised by representatives from CSOs to work on the implementation of the OSCE/ODIHR recommendations and design a new electoral code. This process is still ongoing.\textsuperscript{1502}

In 2023, the deputy prime minister in charge of good governance policies established a working group to reform the law on confiscation of property in civil proceedings, but the platform decided to withdraw from participation in this group since the working dynamic did not allow effective time for contribution to the text of the law.\textsuperscript{1503} The government has also included a representative from the platform, the Blueprint Group and academia for legislative reforms.\textsuperscript{1504}

Besides these positive examples, the government still fails in some cases to provide possibilities to include CSOs in the decision-making process. CSOs have made public statements regarding the lack of cooperation with the government, informed the public and urged the government to be more open to cooperation.\textsuperscript{1505} Moreover, in 2022, CSOs that are part of the council of CSOs for cooperation with the government expressed their concerns

\textsuperscript{1499} Fourth quarterly report on the implementation of the recommendations, publications, TI-Macedonia, https://transparency.mk/wp-content/uploads/2021/12/chetvrti-kvartalen-izveshta%D1%98-za-monitoring-na-implementaczi%D1%98a-na-preporakite-od-izveshta%D1%98ot-za-proczenka-na-ranlivost-od-korupczi%D1%98a-na-procezduri-za-pravda-%D1%9Ae-vo-%D1%98avnot-sektor.pdf
\textsuperscript{1500} Information on the participation of the Platform of CSOs for the Fight against Corruption in the working group established by the Ministry of Justice related to amending the law on confiscation of property: https://transparency.mk/2023/05/10/sostanok-na-rabotnata-grupa-za-podgotovka-na-predlog-na-zakon-za-zashhtita-na-ukazuvachi/
\textsuperscript{1501} First meeting of the working group for OGP: https://ovp.gov.mk/ен/пр-состанок-на-работната-група-на-OGP/
\textsuperscript{1502} Ministry of Justice. 2023. Working group established for reforms to the electoral code, https://pravda.gov.mk/vest/6527
\textsuperscript{1503} Withdrawal from the working group for creation of the Law on Confiscation of Property in Civil Proceedings: https://www.antikorupcija.mk/%D0%BC%D0%B0%D1%8D%D0%B8%D0%B0%D0%B2%D0%B8/1629
\textsuperscript{1504} Ministry of Justice. 2023. Working group established for reforms to the electoral code, https://pravda.gov.mk/vest/6527
\textsuperscript{1506} Blakan CSD. 2023. Macedonian CSOs Alarmed about Government’s Attitude towards Civil Society. https://www.balkancsd.net/macedonian-csos-alarming-about-governments-attitude-towards-civil-society/
in an open letter to the government about the lack of cooperation from the government, especially in the consultative process for reforms to the law on associations of citizens and foundations.\footnote{The Civil Society sector Alarms about the Government’s Treatment towards CSOs, Open Letter signed by 15 CSOs, 30 January 2023 https://mcms.mk/mk/vesti-i-javnost/vesti/2443-gragjanskiot-sektor-alarmira-za-odnosot-na-vladata-kon-gragjansko-oporodestvo.html}

**INDICATOR 13.3.3 GENDER**

**To what extent are CSO programmes gender-sensitive?**

Score: 50/100

*Primarily, CSO programmes funded by international donors take into account gender as part of the requirements for such funds. Also, CSOs focused on women’s rights collect gender-disaggregated data.*


Overall, gender sensitivity in programme implementation has been highlighted in funding calls from international donors. In this regard, CSOs have started to include gender cross-cutting objectives in the implementation of their programmes even when their project was not focused on gender issues.


**INTERACTIONS**

Most interaction CSOs have are with the government, the SCPC and the media.

In 2021, CSOs actively participated in the drafting of the government’s strategy for cooperation with and development of CSOs for 2022–2024. Generally, the majority of CSOs speak openly about government issues and cooperate well with the government. However, in a meeting in June 2023, MCIC has raised concerns about
the diminished cooperation between the government and the civil sector. Moreover, the council of CSOs for cooperation with the government has urged the government to increase CSO financing, which for 2022 was only 4 per cent of the total revenues of the CSOs. The government provides a website intended for cooperation with the non-governmental sector with information relevant to cooperation with the civil sector. There is a council of government and civil society representatives and representatives, which publishes the results and outcomes of the sessions, as well as a programme for cooperation between the government and the civil society for 2022. The Ministry of Justice presents a positive example for including CSOs in working groups for legislative reforms, such as the working group meetings held once or twice a month for the preparation of the new draft law on whistleblower protection. Moreover, the State Audit Office disseminates a daily newsletter with the latest audit reports conducted in public institutions, municipalities, and so on, to CSOs, media and public institutions. There are institutions that need to be more open and responsive to requests for access to public information, such as the public prosecutor’s office and the Ministry of Interior.

The Platform of CSOs for the Fight against Corruption cooperates with the SCPC by publishing joint announcements on legislative processes and government statements. Moreover, the SCPC collaborates with CSOs on project implementation with, for example, Transparency International Macedonia, on projects related to corruption risk assessments in laws and procedures.

There are also particular CSOs comprised of journalists that publish investigative stories and cases, such as Investigative Reporting Lab (IRL), Scoop, Association of Media Journalists of Macedonia and Prizma. These CSOs also cooperate with other journalists on investigative stories.

**PILLAR RECOMMENDATIONS**

- The government needs to increase state funding for CSOs in 2024 to MKD 2 million (approx. €32,500), so it can meet its goals in the strategy for cooperation with and development of CSOs of providing 30 per cent of CSOs' total revenue.
- The CRNM should provide capacity support to CSOs to comply with the Law on Prevention of Money Laundering and Financing of Terrorism and the Law on Protection of Personal Data before issuing fines, such as training and educational materials.
- The government and public institutions need to involve CSOs more in consultative processes and working groups for legislation changes and other policy-making processes.
- The government should amend the law on defamation to impose restrictions and sanctions on government officials or political party members who engage in public defamation of CSOs.
- The EU should set up a fund with other donors or remove the requirement for co-funding completely for smaller CSOs. Donors should make sure they provide enough funding and capacity building, especially for smaller CSOs, to develop their transparency, accountability and integrity structure.
- CSOs that have overlapping functions between executive and oversight structures need to restructure their functions so accountability and oversight through independent bodies can be ensured.

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1513 MCIC’s project officer on TI Macedonia’s advisory board meeting stated that the cooperation between the government and CSOs has significantly diminished in the last period, as well as consultations with CSOs concerning legislative changes. June 2023
1515 Council for Cooperation between the Government and the CSOs: https://www.nvosorabotka.gov.mk/
employment-policies-and-procedures-with-special-focus-on-nepotism-cronyism-and-clientelism/
1517 Scoop, Investigative Journalism, https://scoop.mk/
1518 Association of Media Journalists of Macedonia, https://znm.org.mk/
1519 Prizma, Media Portal, https://prizma.mk/
14. BUSINESS

SUMMARY

<table>
<thead>
<tr>
<th>OVERALL PILLAR SCORE:</th>
<th>43.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPACITY SCORE:</td>
<td>62.5</td>
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<tr>
<td>GOVERNANCE SCORE:</td>
<td>66.67</td>
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<tr>
<td>ROLE SCORE:</td>
<td>0</td>
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</tbody>
</table>

Indicators scores: law and practice

There is a total of 72,922 business entities in North Macedonia. Most, (47,074) of these are micro-business entities, the remaining are small (24,199), medium (1,010) and large (639) businesses. More than three-quarters of all companies are limited liability companies (LLCs). At the end of 2022, 96 companies were listed on the Macedonian stock exchange, with a capital of about €3,470,000,000.

Most of the smaller companies act in the areas of trade, construction and manufacturing, and the larger companies are in the areas of trade, services, industry and financial operation, insurance and telecommunication. Company

1521 Ibid.
1522 Macedonian Stock Exchange, Annual Statistical Newsletter, https://www.mse.mk/Repository/Reports/%D0%91%D0%B8%D0%BB%D1%82%D0%B5%D0%BD%D0%B8%202018/Bilteni%202022/Bilten%20Godisen%202022.pdf, p.1. [accessed on 15.08 2023].
registration is done at the central register. The national bank supervises the financial sector, including saving and e-money issuers. The securities exchange commission supervises the Macedonian stock exchange and the companies listed on it. The business sector is supported by chambers of commerce that support private sector development.

Legislation in the business sector is mostly favourable to businesses. Registration is quick and cheap. However, closing down a business is particularly challenging and costly, and delays in VAT returns and government payments affect business liquidity. A number of laws ensure the independence of private companies, but the laws have changed often, and they are unnecessarily prescriptive, which creates uncertainty for the business sector.

The central register is responsible for maintaining data on registered companies, and information is readily accessible to the public. There is usually transparency, with financial accounts made publicly available and relevant authorities reporting required information. However, there is a lack of information on state aid to the business sector and no national certification system for internal auditors.

The legislation provides a good foundation for effective corporate governance in practice, particularly for banks and larger companies. However, there is no agency that oversees the implementation of relevant regulations.

While larger companies tend to adopt their own codes of conduct, sector-wide codes are often missing, except for the banking sector. In the realm of public procurement, the law bans conflicts of interest, but there is no requirement for bidders on public contracts to have ethics codes. There is also no official statistic on the prevalence of bribery in the private sector.

While there are legal safeguards against external interference, weak judiciary and administrative irregularities hinder the business sector’s effectiveness. Corruption remains a concern, affecting the economy’s informal sector.

There is dialogue between the government and business associations, but the business sector tends to complain that few of their initiatives get adopted. The business sector shows little interest in pushing anti-corruption issues associated when meeting with the government and there are no links between business and civil society.

CAPACITY

INDICATOR 14.1.1 RESOURCES (LAW)

To what extent does the legal framework offer an enabling environment for the formation and operations of individual businesses?

Score: 75 /100

The legal framework generally creates a business friendly environment for the formation and operation of a business. However, frequent changes (amendments) in legislation and extensive laws with long procedures create some hurdles for opening and closing a business.

The Law on Trade Companies\textsuperscript{1523} regulates company registration, which is the done by the central register. The procedure for registration is not complicated. Registration of property consists of six steps.\textsuperscript{1524} The Law on Bankruptcy regulates the closing down of businesses, which determines a very extensive procedure with


https://archive.doingbusiness.org/content/dam/doingBusiness/country/n/north-macedonia/MKD.pdf [accessed on 08 January 2023].
complicated provisions, and this law does not provide clear procedures, clear sanctions or precise deadlines for bankruptcy administrators, which are appointed by the court. The law was adopted in 2006 and amended eight times, and does not correspond with the present conditions in the business sector. Also, the law is unnecessarily extensive, with 366 articles. According to the president of the Macedonian Chambers of Commerce, frequent amendments in regulation and complex administrative procedures are obstacles to businesses operating. The new law on bankruptcy, intended to facilitate market exit by reducing the cost and time of procedures, has still not been adopted despite requests from the business sector and as noted in the 2022 EU progress report. Also, according to the executive president of the business confederation, the bankruptcy procedure is unjustifiably long. An additional 2022 EU report underlines that North Macedonia made no progress on simplifying administrative procedures and that the law on general administrative procedures is not yet systematically implemented across the administration.

A number of other laws are favourable for companies. Individual income and corporate tax rates are a flat 10 per cent. According to the Law on Innovative Activities, there is an innovation and technology development fund which co-finances projects based on innovation and technological development, including for start-up companies. The Law on the Protection of Competition regulates measures to ensure free competition and forbids market monopolies. It also establishes the competition protection committee which is authorised to enforce the law. According to the Bertelsmann Transformation Index for North Macedonia, private companies are given functioning legal safeguards. Property rights are guaranteed in the constitution and only public interest property rights can be limited. In such cases, the state must compensate the owner at the market value of the property. The owner can dispute the decision to expropriate their property in court. Intellectual property rights are regulated by the Law on Intellectual Rights and Related Rights and in the Law on Industrial Property. Besides these laws, the rulebook on trademarks regulates registration procedures, evidence requirements, databases and protection of trademarks. The obligations law provides protection and compensation for damages to businesses. The Law on Civil Procedure regulates court procedures for the protection of companies’ rights.
The 2022 EU progress report notes that the country needs further efforts to align intellectual property rights with the EU, notably the collective rights management system, by aligning with the collective rights management directive, industrial property rights, enforcement directive, the EU on design and with the trade secrets directive.\textsuperscript{1541}

**INDICATOR 14.1.2 RESOURCES (PRACTICE)**

**To what extent are individual businesses able in practice to form and operate effectively?**

Score: 50/100

The legislation enables the effective operation of the business sector in practice. However, there are some problems in its implementation, especially in complex procedures for closing down businesses and frequent changes in the legislation that create obstacles to businesses operating more effectively.

The central register deals with company registration and its website clearly shows the procedures for registration in three steps,\textsuperscript{1542} a process that is easy and cheap.

The World Bank ranks the country at 47 out of 190 countries in enforcing contracts.\textsuperscript{1543} According to a professor of economics at the School of Business Economics and Organizational Science at the University American College Skopje, business regulation is strong, but in some cases, there are problems in its implementation because it is not always clear which institution is responsible for dealing with some matters and some procedures are too long. This is especially the case in the procedure for closing down a business,\textsuperscript{1544} such as getting opinions from different institutions as a prerequisite for the final decision from the institution that is ultimately responsible and the vague distinctions of responsibilities between different inspection bodies.\textsuperscript{1545} The 2022 EU progress report underlines that North Macedonia had made no progress on simplifying administrative procedures. The law on general administrative procedures is not yet systematically and practically implemented across the administration.\textsuperscript{1546}

The average cost of closing a business is approximately €510 and the taxes for preparing the procedure are approximately €25. The president of the Macedonian chambers of commerce emphasised that the process for filing for bankruptcy is often unjustifiably delayed by the bankruptcy managers appointed by the court.\textsuperscript{1547} The executive president of the business confederation also agrees that closing down a business takes a long time.\textsuperscript{1548}

According to the president of the Macedonian chambers of commerce, the government has accelerated VAT returns, and there are no objections about the VAT return process since 2021,\textsuperscript{1549} which, since 2021 is faster. This contributes to the financial liquidity and effectiveness of the business sector. Additionally, he noted that


\textsuperscript{1544} Law on Bankruptcy, Official Gazette of RM, No 34/06 34/06, 126/06, 84/07, 47/11, 79/13, 164/13, 29/14, 98/15 and 192/15).

\textsuperscript{1545} Interview with Marjan Petreski, Professor of Economics at the School of Business Economics and Organizational Science at the University American College Skopje, Skopje, January 12 2023 and June 8 2023.


\textsuperscript{1547} Interview with Trajan Angeloski, President of Macedonian Chambers of Commerce, Skopje, 18 January 2023 and 16 August 2023.

\textsuperscript{1548} Interview with Mile Boskov, Executive President of Business Confederation, Skopje, 21 January 2023 and 12 August 2023.

\textsuperscript{1549} Interview with Trajan Angeloski, President of Macedonian Chambers of Commerce, Skopje, 18 January 2023 and 16 August 2023.

government payments to companies for procurement contracts are often delayed, even though by law they have to be completed within 30 days. This affects the financial liquidity of business contracts with the state.

According to the 2022 Index of Economic Freedom, property rights and contractual rights are recognised, and the country respects the ability of individuals to accumulate private property, secured by clear laws that are fully enforced by the state. In the sphere of property rights, North Macedonia is at 48 out of 190 countries. Foreign investors can acquire property if they register a company. In general property rights are well protected.

According to the 2022 Index of Economic Freedom, North Macedonia is ranked 53 out of 177 in the area of economic freedom. In the area of doing business in 2020, the country is ranked at 17 out of 190 countries. Property rights and contractual rights are recognised, but their protection is inconsistent.

**INDICATOR 14.1.3 INDEPENDENCE (LAW)**

To what extent are there legal safeguards to prevent unwarranted external interference in activities of private businesses?

Score: 75/100

There are no significant gaps in the legislation that would compromise the ability of businesses to function free of external influence. The legal framework for a functional private sector is in place. However minor gaps exist in the form of frequent changes (amendments) to the laws.

Legislation governing businesses is generally not overly rigid, but it does tend to change frequently, adding the spectre of unpredictability to running a business. The role of public servants in starting and supporting businesses in registration, licensing, trademarks, and protection of business activities is kept to a minimum, thanks to the introduction of an e-registry.

According to the Law on Trade Companies, the central register can initiate a procedure for deleting companies that do not submit an annual financial report by the end of a given year. The list of these companies is announced on an ongoing basis on the central register’s website. The Law on Administrative Officers regulates professional standards for administrative officers to perform their duties related to the business sector, such as...

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1557 BTI Transformation Index North Macedonia, Country Report, pp.11-12, [https://bti-project.org/en/?cb=00000 [accessed on 08 January 2023].


issuing licences and inspecting their operations. According to the Law on Administrative Procedures, companies can submit a complaint to the second-level commission if they are not satisfied with the decision of the administrative authority. The 2022 EU progress report notes that the 2019 Law on Inspection Supervision (control) implements transparent and consistent procedures for inspection.

As for public procurement, the 2021 Law on Public Procurement aims to avoid unwarranted interference and conflict of interest between public administration services and the business sector. The law describes the obligation to sign a conflict-of-interest statement between public officers and companies for each separate public procurement procedure. Also, the Law on the Prevention of Corruption and Conflict of Interest stipulates provisions that prevent conflict of interest.

The obligation law defines the mechanism for businesses seeking redress in cases of undue external influence. Companies can also seek compensation through court proceedings.

### 14.1.4 INDEPENDENCE (PRACTICE)

**To what extent is the business sector free from unwarranted external interference in its work in practice?**

Score: 50/100

Even though there are mechanisms in place to protect businesses from unwarranted interference, a weak judiciary system and irregularities in public administration lead to some level of influence in the form of prolonged procedures and ineffective complaints mechanisms.

According to the president of the Macedonian chambers of commerce, the absence of a fully independent judiciary limits the protection of businesses from unwarranted external interference. There is a dialogue between the government and the business sector, but the business sector tends to complain that only a few of their initiatives, such as faster VAT returns, have been adopted but others have not been, such as: issues such as faster digitalisation of the state institutions to facilitate administrative procedures and improve the business environment; lower construction taxes and dialogue for solving a problem with a lack of construction land for business facilities; and a reduction in the number of employees in public administration, which would provide additional funds for state subsidies to the business sector. He added that the business sector provides financial sources for the state budget, including public administration, and if this sector has problems with its operation, that is the problem for the whole state. According to him, the excess of administrative employees could be employed in a business sector where there is a lack of workers.

North Macedonia has made some progress and is well prepared to develop a functioning market economy, while it remains moderately prepared in terms of its public administration reform.
The State Commission for the Prevention of Corruption has been proactive in addressing cases of irregularities in public administration and in providing policy guidance to public institutions on preventing corruption. It has opened several corruption cases, including cases against high-level officials related to their corruption links with the business sector.\footnote{1570} The government is currently organising a new state institution to streamline the institutional framework, eliminate overlapping competencies, improve the administration efficiency and improve the lines of accountability.\footnote{1571} It will mean a reduction or merging of a number of institutions. This is one of the requests from the business sector.

The business sector suffers from an unstable enforcement of regulations, particularly in the areas of licensing and judicial enforcement.\footnote{1572} Provisions in legislation designed to protect businesses from unwarranted inference are not always applied effectively in practice, primarily due to the absence of a fully independent judiciary.\footnote{1573} The Index of Economic Freedom 2020 underlines that there are numerous reports of undue executive, business and political interference in the judiciary. Limited judicial independence, politicisation of the judicial oversight body and inadequate funding of the judiciary are ongoing concerns.\footnote{1574} According to the Balkan Barometer 2021 survey, a significant majority of citizens (75 per cent) have stated that they disagree that the judicial system is independent of political influence.\footnote{1575} However, the 2022 EU progress report notes that the judicial system of North Macedonia is moderately prepared and that some progress was achieved in the field of the judiciary through the steady implementation of the judicial reform strategy.\footnote{1576}

According to the executive president of the business confederation, the perception of business is that public administration officers in general perform their duties of issuing licences and approvals on time. But there are some cases of delays, especially in issuing some decisions, giving opinions from different institutions as a prerequisite for decisions from other institutions, and answering the various requests from the business sector.\footnote{1577}

According to a professor of economics, there is no complete updated state aid register to give transparency to the amount and types of state aid to businesses.\footnote{1578}

According to a 2016 survey of 70 representatives from the business sector, 45.7 per cent of them said that corruption is the main cause for a grey (hidden) economy and 42.9 per cent said that it is an obstacle for business.\footnote{1579}

It is not always easy in practice for a business to complain or file a lawsuit against the behaviour of the public administrator or a civil servant, particularly with the current level of court protection. The Global Competitiveness Report ranks North Macedonia 127 out of 141 countries in terms of judicial independence, 105 in the burden of government regulation, 31 in administrative requirements and 129 in setting disputes.\footnote{1580}
GOVERNANCE

INDICATOR 14.2.1 TRANSPARENCY (LAW)

To what extent are there provisions to ensure transparency in the activities of the business sector?

Score: 100/100

There are no significant gaps in the legislation to ensure transparency in the activities of the business sector, and it provides comprehensive disclosure rules for financial records and business activities.

The Law on Central Registry regulates the publication of data of registered companies. The law obliges the central register to establish a register of companies. All information from the register can be obtained in person or electronically. The Law on Trade Companies provides an obligation for all companies to submit an annual financial account to the central register for the previous year, which must contain data on all business financial operations. According to this law and to the law on audits, the classified companies (medium, large and specified companies: banks, insurance and stock-listed companies) have to prepare financial accounts in accordance with the International Standards for Financial Information. Violation of this requirement is an offence. The Law of Trade Companies, classified the companies as micro, small, medium and large companies, according to the criteria determined in Article 470 of this law (classification depends on the number of employees, total annual income and value of all active assets).

The Law on the National Bank determines that the national bank of the Republic of North Macedonia supervises the financial sector, including saving and e-money issuers. The national bank is a central bank and it is independent in the performance of its function. It performs inspections and audits, oversees the operation of financial institutions in the country, and has the power to impose sanctions and suspend licences. The 2022 EU progress report noted that the operational and financial independence of the central bank is provided in the Law on the National Bank. Additionally, this report noted that, for transparency, the listing in the stock exchange is designed to be in line with the requirements of the transparency directive.

The securities exchange commission is an autonomous and independent regulatory body established by the Law on Securities. This law requires companies listed on the stock exchange to be audited annually by an external auditor, and these audits have to be published. The securities exchange commission also regulates according to the Law on Investments Funds, which determines the conditions for the establishment and operation of those funds.

1583 Ibid. Articles 469, Paragraph 1-3 and Article 470.
1585 Ibid
funds. According to a professor of economics, the legislation on auditing and reporting standards is solid, particularly for banks and other financial entities. This ensures the structure of financial companies’ reports in accordance with the international standards and quality audit procedures, and enables visibility and transparency of the financial entities’ operation, and there are no objections from the business sector related to this legislation.

INDICATOR 14.2.2 TRANSPARENCY (PRACTICE)

To what extent is there transparency in the business sector in practice?

Score: 75 /100

In general business make their financial accounts publicly available. The information’s about registered companies is available. The national bank, the securities exchange commission, banks and stock market actors report to the relevant authorities the information required by legislation. However, there is an absence of information on state aid to the business sector.

The central register has an online database with information on registered companies which can also be obtained upon request, for which is necessary to pay according to the tariffs of CR. General data on registered companies, such as the name of directors, contact details and annual reports are available to the public or on a request. Information about company registers and tax numbers, as well as bank account details, are available on the website of central register.

Financial auditing and reporting standards are applied effectively. However, there is a need for further strengthening of the administrative capacity in the area of financial management and further improvement of control and auditing.

The national bank publishes monthly, quarterly, and annual reports, required by the legislation and these reports are available on its website. The Macedonian stock exchange on its website provides complete information and reports as stipulated by law. According to a professor of economics, the national bank regularly performs controls, and it is a credible and efficient institution, which performs all their obligation determined in the legislation.

The 2021-2025 national strategy for prevention of corruption and conflict of interest notes that the absence of a complete state aid register, which means a reduction in the transparency of the private sector. Likewise, the 2022 EU progress report highlighted the lack of a visible and updated register for liquidity support provided by the government in the form of interest-free credit. According to the president of the Macedonian chambers of commerce...

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1591 Interview with Marjan Petreski, Professor of Economics at the School of Business Economics and Organizational Science at the University American College Skopje, Skopje, 12 January 2023 and 8 June 2023.
1593 Central Registry of RM, Section Services, https://www.crm.com.mk/ [accessed on 16 August 2022].
1595 National Bank of RM, https://www.nrbm.mk/ [accessed on 15.01.2023];
1596 Macedonian Stock Exchange, https://www.mse.mk/en [accessed on 15.01.2023];
1597 Interview with Marjan Petreski, professor of economics at the School of Business Economics and Organizational Science at the University American College Skopje, Skopje, 12 January 2023 and 8 June 2023.
1599 European Commission. Staff Working Document, North Macedonia 2022, Report Accompanying the Document, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the...
commerce, there are no wider discussions between the government and the business sector about the issues related to transparency in the business area.\textsuperscript{1600} There is insufficient data about corruption in the private sector.

14.2.3 ACCOUNTABILITY (LAW)

To what extent are there rules and laws governing oversight of the business sector and governing the corporate governance of individual companies?

Score: 50 /100

Legal provisions for appropriately overseeing corporate governance are established, including rules for governing the companies, formation of the companies, board regulation, management and owners, and insolvencies. However, some gaps exist where there is an absence of specific regulation for overseeing companies.

The Law on Trading Companies contains provisions regarding transparency, oversight, strengthening the protection of stakeholder, and reform of the company register.\textsuperscript{1601} According to this law, there is a list of companies (large and medium-sized and specified companies: banks, insurance companies stock market listed companies) that need to conduct external audits. The criteria and thresholds for the companies' listing are determined in Article 470 of the Law on Trading Companies.\textsuperscript{1602} The audit law regulates the authority and obligations of external auditors and determines the structure of company reporting.\textsuperscript{1603} A partner or shareholder of a company has the right to be personally informed about the company's operations and the right to inspect all documentation of the company.\textsuperscript{1604} Those partners whose contributions are at least one-tenth of the capital have the right to appoint an authorised auditor to audit the documentation of the company.\textsuperscript{1605} Directors of companies must submit a report about the company's operation at least once per year.\textsuperscript{1606} The stock exchange adopted the new corporate governance code in 2021.\textsuperscript{1607} This code includes rules, recommendations and good corporate governance practices on the principles of complain or explain for certain listed companies.\textsuperscript{1608}

A number of other laws regulate the legal framework related to accountability, especially in the financial sector. The most important ones are the Law on Securities,\textsuperscript{1609} the Law on Undertaking Stock Companies,\textsuperscript{1610} the Law on Investments Funds\textsuperscript{1611} and the Law on Banks.\textsuperscript{1612} The stock market is overseen by the securities exchange commission, which supervises the trading of securities on the stock exchange, supervises the operation of the

\textsuperscript{1600} Interview with Trajan Angeloski, President of Macedonian Chambers of Commerce, Skopje, 30 January 2023 and 16 August 2023.


\textsuperscript{1602} Ibid, Article 470, Paragraph 1-6.


\textsuperscript{1605} Ibid, Article 229, Paragraph 1.

\textsuperscript{1606} Ibid, Article 86, Paragraph 1, and Article 318-320.


\textsuperscript{1608} Ibid.

\textsuperscript{1609} Law on Securities, Official Gazette of the RM No. 95/05, 25/07, 07/08, 57/10, 135/11, 13/13, 188/13, 43/14, 15/15, 154/15, 192/15, 23/16 and 83/18, and Official Gazette of RSM No. 31/20 and 288/20

\textsuperscript{1610} The Law on Undertaking Stock Companies, Official Gazette of RM, No.69/2013, 188/2013, 166/2013,154/2015 and 23/16.


participants in the securities markets, supervises the functioning of the securities market and supervises investment funds. These laws provide good legal conditions for governing businesses in the financial sector.

The Law on Investments Funds regulates conditions for the establishment and operation of investment funds and all related financial operations. The Law on Banks regulates all the financial operations of banks, including the obligation to establish a department for internal audits, as well as an obligation for external audits. The Law on Trading Companies defines the list of companies (large and medium-sized companies) that need to conduct external audits.\textsuperscript{1613} The audit law regulates the authority, obligation and the operation procedures of external audits.\textsuperscript{1614} There is no appropriately funded and professional financial regulator for overseeing companies.

The 2022 EU progress report noted that the draft legislation on accounting still needs to be adopted in consultation with the relevant chamber of commerce and association of accountants and that a national certification system for internal auditors should be introduced.\textsuperscript{1615} The report also noted that the government provided liquidity support to companies in the form of interest-free credit, but there is no transparent and updated register of this support.\textsuperscript{1616} Transparency and effectiveness of state aid are affected by the lack of a state aid register.\textsuperscript{1617} There is a need for further strengthening of the administrative capacity in financial management and further improvement in control and auditing.\textsuperscript{1618}

Overall, it can be said that the above-mentioned legislation is a solid basis for oversight of the business sector. However, the executive president of the business confederation noted that the legislation is insufficient, particularly in monitoring companies’ financial reports, and there is a lack of clear provisions for internal auditing, especially for medium and small companies.\textsuperscript{1619} Similarly, the president of the Macedonian chambers of commerce emphasised that the government has not had satisfactory consultation with the business sector about the issues related to regulation.\textsuperscript{1620}

14.2.4 ACCOUNTABILITY (PRACTICE)

To what extent is there effective corporate governance in companies in practice?

Score: 50 /100

The legislation creates good conditions for effective corporate governance in practice, as well as of corporate rules, particularly by banks and larger companies. However, there is a lack of wider company reports about anti-corruption activities and there is no agency for overseeing the implementation of the relevant regulations.

The World Global Competitiveness Report ranks the strength of auditing and accounting systems in North Macedonia at 114 out of 141 countries, incidence of corruption is 81 out of 141. Further, this report ranks corporate governance at 32, conflict of interest regulation at 12 and shareholder governance at 7 out of 141 countries. In the protection of minority investors, the country is ranked at 12 out of 141.\textsuperscript{1621} There is no agency for overseeing the implementation of relevant regulations.


\textsuperscript{1616} Ibid. p.72.

\textsuperscript{1617} Ibid. p.72

\textsuperscript{1618} Ibid.

\textsuperscript{1619} Interview with Mile Boskov, executive president of Business Confederation, Skopje, 21 January 2023 and 12 August 2023.

\textsuperscript{1620} Interview with Trajan Angeloski, president of Macedonian Chambers of Commerce, Skopje, January 2023 and 16 August 2023.

The 2021-2025 national strategy for the prevention of corruption and conflict of interest underlines the importance of the business sector’s role in the activities for the prevention of corruption in the area of business. The strategy also raises awareness among smaller companies to issues related to corruption. However, with the exception of banks and other financial institutions, there are no wider activities for companies to report on anti-corruption programmes.

The securities exchange commission supervises the stock market, regulates the manner of trading with securities on the stock exchange, monitors and supervises the work of the securities market and participants of competition among the listed companies, monitors and supervises the functioning of the securities market, and prescribes standards of competition among licensed market intermediaries in their activities with securities, as well as authorised investment management companies. According to the 2022 EU progress report, the banking sector remains sound and it has sufficient capital, is liquid and profitable. Alignment with the EU acquis is well advanced on the supervisory and regulatory framework for credit institutions, but planned alignment in the area of insurance and capital markets is lagging. Implementation of long-term Basel III liquidity standards has progressed.

According to a professor of economics, banks and other financial institutions and larger companies follow corporate governance provisions more consistently than other types of companies.

**INDICATOR 14.2.5 INTEGRITY MECHANISMS (LAW)**

Score: 75 /100

To what extent are there mechanisms in place to ensure the integrity of all those acting in the business sector?

The legislation in general ensures the integrity of the business sector and defines and proscribes corrupt practices within and between companies and corporate liability. The larger companies tend to establish their own codes of conduct. However, there is a lack of sector-wide codes of conduct in small and medium-sized companies. There is also no legal requirement for a chief compliance officer or to have ethics programmes (for example, anti-corruption agreements, business principles) for bidders on public contracts.

According to the criminal code, private sector bribery, both active and passive, is a criminal offence and can result in a prison sentence. The code also provides punishment for money laundering and abuse of official duty during public procurement. It contains provisions on corporate liability and describes sanctions for companies as legal persons as well as for responsible natural persons. Companies can be held responsible for crimes committed by authorised representatives, with punishment including fines, temporary and permanent bans from performing specific activities and the confiscation of property. Foreign legal entities are also liable, no matter whether there is a branch established in North Macedonia or not. The law prohibits bribery when business is performed abroad. There is no business sector-wide code of conduct. Only the banking sector is covered by a sector code of conduct, (which covers conflict of interest, bribery, corruption, good commercial practices, gifts and

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1623 Law on Securities, Official Gazette of the R.M No. 95/05, 25/07, 07/08, 57/10, 135/11, 13/13, 188/13, 43/14, 15/15, 154/15, 192/15, 23/16 and 83/18, and Official Gazette of RSM No. 31/20 and 288/21.
1625 [Ibid. p.75
1626 Interview with Marjan Petreski, Professor of Economics at the School of Business Economics and Organizational Science at the University American College Skopje, Skopje, 21 January 2023 and 8 June 2023.
1628 Ibid. Articles 271a – 287.
whistleblowing) adopted by the Association of Bankers in the Chamber of Commerce. Also, each bank has its own code that provides provisions determined in the sector code of conduct.\footnote{1629} In the last few years, the larger companies, such as Telekom and Makpetrol, have adopted their own codes and tend to have their own conduct that describes good and responsible practices and which bans corrupt behaviour. These codes include operations within the companies, as well as operations with other companies, especially with the supplier companies and state authorities and cover the behaviour of the members of boards, as well as the managers and individual employees, ethical behaviour, prevention of corruption and prevention of bribery.\footnote{1630} The legislation does not require that companies should have a chief compliance officer. The stock exchange new corporate governance code includes integrity procedures for companies trading on the stock market.\footnote{1631} The members of governing bodies of listed companies are obliged to act according to the principle of integrity and in a way that best serves the company and the holders of stock. Also, the members of boards must notify the company’s board about any upcoming transactions involving conflicts of interest.\footnote{1632}

The Law on Public Procurement bans conflicts of interest and determines that a bidder will be excluded if, in the last five years, the bidding entity has been sentenced for corruption or money laundering. There is no requirement for bidders of public contracts to have ethics codes.\footnote{1633} The 2022 EU progress report notes that legal framework on public procurement is largely aligned with the EU legislation.\footnote{1634}

**INDICATOR 14.2.6 INTEGRITY MECHANISMS (PRACTICE)**

**To what extent is there effective corporate governance in companies in practice?**

*Score: 50/100*

*Even though there is no legal obligation, the bigger companies tend to adopt codes of conduct. However, there is a lack of sector-wide codes of conducts and there are no statistics about bribery in the business sector.*

Larger companies, such as Telekom and Makpetrol, that have adopted their own codes apply them in practice.\footnote{1635} The Telekom code has been applied in practice since 2007\footnote{1636} and contains, among others, the corrupt conduct prevention clause and supplier code. According to Telekom’s code, there is a ban on any type of passive and active corrupt activities that could be construed as corrupt. Additionally, there is no permitted offer, promise or giving of illegal benefits, or gifts to public officials or decision-makers in the private sector.\footnote{1637} The code of Makpetrol has been applied in practice since 2008, and infringement of the code is an offence, punishable by internal and state regulation.\footnote{1638}
According to a professor of economics, there is a need to promote and encourage companies to adopt their own codes. He noted that increasing the number of companies that adopt codes is a positive step forward that he expects to continue in the future. There is no blacklist of companies that have engaged in corrupt practices and money laundering and there are no statistics about bribery in private companies.

The 2021-2025 national strategy for prevention of corruption and conflict of interest notes that one of the priorities in the area of transparency for the SCPC will be raising a public awareness and education in the business sector.

**INDICATOR 14.2.7 GENDER REPRESENTATION**

Score: 75/100

The legislation in general is favourable to measures for supporting gender representation in business. The government is providing state support for female entrepreneurs. However, there is no official statistic on women and female leadership in the business sector.

The Law on the Prevention and Protection from Discrimination bans any discrimination, including discrimination on the basis of gender. The Law on Equal Opportunities for Women and Men regulates the establishment of equal opportunities and the equal treatment of women and men. Equal opportunities determined by this and other laws cover the area of economy and ownership. The government has prepared a draft law for gender equality, which defines expanding full equality as equal rights, opportunities, conditions and treatment in all spheres of public and private life and the absence of cultural, social, economic and political conditions that produce unequal power relations and unfair distributions of social benefits between women, men and people of diverse gender identities. This law has still not been adopted in parliament. The 2022 EU progress report also noted that adoption of the draft law for gender equality is still pending.

The 2019-2023 strategy for development of women’s entrepreneurship was adopted by the government in 2018. This strategy and its action plan determine a set of measures for supporting women in business, such as support for starting a business, co-financing the expenses for participation in business exhibitions and fairs, co-financing procurement equipment and other tools. This strategy designs additional criteria of ranking in favour of women entrepreneurs in government announcements for state aid in the form of subsidies, grants and incentives. The Ministry of Economy has published two calls, one for financial support of €35,000 to women entrepreneurs for the digitalisation of business processes and €35,000 for financial support for women entrepreneurship for digitalisation of business processes and €35,000 for financial support for women.

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1639 Interview with Marjan Petreski, professor of Economics at the School of Business Economics and Organizational Science at the University American College Skopje, Skopje, 12 January 2023, and 8 June 2023.
1641 Law on the Prevention and Protection from Discrimination, Official Gazette of RSM, No. 258/2020, Articles 1, 2 and 5.
1643 Ibid. Article 1, Paragraph 2 and Article 5, Paragraph 1.
entrepreneurship in tourism.1648 Also, the 2023 government programme for supporting rural development contains financial grants for women in rural areas.1649

The new corporate governance code recommends that it has at least 30 per cent of supervisory and management boards be women by 2025.1650

The deputy president, Fatmir Bitici, stated that the government is working on specific measures to support women in business, including the introduction of criteria that favour women in the evaluation of projects submitted for state support.1651 There is however no wider statistic about this support to women.

According to the state statistical office, women’s participation in economic activities is 38.3 per cent,1652 but there are no wider statistics about the participation in leadership positions in the business. According to Gabriela Kulebanova, former vice president of Macedonian chambers of commerce, one-third of company owners are women, but that there is no relevant data for a complete analysis.1653 A female business entrepreneur, interviewed for this report, notes that although it is on the rise, the potential of women entrepreneurs is still not at a satisfactory level and there is a need for further improvement.1654

The 2022 World Bank’s Women, Business and the Law report, presents an index covering 190 economies related to the participation of women in the business sector. According to this, North Macedonia scores 85 out of 100 points.1655

ROLE

INDICATOR 14.3.1 ANTI-CORRUPTION POLICY ENGAGEMENT

To what extent is the business sector active in engaging with the domestic government in anti-corruption efforts?

Score: 0/100

In general, the issue of anti-corruption is absent from the business sector’s agenda of engagement with the government.

According to the president of the Macedonian chambers of commerce, anti-corruption activities are not on the agenda of meetings between business associations and the government and there are almost no examples of

1650 Macedonian Stock Exchange. 2021. New Corporate Governance Code: https://www.mse.mk/Repository/%D0%9A%D0%BE%D0%B4%D0%B5%D0%BA%D1%81/KKU%20na%20angliski%20final.pdf[ accessed on 10.04.2023].
1651 Deputy President of Government Fatmir Bitiki. One of specific measures is the introduction of incentives for women in business during the evaluation process of submitted application projects related to state support. Further, he added that in co-financed grants for technological development, from 686 companies about 42% are the companies that are managed or owned by women, https://vlada.mk/node/27016 [accessed on 14 January 2023].
1653 Akademik, “One third of the companies are founded by women, but they are in management positions only on paper”, https://akademik.mk/edna-tretina-od-kompanitite-se-osnovani-od-zheni-no-tie-se-na-rakovodna-poizitsija-samo-na-hartija/ [accessed on 12 April 2023].
business associations publicly calling on the government to fight corruption. However, the business confederation, as well as a small number of companies, including Makpetrol, Adora, Komerijalna Banka Ad Skopje, Farmahem, Ading, Inet, Lotary of Macedonia, Publicist, Cementarnica Usje, Feni, Konekt, Remedika, Next Sence and IRECEE are members of the UN Global Compact, under which anti-corruption action in the business sector is a key issue. Makpetrol, Komerijalna Banka and Cementarnica Usje also report on their progress.

14.3.2 SUPPORT FOR ENGAGEMENT WITH CIVIL SOCIETY

To what extent does the business sector engage with/provide support to civil society in its task of combating corruption?

Score: 0/100

There is no significant engagement from the companies in civil society anti-corruption activities, and no examples of any sponsorship of civil society anti-corruption activities.

The Law on Donations and Sponsorship does not provide favourable conditions for the business sector to donate and sponsors civil society organisations. The procedures for the admission and reporting of donations are very complicated and do not incentivise donation and sponsorship. As a result, the activities of civil society in North Macedonia are largely dependent on foreign donor support. There are some projects supported by foreign donors that support cooperation among the business sector and non-government organisations. For example, Transparency International Macedonia has ongoing activities to initiate cooperation between the business sector and civil society to fight corruption. Among other things, it has translated and published Transparency International’s anti-bribery business principles.

INTERACTIONS

The business sector has interactions with almost all pillars, in particular with the executive, public sector and judiciary.

The government has executive power and creates the policies and legislation for the business sector. However, there is no communication between the government and the business sector for anti-corruption policy, which is an important area of opportunity for future support.

The business sector has interactions with the public sector, which is responsible for issuing a number of licences, decisions, approvals and asserting controls that affect the business sector. However, a lack of higher transparency and efficiency in the public sector (see the public sector pillar for further details) leads to untimely information to the business sector about related future activities. Also, it can unnecessarily prolong business operations.

1656 Interview with Trajan Angeloski, president of Macedonian Chambers of Commerce, Skopje, 30 January and 16 August 2023.
1660 Law on Donation and Sponsorship, Official Gazette of RM, No. 47/06.86/08/51/11,28/14 and 153/15.
The business sector has interactions with the judiciary in cases of protection of its interests and rights. The lack of efficiency in the judiciary creates uncertainty for the business sector, mainly because of long-lasting court procedures.

There are no significant interactions between the business sector and civil society and should be stimulated in the legislation with simplification for providing donations (see 14.3.2).

**PILLAR RECOMMENDATIONS**

- The chambers of commerce (all existing chambers) should insist on dialogue with the government in the area of transparency and anti-corruption activities, and the government should put this dialogue on its agenda.
- The parliament needs to adopt the draft legislation on accounting in consultation with the relevant chamber of commerce and association of accountants and establish a national certification system for internal auditors.
- The government should introduce a legal requirement for anyone bidding on public contracts to have a chief compliance officer or ethics programme (for example, anti-corruption agreements, business principles).
- The government should introduce a public state aid register on the internet to transparently show which businesses received how much state aid, when and for what.
- The business sector should establish cooperation with the State Commission for the Prevention of Corruption, via the chambers of commerce, to increase transparency, prevent of corruption and encourage the business sector to report the involvement of officials in cases of corruption, through organising annual meetings.
- The government should accelerate legislation that will create more favourable business environments, especially by eliminating overlaps of the competencies between institutions and having long and complex procedures. Such legislation or amendments to existing laws should include:
  - bankruptcy law;
  - law on administrative procedures.
  - law on audit;
  - adoption of official consolidated versions of the laws that have often been amended, or the adoption the new laws.
- The government and the business sector should promote campaigns to show the importance of adopting anti-corruption codes of conduct in companies.
15. STATE-OWNED ENTERPRISES

SUMMARY

OVERALL PILLAR SCORE: 47.9
CAPACITY SCORE: 37.5
GOVERNANCE SCORE: 58.3
ROLE SCORE: 0

Indicators scores: law and practice

The common term for state-owned enterprises (SOEs) in the Republic of North Macedonia is public enterprises (PEs). PEs are legal entities established by the state, municipalities or the City of Skopje. There are 155 PEs in the country, of which 113 are public utility enterprises, 8 are for agriculture and forestry, 16 are for transport, 2 for informative character, 1 is an information society enterprise, and 15 are for other activities (sport, urban planning, energy, treatment of stray animals and others). Only 13 were established by the government, 3 by the Assembly, and the others by the City of Skopje and the municipalities.

A total of 17,240 people are employed in PEs, divided into three categories: administrative (public) officials, public service providers and technical support people. Most are employees in communal works, followed by transport.

agriculture and forestry, information, and information society.\textsuperscript{1664} PEs employ 2.5 per cent of the total number of workers in the country.

The functioning of the PEs is regulated by the Law on State-Owned Enterprises (SOEs law). However, the law contains loopholes that allow for the political appointment of directors and nepotism in the hiring of staff.

The lack of transparency and accountability further compromises the independence of PEs. Although there has been improvement in the information available on the webpages of the PEs, data is missing, especially on the governing structures and public procurements. Also, many PEs have not published the contact points for access to information of public interest or details for internal whistleblowing channels. There is also no centralised unit for consistent and aggregate reporting on PEs and no single official database for state and local government ownership, hindering transparency and supervision.

The State Audit Office conducts audits, and PEs are subject to accounting and auditing standards similar to private companies. However, there is a lack of information on accountability measures for SAO reports that show inefficiency in PEs or bad financial management.

A small number of PEs developed their own anti-corruption policies and strategies, as well as a code of ethics, but there is no sector-wide code of corporate governance for PEs. There is also a lack of cooperation with the SCPC for the development and implementation of anti-corruption and integrity actions.

**CAPACITY**

**INDICATOR 15.1.1 INDEPENDENCE (LAW)**

*To what extent does the legal and regulatory framework for SOEs protect the independent operation of PEs and ensure a level playing field between PEs and private sector companies?*

Score: 50/100

While a number of laws exist, they contain loopholes for the appointment of directors and board members connected to governing parties and dependence on government resources for daily functioning.

The independence of PEs is regulated by the SOE law and with other internal acts developed by each of the PEs.

PEs carry out economic activities of public interest\textsuperscript{1665} and should work according to the rule of competition, except in cases where it will influence the conduct of services of public interest.\textsuperscript{1666} Although PEs work under the competition rules and their revenues can come from their conduct of duties, they are allowed to receive resources from the state or municipality budget.\textsuperscript{1667} PEs are not exempt from any of the general laws and regulations which apply to private sector companies. In this regard, the PEs have to perform their material-financial operations in accordance with the financial and accounting rules and standards for trade companies.\textsuperscript{1668}

Directors are appointed by the governing board of the PEs in accordance with a procedure that is defined in the SOE law.\textsuperscript{1669} In Article 17-d of the law, a list of the 15 best candidates is formed from which the members of the

\textsuperscript{1664} Ibid, p. 30


\textsuperscript{1666} Ibid, Article 2-a

\textsuperscript{1667} Ibid, Article 5

\textsuperscript{1668} Ibid, Article 6

\textsuperscript{1669} Ibid, Article 19-a
governing boards are selected. Such a large list gives discretionary powers to select the candidates. There are no clearly defined criteria on which the directors are selected.\textsuperscript{1670}

PEs have their own internal documents that regulate their functioning. Their public service obligations are regulated by the act for the establishment of PEs, which regulates the scope of work, resources, and the organisation of PEs and the implementation of the adopted decisions.\textsuperscript{1671} The statute of PEs regulates the organisation and management of PEs, the general acts and the procedure for their adoption.\textsuperscript{1672}

The government may give general directions to the governing board about its functioning if it is of interest to the state but cannot influence the day-to-day management of the PEs.\textsuperscript{1673}

**INDICATOR 15.1.2 INDEPENDENCE (PRACTICE)**

*To what extent is the integrity of PE’s ensured in practice?*

**Score: 25/100**

*Board members are politically appointed and SCPC and journalists continuously report on alleged nepotism and conflicts of interest in PE staff.*

Party interference is visible, especially in the appointment of board members and the employment of staff. PEs are regularly used to employ political party members or supporters.\textsuperscript{1674} The director of the Agency for Electronic Communications (AEC) explained in an interview that his close family relationship with the former official from the governing DUI party did not influence his appointment as a director. Also, he claimed that other employees who have close relationships with politicians have been employed in the AEC for their professional competencies.\textsuperscript{1675}

However, in the public and media, these cases are clearly seen as nepotism and an abuse of power by politicians to interfere in the employment procedures in the PEs. According to the director of the PE Macedonian Forests, board members change with the change of the government, which jeopardises the PE’s independence.\textsuperscript{1676}

In the last two years, the SCPC has repeatedly reported on potential nepotism and conflicts of interest related to the PEs’ employment or board members’ appointments.\textsuperscript{1677} For example, the legal framework states that members of the management and supervisory boards should have at least higher education (university degree); in the analysed sample of 1,245 members of management bodies, 111 members do not fulfil this requirement.\textsuperscript{1678} There have also been numerous cases of conflicts of interest and nepotism detected in the employment procedures and

\textsuperscript{1670} Ibid, Article 17-d
\textsuperscript{1671} Ibid, Article 10
\textsuperscript{1672} Ibid, Article 29
\textsuperscript{1673} Ibid, Article 22
\textsuperscript{1674} VOA News, Ognen Cancarevski. “The system allows for the public administration to be filled with party employment” https://mk.voanews.com/a/5596220.html; Vulnerability to corruption assessment of the employment policies and procedures, with special focus on nepotism, cronyism and clientelism: https://transparency.mk/wp-content/uploads/2021/07/proczenka-na-ranlivost-od-korupci%C3%A1%D1%98a-vo-politikite-i-postapkite-za-vrabotuva%D1%9Aee-so-poseben-fokus-na-nepotizam-kronizam-klientelizam-.pdf
\textsuperscript{1675} Radio Slobodna Evropa. “The fact that I am Bejtja’s brother-in-law has no influence in my appointment as director”: https://www.slobodnaevropa.mk/a/32542590.html, Accessed on 15 August 2023
appointing and selecting members to the boards.\textsuperscript{1679} Many cases are revealed by journalists or after public pressure. Also, although it is legal allowed\textsuperscript{1680} to ask if a person has a conflict of interest when taking such a position, this is rarely done in practice.

Although many PEs are in debt and do not always work in the public interest, they are supported by the government in their functioning by providing different resources, assets and other assistance.\textsuperscript{1681}

**GOVERNANCE**

**INDICATOR 15.2.1 TRANSPARENCY (LAW)**

To what extent are there provisions to ensure transparency in the activities of PEs?

Score: 50/100

While a number of laws exist, they do not cover the establishment of a centralised unit that should develop consistent and aggregate reporting on PEs and publish an annual aggregate report on PEs.

According to the SOE law, PEs have an obligation to publish the personal information of the governing board members on their website.\textsuperscript{1682} This was introduced with the new amendments to the law in July 2022. The Law on Access to Public Information also obliges the entities to provide information to the public to enhance transparency of public institutions.\textsuperscript{1683}

The public service obligations are regulated by the statute of PEs, which is usually available on their website. They do not have an obligation to publish information on state grants received, but the information is included in the financial reports that PEs are obliged to publish.\textsuperscript{1684}

In January 2021, the government adopted a separate conclusion and recommendation which aims to improve transparency and accountability of PEs.\textsuperscript{1685} The SOE law states that PEs must follow the internationally recognised principles of accounting and financial transparency.\textsuperscript{1686}

PEs have to prepare anti-corruption policies.\textsuperscript{1687}


\textsuperscript{1680} Law on the Prevention of Corruption and Conflict of Interest. Official Gazette of RM, number 12/19, Article 72


\textsuperscript{1685} In 2021 the government of Macedonia ordered agencies, directorates, funds, bureaus, councils, joint-stock companies or other state-owned legal entities to increase transparency and accountability in their operations. It was concluded that all financial reports (quarterly, half-yearly and annual) that are submitted for consideration through government procedure will not be reviewed if the list of 22 binding information and documents according to the Law on Free Access to Public Information were not published on the websites of the proponents, in accordance with the government’s transparency strategy. In 2020, the government recommended that the municipalities, the City of Skopje, as well as the holders of information established by them, should publish the information in accordance with Article 10 from the Law on Free Access to Public Information for these entities to use financial support for the realisation of projects, with funds from the central budget and funds from international donors. Source: https://vlada.mk/node/23947


There are no legal provisions that regulate the creation of a centralised unit to develop consistent and aggregate reporting on PEs and publish an annual aggregate report on PEs.

INDICATOR 15.2.2 TRANSPARENCY (PRACTICE)

To what extent is there transparency in PEs in practice?

Score: 50/100

Most PEs disclose less than half of the relevant information on their website, and there is no central database where information on all PEs is published.

In the absence of a centralised coordination unit for PEs, civil society monitors the transparency of PEs. A 2022 survey of the Center for Civic Communications showed the low level of transparency of the PEs in practice. In 2022, the 30 biggest PEs published only 48 per cent of the information, reports and documents they are obliged to make publicly available on their official websites. Therefore, PEs do not have an established practice of making data publicly available. However, if there is a need to analyse the work of PEs, the information can be acquired with a freedom if information requests.

Also, there is limited information on the governing structure of the PEs. A vast portion of the analysed 30 enterprises (47%) only publish the names of governing board members, while only 30 per cent of them publish their CVs. The publication of relevant information on supervisory boards is even lower.

Only 27 per cent of analysed PEs published operation reports in 2021, while 40 per cent published financial reports. However, the Ministry of Finance publishes financial information on the work of the PEs established by the government, but there is no other central database for information on PEs.

For example, the PE Power Plants of Macedonia (ESM), the electricity production company, has a website with company information, and there is information about the supervisory and management boards, annual plans for anti-corruption, and annual and financial reports. Public Enterprise for State Roads – Skopje also has solid information regarding the structure of the company, reports and programmes. However, there is a lack of contact information for those responsible for internal disclosure or responsible for receiving freedom of information requests, plans for public procurement and contracts for public procurements, and other information that need to be publicly provided on the website in accordance with the Law for Access to Information of Public Character.

There is no single official database of all legal entities established in accordance with the above laws in which the state or the local government has full ownership or certain equity shares. This leads to a lack of transparency and inadequate supervision to prevent corruption risks.

There are no established PEs that work internationally and therefore, no financial and operational information on a country-by-country basis.
INDICATOR 15.2.3 ACCOUNTABILITY (LAW)

To what extent are there rules and laws governing oversight of PE’s?

Score: 75/100

Comprehensive legal provisions for appropriate oversight of PEs exist internally (through the board), but not externally, because of the lack of a central coordinating unit.

The Law on SOEs sets out the provisions for the establishment and governing structures of PEs, its nature and provides relevant regulating provisions regarding the oversight of PEs. According to the law, the bodies of PEs are the governing board, the oversight board for control of the material-financial working and the director.\textsuperscript{1697} The law was amended in 2022, reducing the number of board members and strengthening the requirements and procedure for the appointment of members to ensure professionalism in the PEs. The governing board adopts the statute of the PEs and its annual working programme. The governing board conducts other functions which contribute to the well-being of the SOE in accordance with the law.\textsuperscript{1698}

There is no centralised unit which regularly monitors and assesses the performance of the PEs.

The PEs are subject to an audit by the State Audit Office in accordance with the state audit law and their working programme. However, the PEs are not subject to regular annual audits.\textsuperscript{1699} They can conduct internal audits as well, although they are subject to inspection if irregularities are detected.\textsuperscript{1700}

PEs are subject to the same accounting and auditing standards as trade companies.\textsuperscript{1701}

INDICATOR 15.2.4 ACCOUNTABILITY (PRACTICE)

To what extent is there effective oversight of PEs in practice?

Score: 50/100

In general, there is a lack of evidence of oversight due to low levels of transparency in how boards make decisions in PEs.

Due to insufficient public information, it is very difficult to establish clear facts regarding the role of PE boards, the way they apply their authority and competencies and the extent of their objectivity in carrying out their functions of strategic guidance and monitoring of management. There is rarely any information on the activities of the board or minutes from their meetings. This is especially concerning because PEs are among the biggest employers in the country and remain influenced by political parties’ interests (15.1.2).\textsuperscript{1702}

The SAO conducts audits on the work of PEs in accordance with the adopted annual programme.\textsuperscript{1703}

\textsuperscript{1698} Ibid, Article 19
\textsuperscript{1699} Law on Audit, consolidated version, Article 22: https://dzr.mk/sites/default/files/2021-07/Zakon_drzavna_revizija_21_final_MKD_p.pdf
\textsuperscript{1701} Ibid, Section 2
\textsuperscript{1702} VOA News, Ognen Cancarevij, “The system allows for the public administration to be filled with party employment”, https://mk.voanews.com/a/5596220.html, Accessed on 13 September 2023
PEs prepare financial reports and can conduct an internal audit, but there is no information on how they are accountable to the board and what measures are taken if there is a negative opinion in the audit report.

There is also no information on the communication policies of PEs.

According to Radio Slobodna Evropa, PEs have debts, personnel are employed based on party interests and the organisations usually lack transparency and integrity. PEs are characterised as inefficient, and their management as prone to corruption. ¹⁷⁰⁴

**INDICATOR 15.2.5 INTEGRITY MECHANISMS (LAW)**

To what extent are there mechanisms in place to ensure the integrity of PEs?

Score: 75/100

*Comprehensive legal provisions are in place to ensure the integrity of SOEs, however, there is no code of corporate governance for PEs.*

There is no code of corporate governance for PEs and there are no internal procedures or documents that regulate anti-corruption. The Law on the Prevention of Corruption and Conflict of Interest contains rules on conflicts of interest, stating that a member of a public enterprise management board cannot have personal interests in an enterprise or a company that has business relations with the PE. Each member of the management board and the general manager of the public enterprise is obliged to warn the founder about the existence of any conflicts of interest among members of the management board. PE officials are also obliged to provide asset declarations to the SCPC.¹⁷⁰⁵ The criminal code contains provisions for sanctioning bribery in PEs and in general.¹⁷⁰⁶

The general procurement rules and their transparency requirements apply equally to PEs and private sector enterprises when working with government entities. The electoral code prohibits donations from public sources, either in monetary form or in kind.¹⁷⁰⁷ The Law on Lobbying contains a provision that prohibits lobbying activities on the part of responsible persons in public enterprises or public institutions established by the legislature, executive or local government.¹⁷⁰⁸

According to the Law on the Protection of Whistleblowers, each PE should appoint a person for internal disclosure. However, a person can report illegal or irregular practices to the appointed persons responsible for external disclosure.¹⁷⁰⁹

The national strategy for prevention of corruption contains measures for the prevention of corruption in PEs. However, in its annual review, the SCPC states that there is a need for a more systematic approach to preventing corruption in PEs.¹⁷¹⁰ The SCPC has developed an integrity policy for institutions in the public sector that can also

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¹⁷⁰⁵ Law on the Prevention of Corruption and Conflict of Interest, Article 18


¹⁷⁰⁷ Electoral Code. Official Gazette of RM, No. 40/06, 148/08, 155/08, 44/11, 51/11, 142/12, 31/13, 34/13 and 32/14, Article 83.

¹⁷⁰⁸ Law on Lobbying, Official Gazette of RM, No.106/08 and 135/11

¹⁷⁰⁹ Law for the Protection of Whistleblowers

be used by PEs, who can also consult SCPC guidebooks on integrity policies, prevention of conflict of interests and preparation of a code of conduct.  

**INDICATOR 15.2.6 INTEGRITY MECHANISMS (PRACTICE)**

To what extent is the integrity of PEs ensured in practice?

Score: 50/100

*In general, there is a piecemeal and reactive approach to ensuring the integrity of PEs.*

There is no coordinating body that monitors the work of the PEs and also there is no code of corporate governance for PEs.

Investigative journalists\(^{1712}\) often disclose information on possible conflicts of interest in the appointment of PE board members and employment scandals in PEs are also publicly disclosed.\(^{1713}\) In 2022, the SCPC received 118 reports from citizens for possible conflicts of interest in the public sector, and the institution opened 27 cases on its own initiative.\(^{1714}\) For example, they noted that a person exercised two public functions, one as a member of a municipal council and one as a director of a public body.\(^{1715}\)

A research study conducted by the Institute for Democracy in 2020 found that only 9 out of 45 PEs have established anti-corruption policies.\(^{1716}\)

Transparency in public procurement is low too. In many cases, there are suspicions of not following public procurement procedures and the concerns that contracts are not awarded to the bidder with the best offer. Contracts are often awarded to companies close to the governing structure. One example is from the main oil provider for the institutions, which has a close relationship with the governing DUI party.\(^{1717}\)

In an analysis conducted in 2022, it was found that only one company participated in one-third the public procurements published in 2022; those procurements had a total value of €427 million. It is an indicator that those procurements do not guarantee that the selected option is the best value for money.\(^{1718}\)

PEs do not have signed integrity pacts. There are no cases of lobbying activities on public decision-making bodies.

Although the PEs have obligations to appoint a person responsible for internal whistleblowing, very few PEs actually do so, as is the number of PEs that have appointed authorised persons for internal disclosure. Out of 155 PEs, 35 have information available.\(^{1719}\)

\(^{1711}\) Policy of integrity: https://dksk.mk/mk/политика-на-интегритет-за-државните-о/1


\(^{1713}\) SDK, “They will cancel the advertisement for flight controllers because the Albanians who passed the test are not from DU”: https://sdk.mk/index.php/makedonija/ke-go-ponishtat-oglasot-za-kontrolori-na-letane-zashto-albantsite-polozhile-ne-se-od-dui-a-pominale-detsa-hto-ne-se-nichii/, Accessed in December 2023

\(^{1714}\) SCPC. 2023. SCPC annual report for 2022: https://dksk.mk/wp-content/uploads/2023/03/GI-2022-%D0%BA%D0%BE%D0%BD%D0%B5%D1%87%D0%B5%D0%BD.pdf, p.22

\(^{1715}\) Ibid, Attachment number 3


\(^{1719}\) List of persons authorised for internal disclosure: https://ukazuvac.mk/vnatreshno-prijavuvanje/
The national strategy for prevention of corruption states that PEs are susceptible to the risks of corruption and abuse because of their ties to political structures, sub-standard management policies and a lack of transparency and control.\textsuperscript{1720}

**INTERACTIONS**

By law, PEs are related to the executive and legislature since the government and the Assembly have founded some of the PEs. Their relationship is legally regulated, and their mutual cooperation and coordination are defined by the legal frameworks.\textsuperscript{1721} The governing boards and directors are accountable to their founders, but their reports are not regularly published (see 15.2.2). There are also no parliamentary committees responsible for the review of the PEs’ activities, which further limits the Assembly’s oversight possibilities.

The SAO provides recommendations, and the SCPC provides guidance to PEs for improving governance and integrity structures. However, the recommendations and guidance are not sufficiently applied. PEs lack anti-corruption and integrity policies (see 15.2.5).

**PILLAR RECOMMENDATIONS**

- The government needs to establish a centralised coordination unit with the role of coordinating the work of the PEs.
- The government needs to create a centralised platform to publish information on the work of the PEs (governing structure, number of employees, financial reports, and so on), to improve the transparency of PEs.
- The government needs to establish a corporate code for all PEs and a centralised coordination unit needs to oversee its implementation.
- The government needs to amend the law on PEs, introducing sanctions and measures in cases when financial irregularities and misconduct are detected.
- The financial accountability of PEs should be improved by a more transparent reporting mechanism established by the MoF. This mechanism should include annual reports on the activities of PEs to be submitted to the competent authorities and publicly available on the PEs’ webpages.
- All PEs should develop and publish internal documents for the prevention of corruption and integrity, this includes a code of conduct and a policy of integrity, with measures for the prevention of conflict of interests, receiving of gifts, misconduct, and so on.


CONCLUSIONS

The NIS assessment was conducted between January 2022 and December 2023. This two-year period is characterised by intense political efforts, which led to the start of the EU accession negotiation process, and the first intergovernmental conference in July 2022 was a historic moment that marked a new phase in the accession process for North Macedonia. This was followed by the start of the EU accession negotiations process, including the screening process. However, the EU integration process is blocked in parliament, although the government is committed to launch and achieve the necessary constitutional changes as a matter of priority. The government continued to direct the work of parliament, but uses excessive and sometimes inappropriate fast-track procedures. This happened with amendments to the criminal code too, with some of them not in line with the country’s pledges to fight corruption. Numerous political scandals, very low trust in the judiciary and prosecution are only some of the indicators of insufficient political and institutional integrity. These factors influenced the assessment of the NIS pillars. Both the Corruption Perception Index published by Transparency International and the 2023 progress reports from the European Commission indicated that additional efforts are needed in the fight against corruption and that the institutions are still insufficiently prepared to respond effectively to the challenges that this fight brings. The overall results confirmed that the legal framework related to most of the pillars already exists and that it is strong and comprehensive. However, there is a lack of implementation, which is clear from the cross-pillar and cross areas assessment. It is a complex issue, since the institutions have sufficient capacity but lack resources. Inadequate and insufficient allocation of funds has affected the effectiveness of some of the crucial NIS pillars, such as the judiciary, public prosecution and electoral management, especially in the fight against corruption. Insufficient governance has led to impunity of officials at all levels in the government. However, the biggest impact on weak responsiveness to anti-corruption initiatives is the continued impunity of high-level officials. Despite reports and cases initiated by the SAO and the SCPC, there was no response from the government or prosecution service in holding high-level officials accountable. These are seen as the main problems in the implementation of the legal framework and why there has been no progress in many of the assessed pillars.

The State Audit Office is the institution that stands out as having a very high overall score of 87.6, 92 for the governance and 87.5 for its role in the fight against corruption. The institution has strong integrity policies that are not only written but are fully implemented. Their work is also well presented to the public and is the most transparent institution, providing timely and qualitative information to the relevant stakeholders and the public. The recommendations for this pillar are focused on strengthening its independence and establishing more deadlines for the Assembly to review its reports in order to have coherent and inter-institutional approach to the implementation of the SAO's recommendations. The independent State Commission for the Prevention of Corruption (SCPC), follows with the overall score of 72.9, mainly based on its high score in governance 83.3. The SCPC had a challenge in implementing the new law and to reform the institution, but it managed to obtain additional resources. The results related to the role of the main anti-corruption agency are greatly affected by insufficient cooperation from government bodies that, in majority of the cases, were not responsive to the SCPC's initiatives, and have not addressed the activities indicated in the national strategy for the prevention of corruption, of which only 10 per cent was implemented. The third stand out pillar is the ombudsperson's office, with an average score of 70.84. However, there is need for additional strengthening of its capacities through additional resources. Like the SAO, there is a need for the Assembly to review the ombudsperson's reports on time. One independent institution that had significantly lower scores was the electoral management body, with a score of 52.7, and a score of 50 for its role in anti-corruption efforts, which shows the institution’s limited capacities. It also lacks independence and accountability, which endanger the election process as this is the main electoral authority.

The executive continues to be highly independent, although indicators demonstrate that its internal governance structures – which ought to promote transparency, accountability and integrity – are very weak. The executive
has been dominant in the legislature as the majority of the laws adopted by the Assembly were sent by the government, and half of the laws passed through fast-track procedures, avoiding public debate and discussion in the Assembly.

Due to the opposition’s refusal of the to participate in certain discussions, the Assembly has been blocked in making amendments to constitution to change the name and in the EU accession process. The executive and the legislature have particularly strong capacities, but are weak in anti-corruption efforts and the need to improve their internal governance. Both branches need to improve their integrity and ethical principles. The political parties have the same average score as the Assembly (60.42). The weakest area for political parties is their accountability when it comes to political financing. This assessment found weaknesses and the need to strengthen the legal framework for political financing and the role of oversight bodies.

There have been many reforms in the public sector, with the implementation of new strategies and procedures, but it still lacks independence. This pillar has a score of 68.75, with the lowest results for its role in anti-corruption. To strengthen the public sector, the process to adopt the law of high-level management service, among others, should be done quickly to ensure merit-based employment in the sector.

Ironically, the weakest pillars in the Macedonian integrity system are the ones that are expected to be the leading rule of law institutions. The role of the public prosecutor’s office (PPO) in the fight against corruption is assessed with the score of 25 as it remains the bottleneck of the whole anti-corruption system. Meanwhile, the Ministry of Interior, important in law enforcement, also has the very low score of 25 for its role in anti-corruption but 75 for capacity and governance. In the Macedonian criminal law system, the PPO is leading the pre-investigation and investigation body, and also decides on which cases will be tried. The judiciary, a separate branch of power, has an average score lower than the other two branches of power (legislature and executive), with only 50.68 and the second lowest score (after the PPO) with only 33.3 for its role in the fight against corruption.

The judiciary and the PPO have weak governance scores of 50 and 41.7 respectively. The difference of 11 points in their average scores is mainly result of better capacity in the judiciary. However, the fact that only 4 per cent of citizens have stated they trust the judiciary, and the fact that a significant amount of international funding has been directed to strengthen capacity in the PPO has again demonstrated that personal integrity is much more important than resources. There is a need for serious reforms within these pillars. The recommendations for the judiciary are focused on the implementation of the code of ethics and strengthening of the mechanisms for accountability. The PPO needs additional resources and the establishment of investigative centres to investigate corruption. The Ministry of Interior needs professionalism and strengthening of the ethical and integrity principles that need to be respected in order to have an institution with high-level capacities in the fight against corruption.

The business sector has no role in anti-corruption despite a solid governance structure and capacity. Two other sectors that have been assessed but which are not branches of power are the media, with an average score of 58.98, and CSOs with an average score of 62.5. The capacity of the CSOs is assessed as 75, while the capacity of the media is scored at 56.25. International funding for the media has been very limited compared to CSOs, which have received support similar to that of the PPO, which is the third-most supported pillar. This may be why the role of the media in the fight against corruption is significantly lower (41.6) than that of CSOs (62.5), which then has a significantly lower score of 50 for governance while the media has 79.1. In general, the role and independence of the media is dependent on financing.

State-owned enterprises (SOEs) have an overall score of 47.9. The lack of transparency and accountability further compromises their independence. There is a lack of integrity and professionalism, which results in high losses in their score for functioning, along with a managerial and governing structures that are prone to political influences.
The newly introduced gender indicators in this NIS assessment have shown that, in spite of the legal framework that guarantees gender equality in the country\textsuperscript{1722} (such as the national strategy that defines the strategic priorities of the state in terms of gender equality plus the establishment of equal opportunities and other laws and regulations\textsuperscript{1723, 1724}), complaint mechanisms in the public sector and informing mechanisms in independent oversight bodies and law enforcement are not gender-sensitive, meaning that this area needs addressing and improvement.

The NIS assessment extended the existing methodology by introducing a completely new method for a cost-benefit analysis of the institutions that hold the integrity pillars. Both the NIS assessment and the cost-benefit analysis showed the amount of the state budget assigned to these pillars. Available data on the international technical assistance dedicated to anti-corruption pillars were collected. The results were compared to the NIS pillar scores for 2016 and 2023, clearly showing that personal and institutional integrity are more important than resources when it comes to the fight against corruption. This pioneering analysis will be used for further developing Macedonian institutions and will provide possibilities for a more realistic, value-for-money approach in policy-making for building institutional integrity, which are prerequisites for anti-corruption and good governance processes. The analysis indicated that the pillars receiving international funds still lack integrity and are weak links in the institutional system for the fight against corruption.


\textsuperscript{1723} Law on Equal Opportunities for Women and Men. Official Gazette of RM, No. 6/12, 30/13, 166/14 and 150/15 and Official Gazette of RM No. 53/21

\textsuperscript{1724} Law on Prevention and Protection from Discrimination, Official Gazette of RSM No. 258/2020, Law on Labour Relations, the Law on Budgets
ANNEX 1:
NATIONAL INTEGRITY SYSTEM:
A COST-BENEFIT ANALYSIS
NATIONAL INTEGRITY SYSTEM (NIS) OF THE REPUBLIC OF NORTH MACEDONIA

A COST-BENEFIT ANALYSIS

NOVEMBER 2023

With the latest assessment Transparency International Macedonia extended its work and the existing methodology by introducing a completely new method for a cost benefit analysis of the institutions that hold the integrity pillars.

Research and analysis conducted by Alex Holmes (UK)
alex.holmesy@googlemail.com
FOREWORD

The national integrity system assessment broadens Transparency International’s advocacy and puts its national chapters at the centre of the country’s integrity and institutional debate. Transparency International Macedonia (TI-M) has conducted two NIS assessments, in 2002 and 2016. This year, 2023, we are finalising the third assessment, together with our colleagues from the Western Balkans Region + Turkey. The NIS methodology gives the possibility for a holistic assessment of the national integrity system based on a number of pillars. The assessment is used for national policy documents, creation of new institutions and budgetary support to the anti-corruption institutions and other involved stakeholders. This also affects decisions for the international technical support needed for anti-corruption initiatives.

With the latest NIS assessment, Transparency International Macedonia extended its work and the existing methodology by introducing a completely new method for a cost-benefit analysis of the institutions that hold the integrity pillars.

Both the NIS assessment and the cost-benefit analysis results showed the amount of state budget assigned to the integrity pillars. Also, we have collected available data on the international technical assistance dedicated to anti-corruption pillars. The results are compared to the NIS pillar scores for 2016, making it clear that personal and institutional integrity is more important than resources when it comes to the role in the fight against corruption.

This pioneering analysis can be used for further developing Macedonian institutions and will open the possibility for a more realistic, value-for-money approach in policy-making for building institutional integrity as a prerequisite for anti-corruption measures and good governance.

We are happy to share the first piloted cost-benefit analysis with the TI movement, with the anti-corruption practitioners and policymakers in North Macedonia, with international donors and in general with all participants to the CoSP10 in Atlanta.

We show international funding in monetary terms by pillar, along with NIS progress since 2016. The research. The findings of this first NIS cost-benefit analysis are really eye-opening and will require cutting-edge steps to improve the situation, and we are happy to offer it as a topic for discussion.

The figures speaks for themselves.

We offer it as a topic for discussion and further development of the methodology.

We can be reached on our e-mail info@transparency.mk

Slagjana Taseva PhD
Chair of TI Macedonia
MOTIVATION AND CONTEXT: NATIONAL INTEGRITY SYSTEM (NIS) REPORTS REPEATEDLY MENTION INADEQUATE BUDGETS, LEADING TO RESOURCE GAPS

Many institutions in the Republic of North Macedonia have capacity issues – meaning they simply lack the human and technological capital/resources needed to operate effectively. Both the previous (2016) and latest (2023) National Integrity System (NIS) reports repeatedly mention inadequate budgets, leading to resource gaps, as a hindrance to the operation of key institutions to the integrity system.

STATE BUDGET FUNDING

From the interviews conducted for this latest NIS assessment, inadequate and insufficient resources from the state budget is repeatedly mentioned as the main reason for the resource gaps, and furthermore, as the main reason for the lack of capacity to fulfil the institutions’ anti-corruption activities.

Table 1 shows state budget allocation by pillar for the year 2022, along with resource scores in practice.

<table>
<thead>
<tr>
<th>PILLAR</th>
<th>Budget (million €)</th>
<th>% of total budget</th>
<th>Resources (practice)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislature</td>
<td>9.31</td>
<td>0.14</td>
<td>87.5</td>
</tr>
<tr>
<td>Executive</td>
<td>342.07</td>
<td>5.29</td>
<td>75</td>
</tr>
<tr>
<td>Judiciary</td>
<td>38.88</td>
<td>0.6</td>
<td>75</td>
</tr>
<tr>
<td>Public prosecutor</td>
<td>1.25</td>
<td>0.16</td>
<td>62.5</td>
</tr>
<tr>
<td>Public sector</td>
<td>2525.38</td>
<td>39.07</td>
<td>75</td>
</tr>
<tr>
<td>Law enforcement agencies</td>
<td>199.02</td>
<td>3.08</td>
<td>75</td>
</tr>
<tr>
<td>Electoral mgmt. body</td>
<td>1.44</td>
<td>0.02</td>
<td>50</td>
</tr>
<tr>
<td>Ombudsman</td>
<td>1.33</td>
<td>0.02</td>
<td>50</td>
</tr>
<tr>
<td>Supreme Audit Institution</td>
<td>2.32</td>
<td>0.04</td>
<td>75</td>
</tr>
<tr>
<td>Anti-corruption Agencies</td>
<td>0.76</td>
<td>0.01</td>
<td>50</td>
</tr>
<tr>
<td>Civil society*</td>
<td>0.64</td>
<td>0.01</td>
<td>62.5</td>
</tr>
</tbody>
</table>

Table 1 - *Latest data available 2021

In an attempt to close the resource gap, foreign donors contribute to institutions by financing projects and, in some cases, giving direct grants. These projects extend from the provision of equipment and IT solutions to the reconstruction of prisons and courtroom facilities. This wide range of projects causes variety in project effectiveness, and hence in the efficiency of fund use. Assessing the effectiveness of project implementation is key to improving the overall efficiency of international funds and enhancing the benefits for the receiving country.

Table 1 not only illustrates the relationship between budget allocations and resources, but it also provides necessary context for the amounts of money being spent by international donors in the Republic of North Macedonia.

INTERNATIONALLY FUNDED PROJECTS

In this section, we attempt to assess the effectiveness of internationally funded projects and the efficiency with which international funds are being used to improve the integrity of institutions in North Macedonia. In other words, we assess the value for money (VFM) of internationally funded projects using NIS score progress since 2016 as a proxy for the overall effectiveness of projects aimed at improving each pillar of integrity.

METHODOLOGY AND DATA

We have taken a sample of completed and ongoing projects financed by international donors implemented in the Republic of North Macedonia. The sample has been restricted to projects starting in or after 2016 to allow for direct comparison between total funding and NIS score progress since the previous report in 2016. We have looked at details of the workings along with the beneficiaries of the projects, and through this have grouped projects by the NIS pillar they aim to improve. It is important to note that some of the larger projects list multiple institutions and organisations as beneficiaries, so we have allowed for cross-pillar spillovers in the analysis. It was not possible to obtain precise information about the proportions of the total budget directed to each beneficiary, therefore certain projects appear in the budget accumulation of more than one pillar. This approach was considered to be more accurate than spreading budgets across pillars as we had no information regarding the respective weights of received funds. A sizeable number of projects implemented since 2016 have been financed by the European Commission as part of the Instrument for Pre-Accession Assistance (IPA) fund, aimed at preparing the Western Balkans and Turkey for EU membership. Due to the large amounts of funding through this instrument, we have split the analysis by IPA projects and projects financed by other international donors.

The IPA II (2014-2020) indicative budget allocation for North Macedonia was €608.7 million, of which €132.3 million was to be spent on improving the first two priority sectors: democracy and governance (D&G) and rule of law and fundamental rights (RoL&FR). We have assessed only projects classed under these two priority sectors as these projects are the most relevant to our pillars of integrity. The third instance of IPA funding, IPA III, commenced in 2021 and will run until 2027, hence we have looked at projects included in both IPA II and IPA III in order to aggregate totals from 2016 to the present day. Since 2016, there has been a total of 259 IPA projects aimed at our two sectors of interest, with a cumulative budget total of €152.7 million.

Data collection on internationally funded projects outside the scope of the IPA fund proved much more difficult due to the lack of a single, comprehensive database listing implemented projects. We contacted a number of relevant government institutions and independent bodies to request information on past/ongoing projects that were part or fully financed by international donors. However, the only institutions that were able to provide us with information were the ombudsperson, the Economic Chamber of North Macedonia and the Ministry of Interior, despite contacting many more. This raised immediate concerns over the data collection and use in institutions, despite the country receiving a maximum of 100 on “data use” and an overall score of 72.04/100 on the World Bank’s Statistical Performance Indicators (SPI), which is above the regional average for the Western Balkans. Therefore, we must acknowledge that the data presented here fails to paint a comprehensive picture of both the number of projects and the amount spent by international donors in Macedonia. Amidst these data issues, we were able to compile a sample of 75 non-IPA projects relating to one or more pillar of integrity financed by international donors since 2016, with information published by the donor on the most part. Donors include embassies such as the Netherlands, Denmark, Sweden and the UK, along with national aid agencies such as USAID, Swiss Agency for Development and Cooperation (SDC) and GIZ (Germany).

RESULTS AND FINDINGS

Out of the 259 implemented IPA projects on D&G and RoL&FR since 2016, we found 175 that benefitted one or more institution that plays a part in one or more of our 15 pillars of integrity. The funding for these projects amounts to €117.8 million (76.65 per cent of total spend IPA spend on D&G and RoL&FR). Out of the 15 pillars, 10 were affected by IPA projects. The excluded pillars were executive, electoral management body, political parties, business, and state-owned enterprises. It is worth noting that the last two pillars mentioned, business and state-owned enterprises, are likely to have been influenced by IPA projects aimed at other priority sectors that lie outside the scope of this analysis.

Within the sample of 75 non-IPA projects there were 62 projects for which North Macedonia was the sole beneficiary country, with 13 being cross-border projects aimed at regional development. These 13 cross-border projects have been excluded from financial analysis due to the difficulty in determining the proportions of budgets being spent in each recipient country. We were able to find financial information for 53 out of the 62 projects solely benefitting North Macedonia, with a few donors lacking transparency in the finances of certain projects. The 53 projects amounted to a total of €99.5 million being spent by foreign donors in Macedonia (the 13 cross-border budgets amounted to €19.7 million).

Figure 1: Type of donor support and number of projects per pillars

![Bar chart showing](image)

Figure 1 shows the total number of projects aimed at improving each pillar of integrity. The data for the judiciary* pillar includes a donation from the Dutch embassy in Skopje to the judicial council with a total of €954,850 over four years, which has recently been postponed due to the illegitimacy of the JC. Using the 2022 budget, this would have represented a 28.9 per cent increase on the state budget allocation per year. The notably high number of internationally funded projects related to civil society reflects the lack of state funding for CSOs.
Figure 2 shows the distribution of international funds through illustrating the proportion of the cumulative budget spent on projects related to each pillar.

To compare the costs incurred by donors with the benefits of projects, we look at the NIS scores for each pillar from the previous report (2016), from the new report (2023), and the progress of each pillar over that timeframe. The data is presented in Table 2.

Table 2. Progress of each NIS pillar over that time frame

<table>
<thead>
<tr>
<th>Pillar</th>
<th>IPA fund (million €)</th>
<th>Other projects (million €)</th>
<th>% of IPA</th>
<th>% of Other</th>
<th>NIS 2016</th>
<th>NIS 2023</th>
<th>NIS progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislature</td>
<td>0.34</td>
<td>8.86</td>
<td>0.23</td>
<td>8.91</td>
<td>51.3</td>
<td>60.42</td>
<td>9.12</td>
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<tr>
<td>Executive</td>
<td>0</td>
<td>12.51</td>
<td>0</td>
<td>12.57</td>
<td>65.2</td>
<td>69.2</td>
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<tr>
<td>Judiciary</td>
<td>16.98</td>
<td>4.65</td>
<td>11.12</td>
<td>4.67</td>
<td>51.3</td>
<td>48.2</td>
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<td>Public prosecutor</td>
<td>18.48</td>
<td>18.75</td>
<td>12.1</td>
<td>18.84</td>
<td>51.3</td>
<td>38.9</td>
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<td>Public sector</td>
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<td>16.92</td>
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<td>17</td>
<td>42.3</td>
<td>68.75</td>
<td>26.45</td>
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<td>Law enforcement agencies</td>
<td>57.99</td>
<td>29.27</td>
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<td>0.31</td>
<td>76.3</td>
<td>71</td>
<td>-5.3</td>
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<td>Political parties</td>
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<td>0</td>
<td>6.15</td>
<td>45.8</td>
<td>60.42</td>
<td>14.62</td>
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<td>Media</td>
<td>0.35</td>
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<td>0.23</td>
<td>6.74</td>
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<td>14.94</td>
<td>14.5</td>
<td>15.02</td>
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<td>43.05</td>
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<tr>
<td>State-owned enterprises</td>
<td>0</td>
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<td>0</td>
<td>0</td>
<td>34.7</td>
<td>47.75</td>
<td>13.05</td>
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</tbody>
</table>

Table 2 – “% of Other” calculates percentage of total IPA spend on D&G and RoL&FR that has benefitted each pillar. “% of Other” calculates the percentage of funds from our sample of non-IPA projects benefiting each pillar.
Figures 3 and 4 show international funding in monetary terms by pillar, along with NIS progress since 2016. It can be seen that scores have declined for certain pillars, most notably the public prosecutor. Meanwhile, with nearly €90 million spent on projects, the NIS score for law enforcement agencies has improved by 16 points over the past seven years.

**Figure 3 – International Funding since 2016 and NIS Progress**

![Graph showing international funding and NIS progress](image)

**Figure 4**

![Graph showing total international funding and NIS progress since 2016](image)
RECOMMENDATIONS:

There is considerable room for improvement in both the collection and use of data regarding internationally funded projects and donations.

- All institutions should keep an accessible record of international funding/projects they have been a beneficiary of. This information should be publicly available (without the need for request) and accessible (digitalised).
- There should be development of a single, consolidated, digitalised database listing projects, descriptions, direct and indirect beneficiaries, along with financial data at the state level. This information needs to be publicly available to enhance transparency.
- Such a database would support country-wide analysis on the direction of funds, allowing for donor coordination to target resource deprived sectors.
- There is a need for an independent review at the sector, beneficiary (or better still, project) levels to assess project effectiveness and value for money (VFM).
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- There is a need for an independent review at the sector, beneficiary (or better still, project) level to assess project effectiveness and value for money (VFM).
The mission of Transparency International- Macedonia is to establish a system of good governance for efficient fight and prevention against corruption.

Transparency International - Macedonia is a national chapter of Transparency International.