



REPUBLIC OF NORTH MACEDONIA

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**NATIONAL STRATEGY FOR PREVENTION OF CORRUPTION AND  
CONFLICT OF INTEREST (2021-2025)**

Unofficial translation

Skopje, December 2020

## EXECUTIVE SUMMARY

The National Strategy for Prevention of Corruption and Conflict of Interests with the Action Plan for its implementation (hereinafter: the Strategy) is a document adopted by the Assembly of the Republic of North Macedonia. Prior to its being submitted to the Assembly for adoption, the Strategy had been approved by the State Commission for Prevention of Corruption (hereinafter: SCPC). It covers a period of five years from 2021 to 2025.

SCPC is the main stakeholder of drafting the Strategy. To that end, based on a previously conducted corruption risk analysis, the SCPC carried out a broad, inclusive and transparent consultation process with the participation of representatives from the public and private sector, the media, NGOs and foundations, experts and representatives from relevant international organizations. Furthermore, the draft Strategy was presented to the public for comments, which enabled a broad consensus on its scope and content.

In consideration of the fact that the Republic of North Macedonia is a signatory to all important international, European and regional documents in the field of fight against corruption, the principles and commitments of these documents are fully incorporated into the Strategy. Relevant national documents and reports from international organizations pertaining to the Republic of North Macedonia have been taken into account in drafting the Strategy.

The Strategy has been prepared in accordance with the vision of a society based on the highest ethical values and integrity which allows all citizens an equal access to responsible and transparent institutions and respect for human rights and freedoms. Achievement of the objectives and implementations of measures of the Strategy should ensure increased confidence in the institutions of the system, efficient use of public resources and strengthening of democracy, social values and realization of human rights.

The main objectives of the Strategy are:

- 1) Increasing the level of political accountability and demonstrated willingness to fight corruption
- 2) Conscientious management of political influence in the public sector and preventing political interference in the work of independent bodies and procedures regulated by law
- 3) Enhancing integrity and accountability in the public sector
- 4) Implementing the responsibilities in the public sector in a legal, transparent, ethical, economical, accountable and effective manner
- 5) Ensuring the integrity and transparency in employment and human resource policies in the public sector, based on a system of values and quality criteria
- 6) Strengthening the supervisory and control mechanisms
- 7) Digitization in public services

- 8) Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state assistance
- 9) Strengthening the capacity and commitment of the law enforcement bodies, the prosecution and the judiciary in the detection and sanctioning of corruption and strengthening the resilience to corruption in their ranks
- 10) Supporting transparency and integrity in the private sector
- 11) Raising public awareness and conducting anti-corruption education, and
- 12) Involving civil society and the media in the fight against corruption in society and building personal and professional integrity.

The Strategy diagnoses and selects priority issues that generate a high risk of corruption and identifies measures to overcome them. The problems and measures envisaged by this Strategy have been located in the following areas and sectors:

**Public procurement.** It is necessary to reinforce the control and supervision over public procurement; strengthen the capacities of the institutions with qualified and trained personnel for implementation of public procurement; increase the efficiency of public procurement and increase the integrity of the institutions and persons involved in its implementation and transparency in public procurement.

**Public sector employment.** It is of primary importance to establish of a realistic public sector employment planning system, competence-based employment and ensure high transparency of the employment procedures. In addition, a more detailed regulation of the criteria for directors and members of supervisory and management boards in state bodies, public enterprises and joint stock companies in state ownership is necessary in order to provide quality management.

**Political system.** It is essential to ensure the rational use of the instrument for shortened parliamentary procedures for passing laws in the Assembly of the Republic of North Macedonia and improve the quality of the procedure for passing laws through a more detailed assessment of the impact of regulations. Furthermore, it is necessary to establish a system for strengthening the integrity of the government, and to regulate all aspects of accountability of office holders. Also, it is necessary to precisely define the rules on lobbying in the (pre) election process, financing of political campaigns through online media and providing protection against abuse of the pre-election process for new hires and other manipulations.

**Judiciary.** It is of primary importance to strengthen the integrity of the human factor in the judiciary, public prosecution and the Attorney-General by implementation of appropriate training. Furthermore, to strengthen the system of disciplinary responsibility of judges and public prosecutors, including their transparency. Additionally, it is necessary to increase the staff in public prosecutions, establish investigation centres and establish an automated system for distribution and tracking of public prosecution cases, as well as to establish an efficient transparent system for work and communication of the Attorney office with the public.

**Law enforcement bodies.** This sector encompasses all bodies having jurisdiction of law enforcement. Measures include providing higher transparency in recruitment procedures and career

advancement in the Ministry of Interior (MOI), and raising the efficiency of the system for determining the professional responsibility of persons employed in the Financial Police Office, the Ministry of Interior and Customs Administration. Furthermore, the scope and operation of individual inspectorates are not defined by a clear and precise legal framework which calls for its improvement. Moreover, it is necessary to systematically analyse corruption risks in inspection services and to enhance the capacity of the inspections. This sector encompasses the audit as well. The leadership of the state institutions often fails to implement the recommendations of the internal audit and the State Audit Office (SAO) and it is therefore necessary to establish an effective system of implementation of the recommendations and a system of accountability. Fair and greater independence of the internal audit must be ensured through the application of an appropriate institutional model.

**Health.** It is essential in this sector to establish transparent criteria for meaningful use of public finances, along with digitization and connectivity in the financial and accounting management of health care services. In addition, it is necessary to adjust the system of pricing and public procurement of medications in accordance with the practices and regulations in developed countries, and to establish a legal framework for the selection of medications covered by the state budget and ensure transparency of procedures. The characteristics, conditions and manner of receiving donations by public health facilities should also be specified, and data related to donations should be made publicly available. Another problem is that the country has no efficient monitoring of the marketing of medications and the specific instruments for management of medications are not regulated, which calls for adopting regulation in this area.

**Education.** Corruption in education has its different forms and risks according to the level of education. It is detected that high corruption is evident much more in higher education, which is confirmed by court rulings, while in secondary education, in addition to the existence of low corruption, influence trading is much more evident. To overcome these conditions, it is necessary to employ quality human resources for what is needed to prescribe precise selection criteria at each stage of the employment procedure and strengthen inspection. In this regard, it is necessary to enhance the material-technical and human resources of the SMI. Furthermore, precise criteria should be defined for the procurement and use of educational aids in schools, procurement realized outside the Law on Public Procurement should be regulated, and the conditions and procedure for lease of real estate owned by educational institutions should be adequately prescribed. Another segment of the education sector is connected to the accreditation of higher educational institutions, scientific institutions and study programs, which requires higher transparency of the process of establishment and operation of the relevant bodies. Furthermore, a problem in this sector is that the educational institutions still display low awareness for addressing the issue of corruption and conflict of interest. Systematized activities are needed to raise the awareness in this area.

**Labour and Social Policy.** In this sector, the main challenge is the improvement of the social security system by establishing a single digitized system and ensuring transparent and fair decision making with respect to the assessment of disability / ability to work, and enhanced oversight procedures for the exercise of rights on the grounds of social, pension and disability insurance and assistance and care of another person

**Urban and Spatial Planning.** In February 2020, a new Law on Spatial and Urban Planning was adopted, which enabled the strengthening of standards for spatial and urban planning in favour of the public interest, mandatory analysis in the preparation of urban planning documentation, defining buildings of special importance to the state and increasing the inclusiveness and transparency of the process of adopting urban plans. Furthermore, given the essential role of inspection services in this sector, it is necessary to obligate them to initiate a procedure for revoking the license for supervision of a legal entity if an irregularity is identified by presenting a false condition.

**Environment.** An acute problem faced by this sector is the inconsistent implementation of the Law on Waste Management in the segment of the Integrated and regional waste management. Therefore, it is necessary to establish functional waste management regional centres as soon as possible.

**Agriculture.** Over the past years, the Government allocates a significant portion of the budget to stimulate and increase agricultural production through the creation of policies that support agriculture, but the prevailing opinion is that the effects of these measures have not met the expected results, primarily due to the inefficient management and implementation of the created policies. The intended purpose of the land use is not controlled and the execution of the contracts for exploitation of state agricultural land is not monitored. Due to this, it is necessary to redefine the system for sale of state-owned agricultural land as well as appropriate supervision over the purpose of land use and the execution of the contracts for exploitation of state agricultural land. The frequent changes of regulations, the large number of measures to encourage agriculture, the imprecise criteria and their frequent changes often do not lead to achieving the goals of the agriculture policies or are ad hoc measures that meet the requirements of a specific target group. There is insufficient number of employees to provide assistance and guidance to citizens on the measures and procedures for the use of state subsidies, and insufficient funding which slows down the decision-making process beyond the legally prescribed time limits and decreases the transparency of the procedure. Due to poor quality legal solutions, there is a concentration of competencies on policy making (laws and bylaws), policy implementation and supervision in the field of food and veterinary medicine, which require urgent legal interventions.

**Sports.** This sector is first being treated from an anti-corruption aspect. It is essential to adopt a strategy for sports facilities in state ownership, which would establish a clear concept of these facilities. Also, it is necessary to determine the current situation of sport facilities and review the contracts for their use. In addition, there is a problem in terms of inspection in sports as it is necessary to establish efficient inspection in sports and sports facilities and provide education on integrity and ethics for sports federations, clubs and their administration.

**Economy and Business.** In this sector it is essential to digitize as soon as possible the issuance of licenses, certificates and other services in public administration at central and local level to minimize the contact between the applicant and the service provider. Another important segment is state assistance. As its granting is not transparent, it is necessary to establish, fill in, publish and update a registry with information on every type of state assistance. Furthermore, an issue of particular

importance are the concessions for which more specific criteria should be laid down, including the development of a feasibility study, as well as providing increased transparency of the process of granting concessions and collecting real concession fees. Furthermore, the Republic of North Macedonia does not have a registry of state-owned property, nor does it have systematized information on the manner they manage and dispose of that property. Therefore, it is necessary to establish a registry of immovable and movable state property. Finally, the process of creating economic policies by increasing the transparency of the process of policy making and raising awareness among smaller companies for their active participation in these processes should be promoted.

**Public enterprises.** In the Republic of North Macedonia there is no single official database of all legal entities in full state and LSG ownership or with their equity shares. Therefore, it is necessary to create a single registry of public enterprises and state-owned JSC. Also, it is necessary to draw up a special anti-corruption program that will be aimed at enhancing the transparency, integrity, accountability and preventing corruption in these enterprises. One of the proposals for overcoming the existing shortcomings in the legal framework is the adoption of a separate law on commercial companies predominantly owned by the state and the local government.

**Media and civil society.** In order to improve the situation in the media, it is necessary to draft and adopt a national strategy for media development. Furthermore, in order to prevent abuse of the media for political purposes, it is necessary to introduce enhanced surveillance, suspension of paid political advertising of political parties in electoral cycles. Another problem in this sector is the absence of (self-) regulation of online media to be set up, and the registry of professional media should be upgraded. In terms of civil society organizations (CSOs), it is necessary to reform the system of state funding of these organizations based on the real needs of the institutions and higher transparency of the system for the realization and effects of the projects.

An integral part of the Strategy is an Action Plan detailing the identified measures along with activities and indicators.

The complex nature of the document, the problems identified in different sectors and the formulated measures and actions to overcome them involve a multitude of institutions that will be responsible for the implementation of the Strategy. In view of the successful implementation of the Strategy, it must be noted that it is necessary to provide the required resources as a prerequisite for achieving the strategic goals. SCPC is competent to monitor the implementation of the Strategy measures and activities and to submit annual reports to the Assembly by 31 March each year.

Given that the Strategy essentially aims to improve the lives of the citizens in the Republic of North Macedonia and release society from the yoke of corruption, it is necessary to provide full support to this process through the prioritization of the planned activities in this Strategy in the operational plans of all involved institutions.

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## INTRODUCTION

Corruption is a dynamic phenomenon which takes many forms and is associated with various economic, legal, political, sociological and other factors. The negative effects of corruption are enormous and far-reaching, stretching across the public, private and civil sector. Corrupt behaviour undermines confidence in institutions, efficient use of public resources and is a threat to democracy and the exercise of human rights due to the erosion of social values. In the Law on Anti-Corruption and Conflict of Interest<sup>1</sup> corruption is defined as "abuse of power, public power, office or position for the purpose of benefit, directly or through an intermediary, for oneself or for another", and conflict of interest means "a situation in which the official has a private interest that affects or may affect the impartial performance of his/her public powers or official duties".<sup>2</sup>

Integrity and corruption are two opposing phenomena, that is, any corrupt action involves a violation of integrity. Integrity is a quality of action in accordance with generally accepted moral values and norms in favour of the public interest<sup>3</sup>.

The European Commission reports on the progress of the Republic of North Macedonia, GRECO evaluations, as well as the reports of other relevant organizations continuously indicate unfavourable conditions in dealing with corruption. The polls of the perception of citizens indicate acceptance of corruption as a way of life. It is deep and widespread in all spheres of society, indicating the necessity of reducing it, striving towards its eradication.

Fighting corruption requires systematic efforts and full commitment of all stakeholders in society in the Republic of North Macedonia. The State Commission for Prevention of Corruption (SCPC) is legally obliged to adopt a five-year National Strategy for prevention of corruption and conflicts of interest (hereinafter Strategy) with an Action Plan for its implementation.<sup>4</sup> This is the first document in the area of fight against corruption adopted at the highest level, by the Assembly of Republic of North Macedonia. Previously, the drafting and adoption of the State Program for prevention and repression of corruption and conflict of interests was solely the responsibility of the SCPC. In the period 2003-2019, the SCPC adopted four state programs.<sup>5</sup> The last program covers the period 2016 - 2019.

The adoption of the Strategy by the Assembly confirms the seriousness of the problem of corruption and the need to involve all stakeholders. The successful anti-corruption policy is part of the process of European integration, and the Strategy is the foundation for improving the legal framework and undertaking reform activities.

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<sup>1</sup>Law on Prevention of Corruption and Conflict of Interests (Official Gazette No. 12/2019), Article 2 (1)

<sup>2</sup> Ibid, Article 2 (3)

<sup>3</sup>Ibid, Article 4

<sup>4</sup>Ibid, Article 18

<sup>5</sup> <https://dksk.mk/index.php?id=70>



SCPC is the main stakeholder in drafting the Strategy and monitors its implementation, whereas all stakeholders from the public, private and civil sector have an active role in its implementation. The Republic of North Macedonia is a signatory to all major international, European and regional anti-corruption documents, assuming thus responsibilities for action in this area, while providing possibilities for receiving support from the international community in the fight against corruption.

Starting from the premise that this Strategy is a document of great importance for the whole society, the SCPC carried out a broad, inclusive and transparent process of preparing the Strategy with the participation of representatives of state bodies, institutions, associations, foundations, the private sector, the media, and representatives from TEU, OSCE, RAI and IRI. USAID has provided financial and expert support, especially in the methodological setting up and running of the process of its preparation.

In this sense, the preparation of the Strategy encompassed several preparatory steps:<sup>6</sup>

- Drafting the Methodology on the corruption risk assessment;
- Corruption Risk Assessment, and
- Drafting the Methodology on the preparation of a national strategy for fight against corruption and conflict of interest.

Inclusiveness, transparency and prioritization were identified as the main principles in drafting the Strategy.

The process of drafting the Strategy began in August 2019 with the establishment of a broad working group to determine and assess the corruption risks.

In the period from September to December 2019, the working group held three three-day workshops, whose practical work was divided into groups covering specific segments or sectors of the social system. They also used the available information from relevant institutions, analyses, cross-referencing and evaluation in order to prioritize the problems and corruption risks involved in this document.

The following documents were taken into account in the drafting of the Strategy,:

- UN Convention against Corruption
- EU reports progress PCM
- The priority objectives set in the National Program for the Adoption of the Acquis (NPAA)
- Recommendations from GREKO evaluation reports
- Polls on the perception of citizens on corruption and conflicts of interest and sectoral qualitative analyses
- State Program for Prevention and Repression of Corruption 2016-2019

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<sup>6</sup>These documents are available on the website of the SACC <https://dksk.mk/index.php?id=118>

- Relevant national strategies and documents.

The Strategy is structured as follows - a brief overview of the corruption risk assessment, vision, mission and strategic goals for their implementation, followed by the essential part of the Strategy - priority horizontal areas (public procurement and employment) and priority issues in 12 sectors. The following chapter is on stakeholders in the fight against corruption and conflict of interest and the Action Plan for its implementation.

This Strategy is designed to be primarily preventive, which means reducing the corruption risks by strengthening the regulation, enhancing the functionality of state institutions and restoring confidence in the system, raising awareness and involving the civil society and the public in the anti-corruption efforts. The Strategy is based on real processes and goals that should result in a continued reduction of corruption, and its implementation will send a strong message to Macedonian society that the fight against corruption is finally taking place. Hence, this document should be high on the agenda of the institutions involved in its implementation.

## **1. CORRUPTION RISK ASSESSMENT OVERVIEW**

The Corruption Risk Assessment was the first step of the preparation of the Strategy, which was developed in accordance with the Methodology on the Corruption Risk Assessment.<sup>7</sup> The Assessment is based on a macro view, that is, the risk factors were assessed for the system as a whole. The focus of the assessment is to determine the corruption risks pertaining to spending public funds or abusing official positions in the public sector.

The risk assessment has identified the following horizontal areas where strong corruption risks are generated:

- Public procurement;
- Public sector employment;
- Inspection;
- Issuing various licenses, permits and certificates;
- Awarding grants, subsidies and other state assistance.

The selection of these five areas was made by the working group, in accordance with their views on the importance of each area, its scope, the potential for corruption and the impact on society.

These areas were prioritized based on the research and analyses made by several civic organizations. In addition to these horizontal areas, the working group discussed the following areas that have an impact on the occurrence and practice of corruption:

- Funding political parties;

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<sup>7</sup> [https://dksk.mk/fileadmin/user\\_upload/2019/Procenka\\_na\\_rizicite\\_od\\_korupci\\_\\_a\\_02.10.2019\\_mk.pdf](https://dksk.mk/fileadmin/user_upload/2019/Procenka_na_rizicite_od_korupci__a_02.10.2019_mk.pdf)

- Political influence over the process of drafting and adopting legislation;
- Funding the media and civil society organizations;

The first area is specific in terms of the potential for and practice of corruption in the process of funding political parties; moreover, its importance is crucial in terms of the consequences from creating / enabling favourable environment for corruption. Namely, the funding of political parties creates an opportunity to establish connections and powerful positions that may be used for corruption at a later stage.

The second area is a process that creates ambiguous regulations and institutional structure of the public system segments that become sources of corruption.

The funding of the media and civil society organizations is an area that was scrutinized by the SCPC and the Working Group in the context of creating an environment of influence on the media and civil society organizations by the political parties and the government. The funding of the media and civil society organizations may be the basis for trading in influence, which is particularly important in creating public opinion as it can hinder the fight against corruption instead of encouraging it. In this context it is also important to bear in mind the demonstrated political influence.

In terms of sectors, the assessment covered eight sectors.<sup>8</sup>

In the assessment of the corruption risks by sectors, the focus was placed on the challenges in this sphere / sector as a whole, rather than on the internal challenges of particular institutions. Hence, the focus of the assessment is on the public sector, while the private and civil sectors are analysed from the perspective of their interaction with the public sector in terms of opportunities for corruption.

Based on the corruption risk assessment in horizontal areas and sectors, they were combined in order to determine where and which are the greatest risks so that systemic solutions could be created for their reduction / elimination. The combination of risk assessments in the horizontal areas gave the following conclusions:<sup>9</sup>

- Public procurement and inspection are related to all sectors and their impact on society is the highest.
- Public sector employment is important at the level of central and local government since the risk of corruption in this horizontal area of society is very high.
- The risk of corruption in the issuance of approvals, decisions, licenses and permits links the public and private sector and is very high both at the level of central and local government. There is a high risk of corruption in the awarding of grants, subsidies and state aid at central and local levels.

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<sup>8</sup> Furthermore, judiciary; police; Public Health; education; Transport, Public Works and Physical Planning; economy; Environmental Protection; sport

<sup>9</sup> ibid

In all analysed sectors, the following risk factors were identified as a common denominator:

1. Strong political influence in the public sector;
2. Problems in the rule of law and a low rate of sanctioning corrupt behaviour at the level of society;
3. Inconsistent regulation which leaves room for abuses and encourages corrupt behaviour;
4. Low integrity of the human factor, and
5. Insufficient transparency, system monitoring and control mechanisms in the public sector.

Based on the findings of the risk assessment, the following approach was adopted in defining the scope and content of the Strategy:

- Public procurement and public sector employment from the horizontal areas were identified as processes that generate most risks of corruption, and their manifestation is the same in all sectors of society. Hence, they are specially treated in the Strategy, Chapter 4;
- The other horizontal areas are elaborated through the prism of specific problems in certain sectors;
- The listed risk factors are elaborated in detail in the Strategy. They are reflected in the Strategy objectives, as well as in the priority issues and measures in the sectors, according to their specificities;
- The political system, the media and civil society are treated as separate sectors in view of elaborating in detail political influence as the primary problem;
- The sectors of economy and business are elaborated as a combination of the public and private sectors, which covers most of the horizontal areas;
- During the drafting process, it was assessed that several other sectors (labour and social policy, public enterprises) need to be addressed as well and the police was integrated into a broader sector - law enforcement bodies. The increased number of analysed sectors stem from the findings of the assessment, as all these sectors have specific problems related to corruption. Hence, the approach adopted in the Strategy is related to the prioritization of the problems by sectors, rather than to ranking and prioritization of sectors with the highest level of corruption. The sectors where corruption problems have been identified are elaborated in Chapter 5.

## 2. VISION AND MISSION OF THE STRATEGY

The Strategy is based on the following long-term goals

Vision:

A society based on the highest ethical values and integrity that provides all citizens with equal access to accountable and transparent institutions and respect for human rights and freedoms.

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Mission:

*To ensure public confidence in the performance of government by strengthening integrity, transparency and accountability in all sectors of society*

## 3. GOALS OF THE STRATEGY

The implementation of the National Strategy should contribute to reducing the level of corruption, improving integrity, transparency and accountability in all sectors of society and thus increase public confidence in the work of the legislative, judicial and executive power. This will be achieved by meeting the following strategic goals:

### 1. Increasing the level of political accountability and demonstrated political will

It is imperative that political decision makers uphold the highest standards of accountability and ethics. Political parties and their leaders should demonstrate high integrity, be open to control and express political will against corruption. Political will should be materialized through adopted and successfully implemented anti-corruption laws, strategies and programs.

### 2. Conscientious management of political influence in the public sector and preventing political interference in the work of independent bodies and procedures regulated by law

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Political structures must respect the work of independent bodies, provide sufficient material and financial assets for their work and refrain from any influence on their work, as well as from involvement in procedures regulated by law. The primary obligation of independent bodies is the protection of the public interest.

In public administration, as well as in legal entities in which the state and local self-government units exercise ownership rights, it is necessary to manage the political influence in a conscientious and responsible manner taking into account the public interest.

### **3. Strengthening integrity and accountability in the public sector**

Systematic building of a society founded on individual integrity and openness of the public sector is the most sustainable approach in the prevention of corrupt behaviour. Therefore, it is necessary to make continuous efforts to strengthen integrity and accountability by building clear rules for prevention of conflict of interest; establishment and implementation of ethical standards; protection of persons who report corruption; access to information and transparency of the property and interests of public officials; the disposition of public funds in the procedures for preparation and adoption of laws.

### **4. Exercise of responsibilities in the public sector in a legal, transparent, ethical, economical, accountable and effective manner**

Professional and politically neutral public sector that acts in a legal, transparent, ethical, economical, accountable and effective manner in the public interest is the foundation for preventing corruption and enhancing public confidence in the system.

### **5. Ensuring the integrity and transparency in recruitment and human resource policies in the public sector, based on a system of values and quality criteria**

Fair, merit-based and depoliticized human resource policy is the basis for building a competent and professional public sector resistant to corruption. In employment, it is necessary to observe all prescribed procedures, to include as many measurable criteria for assessing candidates in a selection procedure as possible, to reduce discretionary power and to make the procedure completely transparent.

### **6. Enhancing the supervisory and control mechanisms**

For consistent application of regulations, it is necessary to enhance the control and inspection mechanisms, improve the legal framework and strengthen the human and material resources of the supervisory bodies, and continuously upgrade the knowledge, skills and integrity of the employees and their resilience to corruption.

## **7. Digitization of public service**

Digitization of all public service sectors and its continuous improvement increases efficiency and accessibility in public service delivery, accelerates processes, reduces human contact and opportunities for corruption, ensures high transparency at all levels, improves the interaction between citizens and government and consultative processes, and facilitates the control, data analysis and detection of corruption. Further development and use of BigData, artificial intelligence and Blockchain technology will improve the tools for prevention and repression of corruption.

## **8. Reducing corruption in public procurement and in the process of awarding concessions, grants, subsidies and other state assistance**

In order to protect huge public resources involved in public procurement and in the processes for awarding concessions, grants, subsidies and other aid, to obtain the best value for public money, to ensure fair competition in the procedures and fair treatment of tenderers, it is necessary to achieve the highest level of transparency of the processes, improve the legislation and harmonize it with EU regulations, improve the modern electronic systems, invest continuous efforts in the education of human resources and their integrity, and encourage reporting of irregularities and supervise the overall process, including controls of the implementation of signed contracts.

## **9. Strengthening the capacity and commitment of the law enforcement bodies, the prosecution and the judiciary in the detection and sanctioning of corruption and strengthening the resilience to corruption in their ranks**

A competitive, fair, effective and impartial judiciary system, independent of political influence is essential in the fight against corruption and for the ability of law enforcement bodies to detect, investigate and prosecute crimes of corruption. The mechanisms for detection and sanctioning of corruption and unethical behaviour in the judiciary and law enforcement must be functional. Efficiency, independence and integrity of those bodies are key in building public perception of the success of anti-corruption policy in the country.

## **10. Supporting transparency and integrity in the private sector**

In order to create a competitive, fair and transparent environment for business and attracting investment and contribution to economic development in the country, it is necessary to support the strengthening of integrity, transparency, compliance and good corporate management in the private sector.

## **11. Raising public awareness and anti-corruption education**

Raising public awareness about the negative impact of corruption through anticorruption campaigns and systematic education is necessary in all segments of society.

Informed person with an established integrity is crucial in the fight against corruption.

#### **12. Involvement of civil society and the media in the fight against corruption in society and building personal and professional integrity, including in their own framework**

It is necessary to encourage the development of civil society as a watchdog of the work of the authorities, and as a partner in the creation and implementation of anti-corruption policies. Free and professional media play an important role in detecting irregularities and sensitizing the general public on issues of social importance. In order for NGOs and the media to successfully perform this important social role, and not become generators of corruption themselves, it is necessary to systematically build high standards of integrity, professionalism and transparency.

### **4. HORIZONTAL AREAS THAT GENERATE CORRUPTION**

The Corruption Risk Assessment,<sup>10</sup> developed as a preparatory document before drafting the Strategy, indicated that there are several areas horizontally extend across the entire social system which generate very high risk of corruption. Public procurement and public sector employment stand out as particularly risky.

#### **4.1. PUBLIC PROCUREMENT**

Public procurement is one of the most important areas on the central and local level, between public sector institutions, and between public sector institutions and business entities from the private sector. In 2018, funds amounting to 9% of GDP or 20.6% of the central budget of the Republic of North Macedonia were spent on contracts for public procurement.<sup>11</sup>

Priority issues in the public procurement sector:

- 1) Insufficient number of persons with appropriate qualifications and knowledge of standards in defining the technical specifications and criteria for determining the ability of economic operators;
- 2) Lack of transparency of the institutions and low integrity of individuals involved in the execution of public procurements.

#### **Elaboration of the problems:**

<sup>10</sup><https://dksk.mk/index.php?id=118>

<sup>11</sup> Report of the European Commission for the Republic of North Macedonia 2019 Chapter 5: Public Procurement



Many public procurement procedures are cancelled by the contracting authorities due to undelivered bids, inadequate bids, insufficiently secured assets, significant shortcomings in the tender documents, etc. Very often there is only one bid from the economic operator with which the contracting party has a longer-term contract for the same procurement. This situation is most often the result of:

- incorrect definition of the technical specifications or their adaptation to a particular economic operator;
- improperly established criteria for economic and financial standing and technical and professional capacity of economic operators;
- established criteria that favour a particular economic operator or
- influence of responsible persons in the contracting authority.

This is due to the unfavourable situation with the human resources of the contracting authorities: insufficient number of persons involved in public procurement; frequent change of staff; preparation of technical specifications by persons without proper education, qualifications and knowledge of the procurement case; insufficient or inadequate training for proper definition of selection criteria; susceptibility to pressure and influence, etc. These problems are more pronounced in smaller institutions and companies due to the limited number of employees who carry out different procurement procedures.

According to surveys of non-governmental organizations, institutions (ministries, secretariats, the Assembly, municipalities and the City of Skopje) publish scarce information on financial performance, including public procurement. Despite the obligation issued by the Government and the obligations for the institutions arising from the Action Plan for Open Government Partnership (2018-2020), only a small part of the institutions publish their plans for public procurement; links to ESPP posts for calls for public procurement and tender documents; contract award notices and implementation of contracts; and the contracts and their annexes on their websites. On the other hand, 95% of the surveyed persons said they do not have enough information about the spending of public money through tenders. As a result of lack of control and impunity of perpetrators, the tender documentation is often made available to certain bidders before being published on the ESPP. According to the CCC for transparency, accountability and integrity in public procurement in 2018,<sup>12</sup> the contractual authorities meet on average 55.2% of the criteria, with a significant portion of public procurement under a serious risk of corruption. ***In order to overcome this situation, it is necessary to strengthen the capacity of institutions with qualified and trained personnel for execution of public procurement, increase the efficiency in the execution of public procurement and to increase the institutional integrity and transparency in public procurement.***

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<sup>12</sup> <https://focus.org.mk/images/2019/02/javni-nabavkiweb.pdf>

#### 4.2. PUBLIC SECTOR EMPLOYMENT

Public sector employment is an area that is directly linked to public spending (the salaries of public sector employees are funded from the state budget or the budgets of local government units) and has a strong influence on the quality and access to public services, personal and institutional integrity and the creation and implementation of public policies, which entails long-term consequences for the overall society. Public sector employment includes appointments in management and supervisory boards in the public sector, which reflects on the management quality of the institutions. The employment in state administration and public sector is under the strong political influence. This has been repeatedly noted in the annual progress reports of the European Commission. Fixed term contracts and temporary service contracts are often resorted to by using lower criteria in many cases, avoiding thus 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 which further enables political party influence on employment and practicing nepotism and other forms of corrupt behaviour. Public sector employment procedures are not fully transparent , specifically not in terms of the criteria that were decisive for the selection, nor provide any insight of the stakeholders in the proceedings. All the afore stated generates a very high corruption risk in public sector employment.

##### Priority problems of public sector employment:

- 1) Non-compliance of a number of laws regulating employment which enables every kind of influence: political party influence, nepotism, cronyism and clientelism;
- 2) Inefficient leadership, management and supervision of different administrative bodies, agencies, public enterprises and state-owned JSCs;
- 3) The legislation has not established a clear system for evaluation of the selection criteria in public sector employment.

##### **Elaboration of the problems:**

**There are a number of laws that regulate employment in sectors, areas and institutions and they are often changed and non-aligned and do not provide for equality in employment.** The internal acts for job post systematization are also subject to frequent changes in the segment of required education and number of employees, without being based on a functional analysis and with no realistic justification that the required education is appropriate for the particular job. State administration bodies, public enterprises and LSGUs do not publish the systematization acts on their

web pages. Some of them make these acts classified and therefore job vacancies are not publicly advertised. All this affects the transparency in employment and allows for abuse of the discretionary rights of the authorities in these processes.

**In order to overcome this situation, it is necessary to take the following measures:**

- ***Precluding the possibility for temporary service contracts through temporary employment agencies***
- ***Precluding the possibility for turning temporary service contracts into permanent employment contracts without the required employment procedure***
- ***Assessing the real needs in terms of the number of employees and their expertise in the public sector entities***
- ***Clearly defining the type of education for specific jobs in the job systematization act***
- ***Increasing the transparency of public sector employment***

**The substantive law** governing the establishment, operation and management of separate administration bodies, agencies, stock companies, public enterprises etc. do not contain criteria for the type of education of the managers, nor basic standards, criteria and minimum competence in the selection and appointment of members of the management and supervisory boards. The job systematization acts in the public enterprises established by the Government of RNM and LSG or in the joint stock companies owned by the state do not include the managerial positions, and even if they do, the type of education is not listed. The selection of members of the supervisory and management boards is carried out by the founder (the Government or the Council of LGUs), which in turn, select the director and / or deputy director. Such supervisory or management boards are often non-functional due to the failure of the founder to appoint the required number of members or due to the prolonged duty of acting directors instead of appointing directors.

This situation contributes to incompetence and lack of professionalism in the management, operation and supervision of these entities, derogates the integrity of the appointed persons and questions the decisions taken by the management bodies. In order to overcome this adverse situation, it is necessary:

- ***To optimize the number of members of supervisory and management boards in government bodies, public enterprises JSCs, and***
- ***To establish criteria for the type of education and competencies in the selection of directors and the appointment of members of the management and supervisory boards.***

Employment legislation has not established clear and transparent evaluation of the selection criteria in employment applicable across the entire public sector. The employment procedures in health, education, culture, social welfare are regulated by separate substantive laws, which do not provide for an objective and transparent candidate selection and scoring in the different stages of selection

as stipulated by the Decree on employment procedures for administrative servants.<sup>13</sup> As for the joint stock companies in state ownership, in which employment is regulated by the Law on Labour Relations, and which does not prescribe any criteria, the Government as the founder has not established any criteria for clear and transparent evaluation of the selection criteria in employment. In such circumstances, the decisions for employment are often based on the subjectivity of the responsible person who can resort to his/her discretionary power and employ political party members or close relatives. **Therefore, it is necessary to apply the following measures:**

- *Establishing clear and transparent evaluation of employment criteria in health, education, culture, social welfare and state-owned JSCs, and*
- *Limiting the discretionary power of the responsible persons in the employment process.*

## **5. PRIORITY PROBLEMS IN THE FIGHT AGAINST CORRUPTION BY SECTOR**

The corruption risk assessment,<sup>14</sup> analysed in Chapter 2 of this document indicated that corruption risks exist in the public, private and civil sectors.

Given the complexity of the three sectors, especially the public sector which encompasses many sub-sectors, the identification of the most important problems that generate corruption risks and the prioritization of the problems based on criteria related to the intensity of the problem, the influence within the sector and the wider social environment and the effect of resolving / mitigating the problem, will contribute to reducing the level of corruption in the country.

The Strategy covers the following sectors:

- 1) Political system
- 2) Judiciary
- 3) Law enforcement bodies
- 4) Health care
- 5) Education
- 6) Labour and social policy
- 7) Spatial and urban planning
- 8) Environment
- 9) Agriculture
- 10) Sport
- 11) Economy and business
- 12) Public enterprises
- 13) Media and civil society

The sections below elaborate the specific priority problems in each of the afore stated sectors.

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<sup>13</sup>Official Gazette 27/2018

<sup>14</sup><https://dksk.mk/index.php?id=118>

## 5.1. POLITICAL SYSTEM

From the perspective of this National Strategy, the political system sector encompasses the government and politics, with a special focus on the legislature, so it covers decision-making processes at the political level, such as laws, policies, strategies and other types of general acts, in all phases, from initiating, through writing, to decision making.

The Republic of North Macedonia is a parliamentary democracy. Therefore, the manner of functioning of the Assembly is crucial for the development of democratic processes in the country, and it also strongly determines the implementation of the planned anti-corruption policies. It involves the establishment and respect of the principles of diligence, accountability and transparency in the work of the Assembly. The electoral process in terms of its definition and functioning is an integral part of the political system of the country needs to ensure fair competition of political parties and prevent any abuses aiming to gain impermissible advantage of a participant in the election campaign. But from the point of view of corruption risk, it is emphasized in almost all detected areas in the strategy. The purpose of changes in the decision-making process is to reduce or eliminate the practice of decision-making without analysis, consultation and without affecting private interest. In addition to the Assembly of RNM, the main responsible institutions and bodies within the political system include the Government of RNM, the State Electoral Commission, SCPC and the State Audit Office.

### Priority issues to be addressed in the political system sector:

1. Adoption of a number of laws in summary proceedings without adequate justification for this type of procedure;
2. Preparing, proposing and passing legislation without conducting first proper qualitative analyses, impact assessment and consultation processes aimed at protecting the public interest;
3. Non-sanctioning the refusal to submit a statement of assets and liabilities by persons with such an obligation;
4. Unregulated interaction between lobbyists and representatives of the legislative and executive authorities, as well as local government officials;
5. Insufficient involvement of officials from the highest level in educational programs in the field of ethics and integrity;
6. Absence of a mechanism or an authority for efficient monitoring of the media coverage of election campaign participants through internet portals.

### **Elaboration of the problems:**

The key problem in promoting the integrity of the political system is how to regulate decision-making processes. It is a general principle, applicable to all levels, to the executive and the legislature, which should discourage or minimize the intrusion of the private or the interests of certain stakeholder groups.

In the Republic of North Macedonia, the decision-making process is porous to influences and interests that provide benefits to stakeholders. The legal and sub-legal regulation in certain areas, decisions on subsidies, assistance, redemption, etc., rarely contain a detailed analysis of justification and transparent records of the stakeholder consultation process. The risk that they are used to satisfy business interests or voter loyalty increases when decision-making rules are not followed.

The Rules of Procedure of the Assembly do not prescribe any criteria for determining the complexity and scope of laws, amendments and supplements to existing laws, which leaves ample room for the proposer to use summary proceedings for adopting laws without sufficient explanation. This implies that these proceedings are unjustifiably used in order to meet political party or group interests. ***Therefore, it is necessary to amend the Rules of Procedure of the Assembly of RNM by defining criteria for the complexity and scope of draft laws.***

Ensuring an integrity-based decision-making process is the result of a number of rules contained in the Rules of Procedure of the Government, Parliament, and municipalities, as well as codes of ethics for officials. However, the process of Regulatory Impact Assessment (RIA) which is to be applied for each new or amended existing legislation proposed by the government is not applied in practice. Furthermore, although according to the Rules of Procedure of the Government the Ministries are obligated to provide an opinion from the SCPC regarding the draft laws that are subject to RIA, in 2018 only one law was submitted to SCPC for anti-corruption check.<sup>15</sup>

Hence, it is necessary to consistently respect the principles of transparency and accountability in the RIA process: better quality analysis of the costs and effects of the proposed decision, so that any policy change will be explained with evidence and justification. Additionally, it is necessary to keep proper records of the consultation process, which will have an insight that influenced the decision-making. Because the focus of this section is on the decision-making process, the essence of the problem is how to reduce the harmful effects of lobbying. Hence, it is crucial to strengthen the integrity of the RIA drafting process, as a process that provides analysis-based decision-making, and to further identify particular interests in rules through the APL.

Experience suggests that certain persons who have not submitted an asset declaration or a statement of interest do not meet this requirement even after the imposition of a sanction. Consequently, it is necessary to introduce an additional mechanism for sanctioning such cases, that

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<sup>15</sup>Data were obtained from the SCPC

is, to define the "refusal to declare assets and interests" by the people who are bound by law and establish measures aimed at establishing responsibility for these persons.

**In the Republic of North Macedonia there is a Law on Lobbying, however, it is non-functional in practice.** No rules have been established yet to regulate the manner in which process of lobbying is conducted, especially in the interaction between lobbyists, officials and third persons with an interest in making certain decisions. In the absence of such rules, lobbying continues to take place in a variety of alternative forms, which are mostly based on rogue, even corrupt grounds. **Therefore, it is promptly needed new Law on Lobbying.**

In a situation when it is impossible to fully regulate every detail of the functioning of the system, **the officials must carry out their responsibilities based on the principles of ethics, diligence, responsibility and impartiality,** as well as all other elements that constitute the integrity of public officials. This particularly applies to the highest public officials from the executive branch that make decisions on major issues, which in turn means having the highest standards of integrity. In view of this, **it is necessary to establish a system for strengthening the integrity of the holders of executive power at the highest level by creating an appropriate program and conducting training.**

There is no mechanism or authority to effectively monitor the media coverage of the election campaign participants on internet portals. Although the Electoral Code states that the Agency for Audio and Audio-Visual Media Services should monitor advertising on these portals, it is not done in practice because there is no legislation for registration, supervision and monitoring of their operation. On the other hand, online portals are used for major political advertising during the electoral process, for which they receive significant funds from the state budget of RNM. These payments are made through the SEC, although SEC is not able to check and confirm the validity of such payments. In order to reduce the risk of impact and misuse of budget funds, the advertising on these on-line media should not be funded from the budget of RNM.

## 5.2. JUDICIARY

The judiciary is the key sector as regards the rule of law. In terms of this Strategy, this sector encompasses all institutions with the authority to process cases and make decisions on them - prosecutors, the state attorney office, courts, and other relevant bodies - the Judicial Council, the Council of Public Prosecutors, the Academy of Judges and Public Prosecutors. The judiciary, in accordance with the Constitution and the law, is characterized by independence. The Ministry of Justice is responsible for proposing legislation in this area, and it also has the jurisdiction over the organization and monitoring of judicial administration.

Priority problems in the judiciary are:

- 1) Insufficiently efficient system for strengthening the integrity of the judiciary and public prosecution;

- 2) Insufficient material and human resources, absence of an automated system for allocating and supervising cases of public prosecution and lack of transparency in the work of the Council of Public Prosecutors;
- 3) Insufficient efficiency and transparency in the work of the State Attorney's Office

**Elaboration of the problems:**

**There is insufficiently effective system for strengthening the integrity of the human factor in the judiciary and public prosecution.** The adoption of the new Law on the Judicial Council and the amendments to the Law on Courts established a solid foundation for monitoring the work of judges and the issue of their accountability. However, it lacks an efficient system for strengthening the integrity of the human factor in the judiciary through the promotion and application of codes of professional conduct. These codes generally establish a satisfactory framework for standards of professional conduct of judges and prosecutors, but they are not accompanied by relevant examples and comments that would facilitate their application. On the other hand, the draft Law does not contain provisions that regulate the manner of adoption of the ethical code that causes dilemmas with respect to its development and adoption. It is, therefore, necessary to ***amend the codes of professional conduct of judges and public prosecutors by adding comments and examples, as well as supplement the Law on Public Prosecution with provisions that define the Code of public prosecutors and the manner of its adoption.***

Past practice shows that judges and prosecutors have expressed almost no interest whatsoever in attending training on strengthening integrity and introducing the codes of professional conduct and their practical application. This situation is unacceptable, especially given the fact that the impartial and consistent execution of the judicial and prosecutorial function is crucial for this sector. In circumstances of improper conduct of judges and public prosecutors in the performance of their duty, and outside their jobs, it may be concluded that they are not sufficiently familiar with the standards regulated by codes of professional conduct. ***In order to overcome this situation, it is necessary to carry out mandatory training for judges and public prosecutors in view of implementing the codes of professional conduct.***

Although the Criminal Procedure Code was adopted in 2014, the public prosecutor office is still facing major problems in carrying out its function. **The increased jurisdiction of the prosecution in the performance of the investigation was not accompanied by providing adequate material - technical and human resource logistics. The investigation centres provided for in the CPC have not been established yet, which leaves the public prosecutor still heavily dependent on the support from the Ministry of Interior.** The case files in the prosecution office are assigned manually, with the risk of unprincipled assignment for certain prosecutors. There is no efficient electronic system for tracking the case files depending on the stage of the proceedings. ***It is necessary capacities and resources of the public prosecution system to increase, staff the public prosecution offices in line with the existing job systematization, establish investigation centres and an automated system for case assignment and tracking in public prosecution.***



Insufficient efficiency and transparency in the work is also a problem with the State Attorney's Office due to weaknesses in the Law on State Attorney:

- dependence of the Ombudsman on the Government in relation to determining the number of state ombudsmen, seat and area;
- unapproved assessment of the Ombudsmen as a way to verify their effectiveness and efficiency;
- not an orderly manner for dismissal of Ombudsmen; unforeseen initiation of disciplinary proceedings against the State Attorney;
- no deadlines for submitting an annual report on the work of the State Attorney's Office to the Government, nor obligations for the Government to review and adopt an annual report;
- manual distribution of items due to lack of computer connection are part of the problems that make this sector of the justice system inefficient and non-transparent.

This body is responsible to take care of the interests of RNM in the disposition of state property and acts as its representative in court proceedings. In this regard, SA gives their opinion and consent for disposal of land and other real estate owned by the state. Given that this is a particularly important responsibility of SA that affects the public interest, ***it is necessary to adopt a new legal solution that will overcome the previously mentioned problems in the functioning of the State Attorney's Office.***

The current situation in the judiciary indicates that in addition to the detected risks of corruption, for which this Strategy proposes appropriate measures, there are other risk areas and factors that impede the efficient functioning of the judicial system. In a situation where the judiciary is choking in inefficiency, when criminal proceedings are instigated against officials from the very top of the judicial and prosecutorial hierarchy and when public confidence in the judiciary is extremely low, it is necessary to think about some more radical measures to remedy the situation. The character of these measures and the type of activities to be taken must be carefully designed, taking care not to block the functioning of the judicial system. ***To that end, it is necessary to make an additional in-depth analysis and assessment of the corruption risks in the judiciary.***

### 5.3. LAW ENFORCEMENT BODIES

In the Republic of North Macedonia, the bodies in charge of law enforcement include the Ministry of Interior (Mol), the Financial Police Office (FPO), the Financial Intelligence Unit (FIU) and the Customs Administration (CA). Additionally, the supervisory bodies, or the inspection services at central and local levels, as well as the internal and external financial control and audit system have an important role in the system for proper law enforcement and detection of any irregularities.

The aforementioned bodies, by the nature of their competencies, are often exposed to pressures and corrupt influences, which ultimately leads to loss of public trust in the functioning of the system as a whole. Therefore, it is necessary to attach substantial attention to these bodies, improve their legal framework and strengthen their financial, material and human resources, and the integrity of their employees.

The GRECO evaluation report on the Republic of North Macedonia for 2019 (Fifth evaluation round: Preventing corruption and promoting integrity in central governments (top executive functions)<sup>16</sup> and law enforcement institutions) gives a number of remarks with respect to opportunities for corrupt behaviour in these institutions and fourteen recommendations for improving the situation in this area that RNM is bound to implement.

#### Priority problems in the sector of law enforcement bodies:

- 1) Large discretionary powers of the responsible persons and lack of transparency in recruitment and promotions in the Ministry of Interior;
- 2) Ineffective system for determining professional responsibility in law enforcement bodies;
- 3) Unclear and imprecisely defined competencies and overlapping competencies of the inspectorates ;
- 4) Subjective and inadequate conduct of inspectors in the execution of their powers;
- 5) Insufficiently functional inspection in local self-government;
- 6) Institutions' managers do not implement the recommendations of the internal audit and the State Audit Office;
- 7) Influence of the responsible persons in public institutions on the independence of internal audit.

#### **Elaboration of the problems:**

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<sup>16</sup><https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/168095378c>

**The Law on Internal Affairs does not provide sufficient transparency in relation to the recruitment and promotion procedures in the MOI** and allows for maximum use of the discretionary powers. The lack of transparency is due to the fact that the Law allows employment without public advertisements for the positions determined by status - authorized officials, but also given the fact that the acts for organization and systematization of jobs in the MOI are confidential documents with assigned classification. This creates conditions for nepotism, cronyism, recruiting unprofessional and unscreened persons in the police force and the Ministry and politicization of the system that is supposed to provide safety and security to the population. Improvement will be achieved by providing transparency of the police systematization acts and the recruitment and promotion process.

**Ineffective system for establishing professional responsibility of the law enforcement bodies.** Persons with certain authority employed in the FPO and FIU have considerable power in dealing with other subjects, and in case of breach of duty they are subject to disciplinary action pursuant to the Law on Administrative Servants through ad hoc established disciplinary committees since these institutions do not have a system for internal control and professional standards. Establishing professional responsibility in the MOI and Customs Administration is carried out by disciplinary committees formed by the Minister of Interior or the Customs Administration Director and consisting of employees from the ranks of the organizational unit of the employee against whom the procedure is instigated, which creates a risk of solidarity, failure to initiate proceedings or non-sanctioning. ***For the purpose of successfully detecting and sanctioning irregularities, it is necessary to strengthen internal control mechanisms in the FPO and FIU and establish central disciplinary committees in the MOI and CA.***

Part of the substantive laws regulating the scope and operation of specific inspectorates contain insufficiently or unclearly specified competencies that leaves ample room for incomplete and inefficient conduct of several inspectorates. This practice leads to situations of overlapping of certain competences of the inspectorates and gaps in the regulation of inspections in certain areas. ***It is necessary to improve the legal framework to accurately determine the responsibilities of the inspection services.***

**Subjective and inappropriate conduct of inspectors in the execution of their competence.** When performing their tasks, inspectors work independently and make decisions on the factual situation and prescribe measures and sanctions for legal violations independently as well. Given the power they have to impose strict sanctions, the independence in their work may be used for personal interest or abuse. ***It is necessary to systematically analyse corruption risks in inspection services and eliminate them, strengthen the integrity of inspectors, including the obligation to submit a declaration of assets and conflict of interest.***

With the decentralization process in the Republic of North Macedonia, the category of "authorized municipal inspectors" was introduced in the local government units, and they have the status of administrative servants. **However, the jurisdiction of state and municipal inspectors is not harmonized.** Many municipalities have a small administrative office and therefore inspection is carried out by persons authorized by the mayor, although they do not have the appropriate

qualifications and knowledge. The Law on Construction, the laws in the field of environmental protection and the Law on Local Self-Government do not ensure the independence and autonomy of the authorized inspectors in their actions and decisions and are strongly influenced in their actions both by the mayors and by other interested parties. In order to improve the inspection system on the local level, ***it is necessary to strengthen the integrity of the inspection services and to work continuously on enhancing inspections and manning them with qualified staff.***

The internal and external audits submit reports on its actions to the responsible / managing officials with recommendations for changing and improving the operation of the institution. The management of the institutions often fail to implement the recommendations of the internal audit and SAO because the legislation does not provide for liability in case of non-compliance with the recommendations of the audit reports. This affects the functioning of the institution, the integrity of employees and threatens the economic and efficient operation of the institution itself. ***It is necessary to establish an effective system of implementation of the recommendations and a system of accountability.***

The internal audit under the Law on Public Internal Financial Control is carried out in all public sector entities whose average annual budget / financial plan in the last three years exceeds 50 million Denars. Otherwise, internal audit is organized by engaging an auditor from another public institution or auditor /s from the registry of internal auditors maintained by the Central Harmonization Unit at the Ministry of Finance. The organizational independence of the internal audit does not prevent the risk of influence of the responsible officials regarding the independent work of the auditors, professionalism in the performance of the audit, objectivity of the presented findings and consistent implementation of the recommendations. Therefore, ***it is necessary to ensure objective and increased independence in the work of the internal audit and promote the institutional framework by organizing the internal audit in the public sector into a new organizational unit within the Ministry of Finance.***

#### **5.4. HEALTH CARE**

The health care sector in the context of this Strategy comprises the public institutions responsible for health care matters, public and private health care facilities, as well as pharmaceutical wholesalers. It primarily includes the Ministry of Health and the independent bodies under the Ministry, the Health Insurance Fund (HIF) and the operational units: clinical centres, hospitals and other institutions operating in the field of public health. Corruption in public health care is scarcely treated in the relevant reports on corruption, but citizens have expressed their perception of the high level of corruption in the health sector through various polls. The Ministry of Health does not assess the risks of corruption, nor is it mentioned in any of the strategic documents in this sector.

Corruption risks in the health sector are mainly linked to their main activity - provision of health care services, employment and especially in public procurement, considering that this sector continuously performs numerous high value procurements (medical equipment, medications and

other necessary goods / services) to provide operational and uninterrupted performance of their everyday activities.

Priority problems in the health care sector are:

- 1) There are no effective criteria for establishing the contractual fees (limit / budget) of health care institutions (public and private health care facilities) and the prices of health services and medications, nor criteria for transparent allocation of budget funds for health services, new technologies and pharmaceuticals, methods for health care services;
- 2) Subjectivism in the selection of medications covered by public funds, i.e. by the health insurance contributions of the citizens and the regulation of evidence-based medicine is not applied consistently;
- 3) Abuse of procedures for granting / receiving donations, clinical studies and projects;
- 4) Unethical practices in the marketing of medications.
- 5) Transparent and objective decision-making in the procedure for treatments abroad

**Elaboration of the problems:**

There is no system for defining indicators for quality, timely and complete delivery of health services in the public health care, which should be publicly available and intended to compare health care facilities , an objective assessment by patients, as well as to assess the objectivity of the budgets required for the smooth operation of the health care institutions.

This situation leaves room for influencing the persons responsible for providing more budget from the HIF even though the number of delivered health services is low. Due to the lack of an integrated data base on health care services costs, there is great danger of subjectivity in determining the input costs involved in the formation of the reference price of the health service. The methodology for pricing the health services does not regulate who and when can submit a request to revise the price, so it is mostly done at the request of the health care facilities. There are no criteria for allocation of budget funds for new technologies and pharmaceuticals, nor methods for health services that would follow the trends of evidence-based medicine. There are no functional mechanisms to control prices and supply of medications with patent protection (the so-called "brands") and medications of which only one registered and available medication can be found in the country. ***Therefore, it is necessary to establish transparent and effective criteria for allocation of the Health Insurance Fund budget to health services and institutions, strengthening the capacities of the Fund for planning, analytics and health economics, providing an inclusive way of allocation of the budget by levels and areas of health care with representatives of the health institutions, defining criteria for allocation of budget funds for new technologies and pharmaceuticals, methods for health services and digitization and linking of financial accounting management of the health care providers. It is necessary to adjust the pricing and public procurement system to the specific characteristics of***

***the medications that have monopoly on the market, in line with the practices and regulations of developed countries.***

Due to lack of functionality of the existing legislation, there is a risk of corrupt activities in defining the medications that will be part of the positive list. Many of the adopted national protocols and guidelines for the treatment of certain diseases have not been updated and functional. The regulation of evidence-based medicine does exist, but no mechanisms (incentives and sanctions) are in place to apply it. This opens up opportunities for a personal choice of the physician in terms of the methods for treatment and favouritism by professional colleges. ***It is necessary to establish the legal framework for the selection of medications that will be covered from the state budget and ensure transparency in the implementation of the Ministry of Health programs, which include the provision of medications. Encouraging consistent application of the principles of evidence-based medicine.***

There are frequent cases of accepting a donation of equipment that does not have the characteristic of donations because it allows direct future benefit for provider. Moreover, there are cases of accepting donations which due to the technological obsolescence imply substantial financial maintenance costs and donations that can incur expenses for medical waste treatment because of deadlines. There is no registry of clinical studies nor publicly available data on donations of medications and equipment. This situation allows for abuse in negotiating the acceptance of donation. Therefore, it is necessary ***to specify the characteristics, conditions and manner of accepting donations by public health facilities, and make the data on donations of medications, equipment and clinical studies publicly available.***

Drug marketing by its nature is an interaction between the pharmaceutical industry and doctors, and as such it is important for the development of drugs, continuous medical education and monitoring of adverse reactions. However, due to weak regulatory mechanisms in this area, especially in the area of punishability, corrupt practices have been reported in the form of direct and indirect payments by pharmaceutical companies to doctors and pharmacists for prescribing certain drugs. With this, in addition to the illegal gain of material benefit, the state budget and the private budgets of medication users are exposed to irrational spending. It also undermines the professional integrity of physicians and medical staff. There is no established system of "Therapeutic Committees" and "Hospital Registries of Medications" at the level of hospitals in the country, tasked to make objective decisions on which drugs would be used in the hospital, on the basis of medical and economic parameters. In order to overcome this situation, it is necessary ***to regulate and monitor the relations between pharmaceutical companies and doctors with respect to drug marketing in general. At hospital level, it is necessary to establish a system of "Therapeutic Committees" and "Hospital Registries of Drugs."***

***Often the users of health services due to lack of specific staff, appropriate equipment or inoperable techniques in our public health, are forced to seek treatment services abroad. Of course, this requires approval of funds from the budget of the Health Insurance Fund of RNM, which in turn is subject to lengthy procedures for approval and referral to an appropriate health institution***

*abroad. For greater efficiency in the referral for treatment abroad, it is necessary to establish reference hospitals through clearly defined criteria which would enable timely provision of the necessary services to the applicant.*

## 5.5. EDUCATION

The education sector is very broad and includes the Ministry of Education and Science and independent bodies within its structure, the local government units (due to the decentralized competencies in this sector), public primary and secondary schools and state universities. It also includes the Ministry of Labour and Social Policy responsible for kindergartens that provide preschool education.

Corruption in education is scarcely treated in the relevant reports on corruption, but this sector is often indicated by citizens in various polls based on their perception or experience in respect to corrupt activities. The Ministry of Education does not assess the risks of corruption, nor states corruption in any of the strategic documents in this sector.

Priority problems in the education sector are:

- 1) Prominent influence and discretionary powers in employment in the education sector;
- 2) Insufficiently developed capacities of the State Education Inspectorate;
- 3) Low awareness for addressing the issue of corruption in the educational institutions;
- 4) Absence of precise legislation on the use of teaching aids and didactic tools / devices;
- 5) Lack of procurement procedures which are carried out outside the Law on Public Procurement in the educational institutions;
- 6) Lack of bylaws for regulating the leasing of real estate of educational institutions;
- 7) Raising the quality of higher education in the field of accreditation of higher education institutions, scientific institutions and accredited study programs;
- 8) Insufficient contents in secondary education on the principles of good governance and integrity.

### **Elaboration of the problems:**

**Prominent influence and discretionary powers in employment in the education sector** is encountered in all levels of education. The employment of teachers in primary and secondary education is based on set criteria and there is a legal opportunity to interview the candidates, with the possible exercise of the discretionary right of the principal to select candidates on the basis of the interview, in circumstances when several candidates fulfil the formal criteria. An additional

problem is the dismissal of principals of primary and secondary schools before the expiry of their term, without adequate justification, under political pressure. The employment in education often uses the mechanism of temporary employment of candidates, which precedes the procedure for regular employment. It is a way for the entry of "selected" candidates in the institution, who are often favoured in the later procedure for regular employment.

Employment of teaching staff and election in academic and scientific titles at universities and scientific institutions are based on procedures and criteria prescribed in the Law on Higher Education. The evaluation of candidates and the election are carried out by a three-member peer review committee in which two members should be from the specific scientific field and the final election decision is made by the Teaching - Scientific Council of the institution or the University Senate for election in the title of full professor. It creates an opportunity for wider application of personal views and favouring certain candidates by the committee. The Council / Senate may decide not to confirm the proposal of the review committee; however, it happens rarely in practice.

In order to create a climate for competence-based employment in education, particularly in primary and secondary education, it is necessary ***to establish clear criteria and procedures for conducting interviews for employment of teachers. Also, the decisions for dismissal of principals of primary and secondary schools before the expiration of their mandate must contain detailed reasons and must be subject to inspection.*** In the field of higher education, ***a mechanism should be introduced for regular oversight over the process of election into academic and scientific titles and increase the competence of the SEI in conducting oversight over these procedures.***

**The insufficiently developed capacities of the State Education Inspectorate (SEI)** are a problem that significantly restricts its possibilities for action. In the area of inspection, one of the main shortcomings is the absence of a comprehensive methodology for the work of the SEI as part of the oversight. This is coupled with the continuing shortage of inspectors, in particular the need to conduct emergency inspections. All this is a significant risk of pressure, or influence (political party, friendly or third parties) on the findings of the conducted inspections. In order to overcome these problems, ***it is necessary to introduce a comprehensive methodology for the work of the SEI; to improve the material-technical conditions and the human resources of the Inspectorate; to strengthen the resilience of the SEI staff to influence through education and training and to strengthen the mechanisms for control of the inspectors.***

Within educational institutions, there is a **low awareness of addressing the issue of corruption.** This problem is not included in the Strategic Plan of the Ministry of Education and Science and other relevant documents and is not enforced by the governing bodies of universities either. Some conferences and debates are occasionally organized on this subject, but there are no official documents and activities. In order to improve the situation in this sphere, we need ***campaigns and systematic activities to raise the awareness on the prevention of corruption in primary and secondary education, as well to strengthen the mechanisms through which students and teachers can report corruption.***



**There is no precise legislation on the use of teaching aids and didactic tools / aids in primary and secondary education.** In the existing Law on Textbooks for primary and secondary education it is not clearly defined how the teaching aids and didactic tools / aids that are used in teaching are determined, nor how they are procured. This generates a risk of abuse of power or may impose an obligation on the students to buy educational aids from publishers and authors that are connected with the teachers. Thus, ***it is necessary to establish precise criteria for the procurement and use of educational aids in primary and secondary schools.***

**Lack of procurement procedures educational institutions which are carried out outside of the Law on Public Procurement.** Namely, educational institutions carry out substantial procurement (excursions for students, school security, taking photographs of students and preparation of almanacs, supply of school snacks, student insurance, etc.), which is not encompassed within the provisions of the Law on Public Procurement. This type of procurement provides ample opportunity for corruption and abuse of power, and the costs are borne by the parents. The Ministry of Education has adopted a Rulebook on the manner of organization of excursions, however, there are no bylaws and procedures to regulate the other types of procurement. In this regard, ***it is necessary to draft bylaws that would regulate the execution of the said procurement in educational institutions.***

**Lack of bylaws for regulating the leasing of real estate by educational institutions.** Leasing real estate by educational institutions is carried out in the absence of appropriate regulation. In practice, schools and universities lease part of their premises for performing other activities (catering, sports, etc.) without detailed regulation. Therefore, ***it is necessary to draft bylaws that would regulate the lease of real estate by educational institutions at all levels.***

**Accreditation of higher education institutions, research institutions and study programs.** The Law on Higher Education<sup>17</sup> provides for the establishment of a National Council for Higher Education and Scientific Research and a Quality Assurance Agency for Higher Education, which would be responsible for the accreditation of higher education institutions, research institutions and study programs. The provisions of this Law have not yet been implemented, although the Law went into effect in May 2018. According to the Law, the Agency is defined as "an independent expert body" with three bodies (Accreditation Board, Evaluation Board and Agency Director). The boards have a duty under the Law to submit a report on their work to the Ministry and the National Council, while the director, whose election and dismissal falls under the mandate of the Assembly, has no obligation to report on the Agency work. This creates a blurred line of accountability and absence of control mechanisms and simultaneously creates ample space for various influences. In addition, there are inconsistencies in terms of transparency in the selection of members of the Agency by the Government and the criteria that the Inter-University Conference uses to select the members of the Agency and a member from the ranks of the students for the Accreditation Board and the Evaluation Board. To that end, ***the National Council for Higher Education and Scientific Research and the Quality Assurance Agency for Higher Education need to be functional; the amendments and supplements to the Law on Higher Education need to define the responsibility of the Agency for***

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<sup>17</sup>Official Gazette no. 82/2018

*quality education; greater transparency is necessary with respect to the selection of members and the work of the Agency; action should be taken to enable the admission of the Agency into the European Association for Quality Assurance in Higher Education (ENQA).*

**Insufficient contents in the educational process in secondary education on the principles of good governance and integrity.** The principles of good governance and integrity are the basis for the prevention of corruption, for which it is necessary to educate the youth and familiarize them with these principles in the course of their education. In 2019, the SCPC in collaboration with 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 anticipated outcome of the project is that its effects will encourage its continued implementation, as well as expansion of the educational program in the secondary education system by including anti-corruption contents in the regular curricula. This requires the creation and establishment of anti-corruption educational content in the secondary education system.

Concrete measures and activities of the education sector are presented in detail in section 5.5. Action Plan of this Strategy.

## **5.6. LABOR AND SOCIAL POLICY**

The sector for Labour and Social Policy covers issues related to labour relations and social rights, the right to pension and disability insurance, as well as pre-school education of children in kindergartens. It falls under the jurisdiction of the Ministry of Labour and Social Policy.

Priority problems in the sector for labour and social policy:

- 1) Lack of oversight in the procedures for the exercise of rights on the grounds of pension and disability insurance;

### **Elaboration of the problems:**

**Absence of a digitalized system for social insurance and the lack of oversight in the procedures for the exercise of rights on the grounds of pension and disability insurance.** In the absence of a single digitized central social security system, there is a risk of abuse in the exercise of rights of the insurees. The Work Capability Assessment Committee of the PDIF, on the basis of whose findings, assessment and opinion, the claimants are granted the right to disability pension and other rights on the grounds of disability, is facing the problem of being understaffed. Also, there are no set precise criteria for decision-making, leading to a number of grievances / complaints in relation to its operation.

The Committee for review of the findings, assessment and opinions with respect to disability or inability to work in the MLSP is facing challenges in the selection of committee members in the sense that although there is an established electronic selection system, the human factor influence is still possible. Moreover, there is insufficient control in calculating the years of work experience of the insurees, which leads to the risk of abuse by PDIF employees, insufficient oversight of the MLSP over the work of the PDIF and insufficient oversight in the procedures for the exercise of rights on the grounds of assistance and care from another person.

In order to overcome the afore-stated situation, it is necessary to:

- ***Establish a single digitized central social security system;***
- ***Form a new body of expertise / disability assessment / work capability, which will comprise members from several committees to carry out expert assessment of the findings regarding work capability, in order to reduce the possibilities for corruption;***
- ***Amend the Rulebook on the organization, composition and method of work of the Committee for review of the findings, assessment and opinions on the disability or work inability, in terms of the manner of selection of its members, and***
- ***Strengthen the oversight in the procedures for the exercise of rights on the grounds of pension and disability insurance.***
  
- ***Strengthen the oversight in the procedures for the exercise of rights on the grounds of assistance and care from another person.***

The concrete measures and activities in the sector of labour and social policy are presented in detail in Section 5.6 of the Action Plan of this Strategy.

## **5.7. URBAN AND SPATIAL PLANNING**

The sector of Urban and Spatial Planning in the context of this Strategy comprises public institutions that are part of the central and local government with a jurisdiction over the issues of urban planning, spatial planning and construction.

It primarily includes the Ministry of Transport and Communications (MTC), the Ministry of Environment and Spatial Planning (MEPP), independent bodies under their authority and the local self-government units.

The legislation on the activities in the field of construction, urban and spatial planning provides for the issuance of approvals, decisions, permits, licenses and other documents. The significance of these documents is even greater taken into consideration that the construction works which are approved by this sector are usually costly, which leaves ample room for pressure, influence and encourages corruption. Therefore, the issuance of various documents and inspection are considered as points that can generate a risk of corruption in this sector.

***It should be underlined that the Law on the treatment of unlawful constructions jeopardizes the principles of the rule of law, the planned development of spatial planning and the compliance with the Constitutionally guaranteed right of the citizens to humanized landscapes and protection and improvement of the environment and nature, hence it is necessary to limit its application as soon as possible.***

Priority problems in the sector of urban and spatial planning:

- 1) Insufficient oversight in the construction of second category buildings.

### **Elaboration of the problems:**

In the period September-December 2019, in the process of drafting this National Strategy, in the area of urbanism and spatial planning, the SCPC noted several problems in terms of private interest prevailing over the public one in the adoption of detailed urban plans, the conversion of construction land with purpose D1 - park greenery in another class, non-transparency when bringing new or when changing the existing detailed urban plans and the like. Due to the fact that in February 2020 a new Law on Spatial and Urban Planning was adopted which enabled the strengthening of standards for spatial and urban planning in favour of the public interest, mandatory analysis in the preparation of urban planning documentation, defining buildings of special importance of the state as well as increasing the inclusiveness and transparency of the process of adopting urban plans, the SCPC will leave room for monitoring the implementation of the new provisions and recording the effects of their implementation.

In the construction sector there are often construction activities which are not always done in accordance with the approved construction-technical documentation. This particularly applies to second category buildings, for which an authorization for use is not issued and the technical examination is carried out by a legal entity which has a license for supervision. According to the Law on Construction<sup>18</sup>, the license for supervision is revoked by the Ministry of Transport and Communications if the supervising legal entity makes or certifies a written report with findings that do not correspond to the actual state of the construction based on a proposal of a construction or authorized construction inspector. Given that this measure has no practical application, **it is necessary to oblige the inspection services to initiate proceedings to revoke the license for supervision of the legal entity if an irregularity of presenting a false state is established (Article 38, paragraphs 5 and 6 of the Law on Construction).**

The concrete measures and activities in the sector of urban and spatial planning are presented in detail in section 5.7. of the Action Plan of this Strategy.

### **5.8. ENVIRONMENT**

The sector of environmental in the context of this Strategy consists of public institutions that are part of the central and local government and the authority on matters related to environmental protection. It includes the Ministry of Environment and Spatial Planning (MEPP) and independent bodies within its structure, the State Environmental Inspectorate, as well as the Local Self-

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<sup>18</sup> Law on Construction ("Official Gazette of the Republic of Macedonia" No. 130/09, 124/10, 18/11, 36/11, 54/11, 13/12, 144/12, 25/13, 79/13, 137 / 13, 163/13, 27/14, 28/14, 42/14, 115/14, 149/14, 187/14, 44/15, 129/15, 217/15, 226/15, 30/16 , 31/16, 39/16, 71/16, 132/16, 35/18, 64/18 and 168/18 and "Official Gazette of the Republic of Northern Macedonia" No. 244/19, 18/20 and 279/20 )

Government units and other public institutions that have a certain role in terms of the scope of environmental protection, which include ambient air quality, nature protection, noise protection, waste management, batteries and accumulators, packaging and packaging waste management, electrical and electronic equipment management, water management, spatial planning, genetically modified organisms, the world natural and cultural heritage. This sector is becoming increasingly important over the past years as a result of the introduction of various environmental and other licenses that business companies must possess in order to carry out their activities.

Priority problems in the environmental sector are:

- 1) Absence of an integrated system for regional waste management;

#### **Elaboration of the problems:**

An acute problem facing this sector is the inconsistent implementation of the Law on Waste Management, in the segment of the Integrated and regional waste management. This situation is due to political party interests since the establishment of regional waste management centres will reduce the jurisdiction of municipal public enterprises. This would reduce the possibility for utilizing these enterprises for political purposes, especially in the area of employment. On the other hand, municipal public enterprises are generally in poor condition and ineffective in waste management, which results in serious destruction of the environment. ***Therefore, it is necessary to establish functional regional waste management centres as soon as possible.***

#### **5.9. AGRICULTURE**

The sector of agricultural in the context of this Strategy consists of public institutions with jurisdiction in matters relating to agriculture, primarily the Ministry of Agriculture, Forestry and Water Economy-MAFWE, the Agency for Financial Support of Agriculture and Rural Development-AFSARD and the Agency for Stimulation of Agricultural Development - Bitola.

Over the past years, the Government allocates a significant portion of the budget by creating policies that support agriculture to stimulate and increase agricultural production; however, the prevailing opinion is that the effects of these measures did not meet the anticipated results, primarily due to inefficient management and implementation of the created policies.

Priority problems in the sector of agriculture are:

- 1) Redefining the system for sale of state-owned agricultural land and establishing effective supervision over the intended use of the land and fulfilment of the agreements for use of state-owned agricultural land;
- 2) Frequent changes of the legislation and imprecise criteria for granting subsidies;
- 3) Insufficient number of employees and their education, insufficient assistance for the referral of citizens, non-transparency of procedures;

- 4) Concentration of competencies in policy making their implementation and supervision in the field of food;
- 5) Concentration of competencies in creating policies, their implementation and supervision in the field of veterinary medicine;

**Elaboration of the problems:**

The legislation that regulates the activities in the field of agriculture is aimed at policy creation, which among other things are related to the issue of long-term leasing of agricultural land and payment of subsidies on various grounds in order to stimulate agricultural production.

There is no supervision of the specific use of the land or monitoring of the execution of the contracts for use of state agricultural land by users due to lack of proper inspection. As a result, there are no established full records of liabilities for paying rent and hence, no collection measures are taken, and no sanctions are imposed.

The frequent changes of the legislation create legal uncertainty and a possibility for favouring a specific target group. The large number of measures for stimulating development in the field of agriculture, the imprecise criteria and their perpetual change so that they do not correspond with the established control systems (registers and records) do not allow for accomplishment of the goals of the agriculture policies or they are only ad hoc measures to meet the requirements of a specific target group. This creates a risk of corrupt behaviour of the officials that participate in the procedures for awarding these funds and the concentration of decision-making with respect to the use of state-owned land in a small number of people creates clientelism and favouring persons and a small number of companies that use these resources.

In addition, the insufficient number of employees, their lack of education, the absence of assistance and guidance for citizens with respect to the measures and procedures for the use of state aid and the insufficient funding also prolong the process of deciding on requests exceeding the legally prescribed time limits and without transparency of the procedure.

In order to overcome these problems, it is necessary: ***to strengthen the supervision of the execution of contracts for agricultural land lease by introducing sanctions; create new measures and support policies based on the principles of environmental protection, introduce good agricultural practices, produce healthy and safe food and economically viable amounts of subsidies; set up indicators to monitor the effects of the financial support measures; strengthen the human capacities of institutions for timely and expert response to the submitted requests; increase the transparency of procedures and familiarize potential users with relevant information to facilitate the access to these funds.***

The Law on Food Safety, the Law on Food Safety for Animals, the Law on Veterinary Health, the Law on Veterinary Medicinal Products, the Law on By-Products of Animal Origin, the Law on

Identification and Registration of Animals are legal solutions that enable concentration of competencies in one body: the creation and adoption of policies in these areas, implementation and oversight are the responsibility of one body. For that reason, it is necessary to differentiate the competencies for adoption and implementation of policies with relevant bodies, as well as the establishment of a special body for inspection service or its incorporation in the State Inspectorate for Agriculture.

## 5.9. SPORTS

Sport is a segment of society that has great importance for the psycho-physical health of citizens, but it also has great sociological impact on the entire community. Sport has a strong potential for promoting the country worldwide. This sector is treated in this Strategy given the risk of corruption in the sphere of management and disposition of sports facilities owned by RNM and local self-government units, but also in the sphere of sports activities, which are carried out through sports federations and sports clubs, as their members. Given the large investments of the state in sports facilities and their importance for sports, the management of such property is an area which seriously affects the public interest. It imposes the need for optimal normative regulation of the relations in terms of ownership, availability and use of sports facilities. In addition, the central government and local self-government units have the obligation to provide conditions for sports activities to be exercised within the law and best practices.

### Priority problems in the sector of sports:

- 1) Problems in the management, use and maintenance of sports facilities owned by RNM and sport facilities owned by the LSGU;
- 2) Lack of inspection in sports.

### **Elaboration of the problems:**

Sports facilities owned by the Republic of North Macedonia and the local self-government units **are often used for political marketing, manipulation and wrongful gain**. Some of these facilities are leased for periods of 20-30 years with no legal or economic justification. There are no investments for their maintenance, resulting in daily depreciation and loss in value. On the other hand, athletes, sports clubs and national sports federations have become tenants in buildings built specifically for them. The failure to carry out decentralization of sports facilities and the gaps in the legislation with respect to their property is yet another ground for manipulation and uncontrolled exploitation of these facilities. **Therefore, it is urgently necessary to adopt a strategy for sports facilities in state ownership, which would establish a clear concept of these facilities. Also, it is necessary to determine the current situation of the sport facilities and review the contracts for their use.**

Sport with its network of sports clubs, national sports federations, municipal sports associations, open and closed sports facilities has inadequate inspection service, **which has limited action due**

**the small number of inspectors.** The absence of an effective inspection in sports results in serious negative phenomena, which are particularly pronounced in the area of management of sports facilities owned by the state, but also in the work of national sports federations. The state allocates significant funds of its budget to support the work of sports federations, but these funds are not always used effectively and for the benefit of the athletes. ***Therefore, it is necessary to establish an effective inspection in sports and sports facilities, and provide education on integrity and ethics to sports federations, clubs and their administration.***

#### **5.10. ECONOMY AND BUSINESS**

The sector of economy in the context of this Strategy comprises the public institutions that are part of the executive power in the Republic of North Macedonia and has the jurisdiction over economic issues. It primarily includes the Ministry of Economy (ME) and the independent bodies within this institution, as well as other public institutions that have a certain role in economic policies. This sector also includes business entities, especially in terms of the interaction between business and the public sector. The corruption risks in the sector of economy are generally associated with various decisions, permits, concession agreements and other documents issued largely under the responsibility of the Ministry of Economy and other institutions. Namely, the legislation for the activity of many self-sustained economic entities and individuals calls for regulation of their status with some of the aforementioned documents. In addition, the sector of economy identifies procurement, inspection and employment in public institutions as corruption risks, which are elaborated in more details in the relevant sections of this Strategy that address these issues.

#### **Priority problems in the sector of economy and business:**

- 1) Absence of a register of grants of state aid to economic operators owned by domestic and foreign legal entities;
- 2) Excessive granting of concessions, insufficient transparency of concession contracts and underdeveloped mechanisms for determining the real concession fee for exploited resources;
- 3) Absence of records of property owned by the Republic of North Macedonia and LSGU;
- 4) Insufficient involvement of smaller economic entities in the process of creating economic and other policies relevant to the business community.

#### **Elaboration of the problems:**

**There is no single register of granted state aid in the Republic of North Macedonia** which would provide detailed information, updated and continuous monitoring of the situation regarding state aid in the country. According to the existing regulations on state aid, the Commission for the Protection of Competition (CPC) is obliged to publish an annual summary report with cumulative data on aid granted in the year concerned, based on information they receive from institutions that are state aid providers. There is no possibility for receiving real-time data or data on state aid



beneficiaries, which prevents any insight into the granted aid by citizens and stakeholders. Consequently, it is not possible to analyse the effects of this aid, to check whether the aid is properly granted, etc. This complicates the work of the Commission for the Protection of Competition which is obliged to check the justification and issue approvals for the aid. The fact that the total amount of state aid in 2018 was approximately 40 million euros for domestic companies and about 15 million euros for economic operators owned by foreign entities, indicates a strong risk of corruption.<sup>19</sup> In order to improve the situation in this sphere, ***the CPC needs to establish, fill in, publish and update a registry with information concerning all forms of state aid.***

**There is over-exploitation of state natural resources** by granting concessions, which in turn, threatens the environment and sustainability of biodiversity. **There is not enough transparency of concession contracts, nor appropriately developed mechanisms for determining the real concession fee of exploited resources.** The website of the Ministry of Economy displays records of granted concessions and concession contracts for mineral raw materials;<sup>20</sup> however, the register of contracts contains only data on the holders of concessions (the companies) and the raw material that is subject to concession, whereas the full contracts are not public. Hence, there is no opportunity to see the conditions of the concession granted to individual holders of concessions. Furthermore, the mechanisms for determining and collecting the real concession fees are underdeveloped. Every concession involves paying the fee in two parts - a flat fee that is paid annually (determined with the concession grant) and payment by the amount of exploited raw material. Concessionaires themselves report the exploited amount to the competent Ministry, usually supported by survey or other relevant report, but the concession providers do not have a practice of controlling the veracity of the reported amounts of exploited raw material. The lack of control mechanisms for the quantities of exploited raw material generates corruption risks. In order to overcome these problems, it is necessary ***to develop a feasibility study to establish the conditions of the use of natural resources by area and create new policies and measures, increase the transparency in granting concessions by making concession contracts public; develop mechanisms for determining the amount and payment of real concession fees for the exploited resources and increase the control in the exploitation of raw materials based on granted concessions.***

In the Republic of North Macedonia there is no register for state-owned property, nor systematized information about how such property is managed and disposed of. This opens up ample space for improper management of state-owned property, that is, the citizens. In terms of real estate owned by the state, the Law on the use and disposal of state-owned and municipally owned goods<sup>21</sup> prescribes an obligation for the Real Estate Cadastre Agency to set up single records based on the unique identification number of state-owned immovable property, as well as state-owned immovable property used by state administration and legal entities established by the state.

With respect to movable property, under Article 2 of the Law on the use and disposal of state-owned and municipally owned goods, the term movable property and equipment means: traffic and

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<sup>19</sup><http://kzk.gov.mk/годишен-извештај-2018/>

<sup>20</sup> <http://www.economy.gov.mk/docs/registri>

<sup>21</sup> Official Gazette 78/2015, 106/2015, 153/2015, 190/2016, 21/2018 and 101/2019

communications equipment, special and general use tools and equipment, combat assets, weapons and equipment for specific use in the defence and security of the Republic of Macedonia, equipment for furnishing and maintaining office space and other premises and for providing technical, business, financial and other services, project documentation, software programs, long-term intangible assets and other assets not listed herein which are used for performing tasks and duties at home and abroad, and movable property which state authorities and legal persons have gained as property with funds from the State Budget, in bankruptcy proceedings, litigation cases, based on collection of receivables based on granted loans, foreign economic aid or by way of donations, according to the terms and conditions set forth in the loan agreements or the agreements on foreign economic aid, or donation agreements. Considering the current knowledge on the fraudulent use of service vehicles by state authorities and the local self-government, ***it is necessary to increase the control over their use.*** This situation can only be overcome by establishing a comprehensive and transparent system of records of these motor vehicles. To that end, ***it is necessary to upgrade the existing registry of motor vehicles in the MOI and make it publicly available and easy to search by institutions.***

In order to overcome the above mentioned situation in the area of real estate, it is necessary to ***update the records for real estate in state ownership and state owned real estate used by state authorities and legal persons established by the state by using a unique identification number for state authorities, ensuring transparency and a search option for state-owned property on the distributive portal<sup>22</sup> and to upgrade the existing registry of motor vehicles at the MOI making it publicly available and easy to search by institutions.***

**The share of micro and small enterprises in the process of creating economic and other relevant policies is small.** There is not enough awareness or mechanisms to encourage serious consultations with smaller economic entities. The consultation process on policy making, including the adoption of legislation and strategic documents, is often conducted formally, without complying with the legal deadlines and consultations of all concerned stakeholders. Although there is a legal possibility of including smaller enterprises in the public consultation process, the practice shows a low level of their participation and contribution to policy making. On the other hand, large companies and powerful business leaders are in a position to assert themselves in the process of policy making, which generates the risk of corruption aimed at bringing favourable decisions in favour of certain business interests. In order to improve the situation in this sphere, ***it is necessary to increase the transparency of policy making and the awareness of smaller enterprises for a more pro-active participation in the creation of economic and other relevant business policies.***

The concrete measures and activities in the sector of economy and business are presented in more detail in section 5.10 of the Action Plan of this Strategy.

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<sup>22</sup><https://ossp.katastar.gov.mk/OSSP>

### 5.11. PUBLIC ENTERPRISES AND JOINT STOCK COMPANIES OWNED BY THE STATE AND THE LOCAL SELF-GOVERNMENT

The enterprises predominantly owned by the state and the local self-government make up a significant part of the national economy, covering areas that are of strategic importance for the country and its citizens, have substantial assets, employ a large number of people and do business with many suppliers and contractors.

Enterprises predominantly owned by the state and the local self-government are susceptible to the risks of corruption and abuse because of its ties to political structures, substandard management policies and a lack of transparency and control.

Priority problems in this sector are:

- 1) Lack of uniform and official information on legal entities owned by the state and the local self-government,
- 2) Lack of systemic approach to corruption prevention in enterprises owned by the state and the local self-government,
- 3) Inadequate legal framework for the operation of enterprises owned by the state and LSG.

#### ***Elaboration of the problems:***

The activity of enterprises owned by the state and LSG (public enterprises and joint stock companies) is governed by two laws: the Law on Public Enterprises<sup>23</sup> and the Law on Trade Companies.

According to the research conducted by the Civil Communications Centre, 145 enterprises are fully owned by the state and LSG whose annual revenues exceed 700 million Euro, and they employ over 28,000 people.<sup>24</sup> However, there is no single official database of all legal entities established in accordance with the above laws in which the state or the LSG have full ownership or certain equity shares. The lack of a single, publicly available database on state and local government ownership leads to a lack of transparency and inadequate supervision to prevent corruption risks. Notwithstanding the above, these enterprises were not systematically included in the state programs for the prevention of corruption.

Identifying the state or LSG owned enterprises is a prerequisite for the development of special anti-corruption measures. ***It is necessary to design a single registry which would include data on enterprises and the size of the share of the state and LSG.***

<sup>23</sup>In the period 1996- 2019, the Law on Public Enterprises was amended 17 times

<sup>24</sup> Civil Communications Center, Financial analysis of the operation of state enterprises, 2019

Following the identification of these enterprises, ***a special anti-corruption program will be prepared aimed at strengthening transparency, integrity, accountability and anti-corruption.***

The existing shortcomings in the legal framework will be overcome by ***adopting a special Law on Trade Companies predominantly owned by the state and the local self-government.*** This law as Lex Specialis, in terms of the Law on Trade Companies, will regulate the manner of selection of managers, the employment procedures, transparency and the effective system of internal and external supervision.

## **5.12. MEDIA AND CIVIL SOCIETY**

The media sector covers the electronic, print and online media in the Republic of North Macedonia. Most of the media is regulated by the Law on Audio and Audio-visual Media Services<sup>25</sup> and the Law on the Media.<sup>26</sup> An independent body which oversees the electronic media (television and radio) is the Agency for Audio and Audio-Visual and Media Services - AAVMS.<sup>27</sup> The legislation regulates almost all the important issues in this area, with the exception of online media that are not recognized as media and there is no legislation on their records and regulation.

The sector of civil society refers to the civil society organizations (CSOs) operating in different areas of social life. The basic legal framework for CSOs is defined by the Law on Associations and Foundations<sup>28</sup> and coordination with the public sector is achieved through the Council for Cooperation with and for the development of civil society<sup>29</sup> established in 2016, as well as through a network of civil servants for cooperation with civil society.

The media and civil society organizations are important actors in society that have an impact on public opinion, but they are also beneficiaries of public finances, which can generate a risk of corruption, especially in insufficiently precise rules for their financing by the public sector.

Priority problems in the sector of media and civil society are:

- 1) Lack of transparency in public institutions for cooperation with the media, Internet portals, marketing agencies and media workers;
- 2) Lack of a legal basis for the regulation of online media records;
- 3) Strengthening the transparency of the institutions in planning the funds for financing CSOs as well as the accountability of the implementation and the effects of the projects.

### **Elaboration of the problems:**

<sup>25</sup> Official Gazette 184/13; 44/14; 101/14; 132/14; 142/16; 132/17; 247/18 and 27/19

<sup>26</sup> Official Gazette 184/13 and 13/14

<sup>27</sup> <https://avmu.mk/>

<sup>28</sup> Official Gazette 52/2010, 135/2011 and 55/2016

<sup>29</sup> Government decision RNM Official Gazette 98/2016

In order to reduce the influence of state administration bodies and local self-government units (LSGUs) on editorial policy in the media, primarily due to their great influence on the creation of public opinion, the Law on Audio and Audio-visual Media Services prohibits any advertising of state bodies and LSGUs with funds from their budget. Such a ban poses a risk that the reports on current activities (mostly at LSGUs, public announcements, announcements ...) are presented as promised fulfilments (similar to pre-election advertising. Based on a decision of the Government of the Republic of Northern Macedonia, a program <sup>30</sup> was adopted by which the print media receive state aid to ensure their sustainability. However, the criteria on the basis of which such assistance is granted are insufficiently precise and allow the misuse of the allocated funds. In order to overcome the stated situation, it is necessary to establish a legal obligation for the public sector institutions and the LSGU to publicly announce the concluded contracts of any kind with all media and to strengthen the criteria for granting state aid to the print media.

The current situation in the media sector indicates an absence of (self-) regulation of online media. This results in their uncontrolled activity in the media space, both in terms of meeting the professional and ethical journalistic standards, and in terms of their ownership and financing. The professional standards are primarily subject to self-regulation, which means that the representatives of the profession should decide themselves whether they will respect the journalistic principles. For the above reasons, the self-regulatory body should remain in charge of monitoring all media - print, radio, television and the Internet based media, regardless of the platform on which they are made available to the public; however, this body should undergo occasional self-evaluation and set areas where improvement is needed. At European level, they are still searching how to achieve greater efficiency of the self-regulatory mechanisms, while in RNM, the media public believes that increasing the power of the self-regulatory body over the online media will be more effective than their statutory regulation. Self-regulation should allow the public to recognize which media meet the necessary criteria for their work, which of them adhere to journalistic ethics in their work and have transparent ownership and policies. In this sense, ***it is necessary to strengthen self-regulation of online media and update the register of professional media.***

**The existing model of state funding of civil society organizations (CSOs)** in the Republic of North Macedonia is based on a legal framework that provides some parameters for planning, designing, implementing, and monitoring and evaluation of public funding of CSOs. When allocating funds to CSOs, the institutions have available the non-binding Code of good practices for financial support to associations and foundations.<sup>31</sup> The central budget is most commonly used as a source of financing, in particular the special budget line 463 - Transfers to non-governmental organizations. The practice suggests a different approach of the institutions in granting funds to CSOs, particularly in regard to the criteria for selection of CSOs and the needs of the institutions. This situation generates a risk of corruption. The need for improving state funding has already been noted and integrated into the

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<sup>30</sup> <https://vlada.mk/node/19532>

<sup>31</sup> [https://www.nvosorabotka.gov.mk/sites/default/files/dokumenti/kodeks\\_finansiranje\\_130\\_2007.pdf](https://www.nvosorabotka.gov.mk/sites/default/files/dokumenti/kodeks_finansiranje_130_2007.pdf), Accessed 15/12/2019

"Strategy for Cooperation with and for civil society development 2018-2020"<sup>32</sup> stipulating specific measures for improving institutional support and co-funding of EU projects implemented by CSOs.

In order to reform the system of state funding and providing support to civil society organizations, it is necessary to strengthen the transparency and accountability in planning and executing the funds allocated for financing CSOs by establishing a single database with information on the allocated funds and the effects of projects from all state institutions

The concrete measures and activities in the sector of media and civil society are presented in more detail in section 5.12 of the Action Plan of this Strategy.

## **6. MAIN STAKEHOLDERS IN THE FIGHT AGAINST CORRUPTION AND CONFLICT OF INTEREST**

This Strategy is a document of the Assembly of the Republic of North Macedonia. The main stakeholder in the process of developing the Strategy and coordinating its implementation is the State Commission Against Corruption (SCPC). The complex nature of the document, the problems identified in different sectors and the formulated measures and actions to overcome these problems require careful planning of the implementation of the Strategy.

Besides the main two institutions in the fight against corruption and conflict of interest – the Assembly and SCPC, there are many institutions involved in the implementation of the Strategy. All institutions listed in the Action Plan are obliged to deliver certain measures and activities. SCPC will coordinate these institutions in order to obtain timely information on the status of the planned measures / activities. Simultaneously, SCPC is also the stakeholder for certain measures / activities from the Strategy which fall under its jurisdiction. To coordinate the process of coordinating the implementation of the Strategy effectively and efficiently, SCPC will develop a plan to monitor the process of implementation of the document.

SCPC should keep the Assembly of the Republic of North Macedonia informed on the implementation process. The manner of communication with the Assembly is determined by the established rules of functioning of the highest legislative body; nevertheless, providing information on a regular basis would be beneficial in order to ensure the continued active support of the Assembly in the fight against corruption.

Furthermore, the implementation of the Strategy must be a transparent process, which means that the public should also be kept informed of the taken measures / activities and the expected results. The Strategy aims to improve the life in the Republic of North Macedonia, by weakening the culture of corrupt society and the constraints it sets. In this respect, communication with the public about

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<sup>32</sup><https://www.nvosorabotka.gov.mk/sites/default/files/dokumenti/Strategija2018-2020usvoenag102018.pdf>,  
15/12/2019

Accessed

the dynamics of moving the process forward is very important. SCPC is committed towards full transparency of the process and the implementation of the Strategy.

Another important point in the implementation of the Strategy are the resources. In this strategy, human resources are the most important pillar in terms of anticipated results (strengthening the integrity of human resources in many institutions), as well as in terms of implementing the document. In addition to human resources, it is necessary to have material resources for continuous fight against corruption. In this regard, it is necessary to provide full support to this process by prioritizing the planned activities in this Strategy because the results of the fight against corruption are key to shift the Macedonian society forward.

## ACTION PLAN OF THE STRATEGY



## HORIZONTAL AREAS

4.1. PUBLIC PROCUREMENT					
<b>Problem 1:</b> Insufficient number of people with appropriate qualifications and knowledge of the standards in defining the technical specifications and criteria for determining the ability of the economic operators					
<b>Connection with the strategic objectives provided in the Strategy:</b> 4. Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state aid					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
Measure	Activity	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Strengthening the capacities of the persons preparing the tender documentation	1.1. Introducing trainings for familiarization, management and application of standards in the preparation of technical specifications	Public Procurement Bureau  Institute for Standardization	First half of 2021-continuous	Agreed annual training plan  Number of conducted trainings (annually)  Number of institutions with conducted training sessions (annually)	Yes

4.1. PUBLIC PROCUREMENT					
<b>Problem 2:</b> Insufficient transparency and low integrity level of the respective individuals and institutions					
<b>Connection with the strategic objectives provided in the Strategy:</b> 3. Strengthening integrity and accountability in the public sector 4. Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state aid					

Measure	Activity	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Enhancing the integrity and transparency in the public procurement	1.1. Amendments to the Law on Public Procurement prescribing mandatory signing of a confidentiality statement by the persons participating in the preparation of the technical specification	The ministry of finance  Public Procurement Bureau	First half of 2021	Introduced confidentiality statement	No
	1.2. The models of tender documentation drafted by PPB must specify the authorized persons for receiving the reports for protected internal and external reporting by whistleblowers with respect to corruption in the public procurement.	Public Procurement Bureau	Second half of 2020	Supplemented models of tender documents with information about the authorized persons for receiving the reports for protected internal and external reporting	No
	1.3. Strengthening the supervision regarding the publication of information on public procurement in accordance with Article 10 of the Law on Free Access to Public Information	Agency for the Protection of the Right to Free Access to Public Information	First half of 2020 - continuous	Number of institutions that have published information on public procurement in accordance with Article 10 of the Law on Free Access to Public Information  Number of complaints on violation of Article 10 of the Law on Free Access to Public Information, in terms of public procurement	No

				Number of enforced misdemeanour sanctions	
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<b>4.2. EMPLOYMENT</b>					
<b>Problem 1:</b> Non-compliance of a number of laws regulating employment which enables all kinds of influence: political party influence, nepotism, cronyism and clientelism					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
5. Ensuring the integrity and transparency in recruitment and human resource policies in the public sector, based on a system of values and quality criteria					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Abandoning the possibility of employment through Agencies for Temporary Employment and the possibility of transforming the temporary employments into undefined employments without a regular employment procedure	1.1 Amending the Law on public sector employees due to eliminating the possibility of employment through Agencies for Temporary Employment and transformation of the employment without a regular employment procedure	MISA	First half of 2021	Amended Law on Public Sector Employees	No
2. Assessing the real needs on the number of employees and their expertise in public sector entities	2.1. Drafting the functional analysis of the public sector entities	MISA Ministries LSGU	Second half of 2021 - continuous	Number of public sector entities with a developed functional analysis	Yes
	2.2. Publishing the functional analysis on the websites of the institutions	MISA Ministries LSGU	Second half of 2021 - continuous	Number of published functional analyses	No
	2.3. Analysing the need for the introduction of an annual assessment of the workload in the public sector entities	MISA	Second half 2021	Analysis drafted by the MISA	Yes

<p>3. Clearly defining the type of education for the specific jobs in the job systematization acts</p>	<p>3.1. Amending the "Rulebook on the content and manner of preparation of acts on internal organization and systematization of jobs, as well as the content of the functional analysis of public sector institutions" in order to determine the type of higher education by field of science according to the Frascati fields of science classification in determining the type of education in the systematization acts</p>	<p>MISA</p>	<p>First half of 2022</p>	<p>Amended Rulebook</p>	<p>No</p>
<p>4. Increasing transparency with respect to public sector employment</p>	<p>4.1 Strengthening supervision with respect to publishing the acts for organization and systematization and the employments, in accordance with Article 10 of the Law on Free Access to Public Information</p>	<p>Agency for the Protection of the Right to Free Access to Public Information</p>	<p>First half of 2021 - continuous</p>	<p>Number of institutions that have published information on human resources in accordance with Article 10 of the Law on Free Access to Public Information</p> <p>Number of complaints on violation of Article 10 of the Law on Free Access to Public Information, in terms of human resources</p> <p>Number of enforced misdemeanour sanctions</p>	<p>No</p>

**4.2. EMPLOYMENT**

**Problem 2: Inefficient leadership, management and supervision of the different administrative bodies, agencies, public enterprises and state-owned JSC**

**Connection with the strategic objectives provided in the Strategy:**

5. Ensuring the integrity and transparency in recruitment and human resource policies in the public sector, based on a system of values and quality criteria

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Optimize the number of members in the Supervisory and Management Boards in the administrative bodies, PE and JSC	1.1. Analysing the situation in the state administration bodies, PE and JSC and establishing measurable elements (competencies, income/expenditures, number of employees) to determine the required number of members in the SB and MB	Ministry of Economy MIOA MLSG	First half of 2021	Prepared reports based on the analysis and determined factors	Yes
	1.2. Adopting an act on the number of members of the SB and MB on the basis of the report adopted by the PE/ JSC founder	All founders of JSC and PE at central and local level	Second half 2021	Adopted acts by the founders of JSC and PE at central and local level	No

2. Introduction of criteria for the type of education and competencies in the selection and appointment of directors and members of management and supervisory boards	2.1. Amending and supplementing the Law on Public Enterprises and the Law on Trade Companies at: - prescribing legal obligations, providing the required type of education for managers and members of the management bodies in the Statute - prescribing the procedure for timely appointment of the legal number of members of supervisory and management boards -prescribing misdemeanour penalties for the founder regarding the late appointment of members or the illegal selection of a manager	Ministry of Economy MIOA	Second half of 2022	Modified LTC and LPE	No
	2.2. Harmonizing the statutes and internal acts with the changes in the LTC and the LPE of the administrative bodies, PE and JSC	All founders of JSC and PE at central and local level	Second half of 2022	Harmonized and adopted acts of the founders of JSC and PE at central and local level	No

#### 4.2. EMPLOYMENT

**Problem 3: The legislation does not prescribe a clear system for the evaluation of the selection criteria in the process of public sector employment**

**Connection with the strategic objectives provided in the Strategy:**

5. Ensuring the integrity and transparency in recruitment and human resource policies in the public sector, based on a system of values and quality criteria

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
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1. Establishing a clear and transparent process of evaluation of the criteria for employment in the health, education, culture, social welfare and state-owned JSC	1.1. Prescribing by laws and regulations for determining the objective criteria and evaluation process in the employment depending on the specific needs of each sector separately	MH MES MLSP MC ME MISA	First half of 2021	Established criteria in the recruitment procedures in areas such as health, education, culture, social welfare and state-owned JSC	No
2. Limiting the discretion of the responsible and authorized person in the process of employment	2.1. Analysing the legislation that allows the discretion of the responsible and authorized person in the employment procedure	SCPC	First half of 2021	Prepared analysis	Yes/provided from donations
	2.2. Implementation of the findings from the prepared analysis	MISA MH MLSP MC ME	Second half of 2021	Number of amended laws by regulated discretion	No



## SECTORS

SECTOR 5.1. POLITICAL SYSTEM					
<b>Problem 1: Adoption of a considerable number of laws in summary proceedings without appropriate explanation as to the justification for this type of procedure</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
1. Increasing the level of political responsibility					
Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Determining the definition of complexity and volume of the draft laws in the rules of procedure	1.1. Amending the Rules of Procedure of the Assembly of the RNM	Assembly	Second half of 2021	Amended Rules of Procedure of the Assembly of RNM Proposing laws in summary proceedings should correspond to the established criteria	No

SECTOR 5.1. POLITICAL SYSTEM					
<b>Problem 2: Drafting, proposing and adopting by-laws and regulations is often carried out without prior appropriately conducted qualitative analysis, impact assessment and consultation processes aimed at protecting the public interest</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
1. Increasing the level of political accountability;					
2. Conscientious management of the political influence in the public sector and preventing political interference in the work of independent bodies and procedures regulated by law;					
Measure	Activity			Completion indicator	

		Responsible institution	Implementation deadline		Financial implications
1. Managing the RIA process, aiming to transform it into a mandatory process	1.1. Adopting a new RIA methodology by harmonizing the regulatory impact assessment processes and the implementation of the anti-corruption legislation inspection	MISA Government	Second half of 2021	Modified methodology/ harmonized processes of RIA and ALI	No
			Second half of 2021	Amended Rules of Procedure/Strengthening the mechanisms for respecting the RIA and ALI	
			Second half of 2021	Amended Rules of Procedure of the Assembly  Strengthen the mechanism of respecting the RIA and ALI	

SECTOR 5.1. POLITICAL SYSTEM					
Problem 3: Failure to sanction the refusal to submit an asset declaration and conflict of interest statement of people with such an obligation					
Strategic objective: 1. Increasing the level of political accountability; 2. Conscientious management of political influence in the public sector and preventing political interference in the work of independent bodies and procedures regulated by law;					
Measure	Activity	Responsible institution	Implementation deadline	Completion indicator	Financial implications

1. Defining the status "denial to report the asset declaration and conflict of interests statement" by the people who have this legal obligation	1.1. Amendment of LCPCI	Ministry of Justice	First half of 2022	Amended law	No
2. Establishing measures for accountability of those who refuse to submit an asset declaration and conflict of interest statement	2.1. Amendment of LCPCI	Ministry of Justice	First half of 2022	Defined sanctions	No

**SECTOR 5.1. POLITICAL SYSTEM**

<b>Problem 4: Unregulated interaction between lobbyists and representatives of the legislative and executive authorities, as well as officials from the local government</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
1. Increasing the level of political accountability; 4. Implementation of responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective way					
<b>Measure</b>	<b>Activity</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Establishing rules governing the interaction between lobbyists and government officials	1.1. Adopting a bylaw regulating the rules in the relationship lobbyist - official.	Ministry of Justice	Second half of 2020	Established rules on the lobbying process	No

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**SECTOR 5.1. POLITICAL SYSTEM**

**Problem 5: Lack of participation of the holders of executive power in the highest-level educational programs in the field of ethics and integrity**

**Connection with the strategic objectives provided in the Strategy:**

- 1. Increasing the level of political accountability;
- 3. Strengthening the integrity and accountability in the public sector.

**Measure**

Measure	Activity	Responsible institution	Implementation deadline	Completion indicator	Financial implications
2. Strengthening the integrity of the holders of executive power at the highest level	2.1. Adopting a program to raise awareness and strengthen the integrity of the holders of executive power at the highest level	SCPC Government	First half of 2021	Adopted program	No
	2.2. Conducting the Training Program	SCPC	First half of 2021	Number of conducted trainings  Number of officials covered by the training	Yes

**SECTOR 5.1. POLITICAL SYSTEM**

<b>Problems 6: There is no mechanism or authority to effectively monitor the media coverage of the election campaign participants through internet portals.</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b> 1. Strengthening integrity and accountability in the public sector					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. The fee for the advertisements in the online portals should not be charged to the budget of the RNM.	1.1. Amendments to the Electoral Code in respect of exemption of the internet portals for reimbursement of the advertising costs of participants in the election campaign until the adoption of a legal framework for their regulation	Ministry of Justice	Second half of 2021	Exemption of the Internet portals from the Electoral Code	No

<b>SECTOR 5.2. JUDICIARY</b>					
<b>Problem 1. Lack of an effective system for strengthening integrity in the judiciary and public prosecution</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b> 3. Strengthening the integrity and accountability in the public sector 9. Strengthen the capacity and commitment of the prosecution and judiciary in the detection and sanctioning of corruption and strengthening the resilience to corruption in their ranks.					
<b>Measure</b>	<b>Activity</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Amending the Code of Professional Conduct of the Judges with comments and examples	1.1. Proposing comments and examples for the codes by the Association of Judges	Association of Judges	Second half of 2021	Adopted supplemented Code	No

	1.2. Adopting the amendment to the Code of Professional Conduct of the Judges	Supreme Court	Second half of 2021	Adopted supplemented Code	No
7. Implementing mandatory training for judges and prosecutors aimed at the implementation of the code of professional conduct	7.1. Adopting programs for mandatory training about professional conduct of judges and prosecutors	Academy for Judges and Prosecutors	Second half of 2021	Agreeing the training program	No
	7.2. Conducting trainings by the Academy for Judges and Prosecutors	Academy for Judges and Prosecutors	continuously	Percentage of judges included in the plans for training annually	Yes
8. Conducting corruption risk assessment in the judiciary	8.1. Establishing an expert working group to assess the risks of corruption in judiciary	Ministry of Justice SCPC	First half of 2022	Established working group	No
	8.2. Preparing in-depth analysis and evaluation of the factors that generate corruption in the judiciary	SCPC	Second half of 2022	Prepared assessment of the corruption risks in the judiciary	Yes

<b>SECTOR 5.2. JUDICIARY</b>					
<b>Problem 2. Insufficient material and human resources, absence of an automated system for the allocation of cases and monitoring in the public prosecution and the lack of transparency in the work of the Council of Public Prosecutors</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
9. Strengthening the capacity and commitment of the prosecution and judiciary in the detection and sanctioning of corruption and strengthening the resilience of corruption in their ranks.					
7. Digitalization in all sectors of public services					
4. Implementation of responsibilities in the public sector in a legal, transparent, ethical, cost-effective and effective manner;					
<b>Measure</b>	<b>Activity</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>

1. Staffing of public prosecutions under existing job systematization	1.1. Increasing the budget of the PP for new employments	MF Public Prosecution	Second half of 2021	Increased budget for employment	Yes
	1.2. Conducting training for the new public prosecutors	Academy for Judges and Prosecutors	Continuous	Number of newly employed prosecutors annually	Yes
2. Establishing research centres as part of the public prosecution	2.1. Providing budgetary resources to the investigation centres	MF Public Prosecution	Continuous	Provided budget for the establishment of research centres annually	Yes
	2.2. Adopting a decision on the establishment of investigative centres	Public Prosecution	Continuous	Number of established research centres annually	Yes
3. Establishing an automated system for allocating and tracking cases in the public prosecution	3.1. Analysis of the case management process in the PPO	Public Prosecution	Second half of 2021	Performed analysis	No
	3.2 Purchasing of an automated system for allocating and tracking cases		First half of 2022	Performed procurement of the system	Yes
	3.3 Training staff to use the system		Second half of 2022	Established system for allocating cases to the PPO	Yes
<b>SECTOR 5.2. JUDICIARY</b>					
<b>Problem 3. Lack of transparency in the work of the State Attorney</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
4. Implementation of the responsibilities of the public sector in a legal, transparent, ethical, cost-effective and effective manner;					
7. Digitization in all sectors of public services					
<b>Measure</b>	<b>Activity</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>

1. Increasing the efficiency and transparency in the work of the State Attorney Office	1.1. Adoption of a new law on the State Attorney's Office	Ministry of Justice, SA	Second half of 2022	New Law enforced	No
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<b>SECTION 5.3. LAW ENFORCEMENT BODIES</b>					
<b>Problem 1: Discretionary powers of the officials and lack of transparency in the recruitment, employment and promotion in the MoI</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
2. Conscientious management of the political influence in the public sector and preventing political interference in the work of independent bodies in the procedures regulated by law					
5. Ensuring the integrity and transparency in the recruitment and personnel policies in the public sector, based on a system of values and quality criteria					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Establish transparency in the recruitment, employment and promotion procedures of the Ministry, except for employments conducted on the basis of specific provisions of the Law on Internal Affairs	1.1. Amendment of the Law on Internal Affairs	MoI	First half of 2022	Recruitment and employment by public advertisement	No



2. Ensure transparency of the acts for job organization and systematization in the Mol and their publication on the website of the Mol, except for jobs that are conducted on the basis of specific provisions of the Law on Internal Affairs	2.1. Declassification of acts for job organization and systematization in the Mol	Mol Government	First half of 2022	Systematization acts are published on the website of the Ministry of Interior	No
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<b>SECTION 5.3. LAW ENFORCEMENT BODIES</b>					
<b>Problem 2: Ineffective system for determining professional responsibility in the law enforcement bodies</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
3. Strengthening the supervision and control mechanisms					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Introducing a special organizational unit for internal control and professional standards in the FIU and FPO	1.1. Amendment to the Law on Financial Police and the Law on Financial Intelligence	Ministry of Finance  FPO	Second half of 2021	Functional organizational units	No
	1.2. Adjustment of acts on internal organization and systematization of jobs in the FIU and FPO	FIU	Second half of 2021	Functional organizational units	No
2. Establishing disciplinary committees at the central level in the Ministry of Interior	2.1. Prescribing an act for the establishment and election of members of the disciplinary committee at the institutional level	Mol	Second half of 2021	Formed committees at the central level	No

3. Introducing the status of judicial police employees in the professional responsibility of the Customs Administration (under the Law on Criminal Procedure Art. 46, 47)	3.1. Amendment and supplement to the Criminal Procedure Code, Article 47, paragraph 2 in the scope of the crimes, i.e. supplements to the competence/responsibilities of the members of the judicial police in the CA and the criminal acts of corruption committed by employees in the CA	MJ CA	Second half of 2020	Amended Criminal Procedure Code	No
	3.2. Amending the Law on Customs Administration (alignment with the amendments in the CPC)	MF CA	Second half of 2021	Amended Law on Customs Administration	No
	3.3. Amending the Regulations on systematization and organization of the Customs Administration (alignment with the amendments in the CPC and LCA)	CA	Second half of 2021	Amended regulations	No
4. Introducing the obligation of the customs officials to submit an asset declaration and conflict of interests statement and changes in their assets and interests	4.1. Amending the Law on the Prevention of Corruption and Conflict of Interest in terms of clarifying the provisions of Article 83	MJ SCPC	First half of 2022	Amended LSCPC	No
	4.2. Amending the Law on Customs Administration (compliance with the amended Law on Prevention of Corruption and Conflict of Interest)	CA / MF / MJ	Second half of 2022	Amended Law on Customs Administration	No

### SECTION 5.3. LAW ENFORCEMENT BODIES

Problem 3: Unclear and vaguely defined competencies and overlapping of responsibilities between the inspectorates

Connection with the strategic objectives provided in the Strategy:

6. Strengthening the supervisory and control mechanisms					
Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Specifying and defining the competencies of individual inspection offices	1.1. Analysing the legal responsibilities of the inspection services	Inspection Council	First half of 2022	Adopted analysis	Yes
	1.2. Amending the laws where the analysis detected vaguely defined competencies or an overlap in their responsibilities with the other inspections	Competent ministries	Second half by 2022	Amended legislation that specifies the competences of the inspection services and prevents overlap of their responsibilities	No

### SECTION 5.3. LAW ENFORCEMENT BODIES

#### Problem 4: Subjective and inappropriate action of the inspectors in conducting their responsibilities

#### Connection with the strategic objectives provided in the Strategy:

- 3. Strengthening the integrity and accountability in the public sector
- 6. Strengthening supervisory and control mechanisms

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Strengthening the integrity of the inspection services	1.1. Preparing a methodology for corruption risk assessment in the inspection services	MISA inspection Council	Second of 2021	Prepared methodology	Yes
	1.2. Preparing an analysis of the corruption risks in the inspection services	SCPC		Prepared analysis	Yes

2. Stipulating an obligation the inspectors to report assets and interests to the Inspection Council	2.1. Amending the applicable substantive laws relating to the inspection services in order to establish the obligation to report the assets and interests	Inspection Council Departmental ministries with inspection services	Second of 2021	Legally stipulated inspectors' obligations to report assets and interests to the Inspection Council	No
3. Stipulating disciplinary responsibility for avoiding to report the assets and interests by the investigators	3.1. Supplementing the applicable substantive laws on the inspection services by prescribing disciplinary measures in case of failure to submit the statements	Inspection Council Departmental ministries with inspection services	Second of 2021	Modified substantial laws with prescribed sanctions	No

### SECTION 5.3. LAW ENFORCEMENT BODIES

#### Problem 5: Insufficient functional inspection in the local government

#### Connection with the strategic objectives provided in the Strategy:

- 3. Strengthening the integrity and accountability in the public sector
- 6. Strengthening supervisory and control mechanisms

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Improving the legal framework of the inspection supervision in the LSGU	1.1. Conducting continuous inspection supervision by the State Administrative Inspectorate in the LSGU regarding the fulfilment of the legal obligation for employment of authorized inspectors	State Administrative Inspectorate	Continuously	Number of irregularities found by the State Administrative Inspectorate annually	NO

### SECTION 5.3. LAW ENFORCEMENT BODIES

<b>Problem 6: Responsible officials or managers of institutions are not implementing the recommendations of the internal audit and the SAO</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
3. Strengthening the integrity and accountability in the public sector					
4. Implementation of responsibilities in the public sector in a legal, transparent, ethical, economical, accountable and effective way					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
First To establish an effective system for reporting / not implementing the recommendations of the internal audit and the SAO to higher authorities for supervision and control	1.1. Amendment of the Law on Public Internal Financial Control	Ministry of Finance	First half of 2021	amended law	No
	1.2. Amendment of the Law on State Audit	Ministry of Finance State Audit Office	First half of 2021	amended law	No

<b>SECTION 5.3. LAW ENFORCEMENT BODIES</b>					
<b>Problem 7: Impact of the responsible persons in public institutions the independence of internal audit</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
3. Strengthening the integrity and accountability in the public sector					
4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective way					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Ensuring the independence of the internal auditing by	1.1. Amendments to the Law on Public Internal Financial Control	Ministry of Finance	First half of 2023	Establishment of internal audit units in the Ministry of Finance	Yes

creating a special unit in the Ministry of Finance	1.2. Amendment to the act on organization and systematization of the Ministry of Finance	Ministry of Finance	Second half of 2023	and the beginning of their functional operation	
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**SECTOR 5.4. HEALTH**

**Problem 1: There are no effective criteria for determining the contractual fees (limits/budgets) for health institutions (Public Health Institutions/Private Health Institutions) and the prices of health services and medicines, nor any criteria for budget allocation for new technologies and medicines, health services methods**

**Connection with the strategic objectives provided in the Strategy:**

- 3. Strengthening the integrity and accountability in the public sector;
- 4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner;
- 7. Digitization in all sectors of public services

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Establishing effective criteria for allocation of HIF budget by health services and facilities	1.1. Preparing an analysis of the existing regulations for the allocation of the HIF budget for health services and health care	HIF	First half of 2021	Prepared analysis	Yes
	1.2. Amending the Regulations stipulating the criteria for determining the contractual fee in order to establish measurable and relevant criteria which would directly affect the amount of the agreed fee	HIF	First half of 2022	Adopted criteria for allocation of the budget	No

2. Digitalizing and linking the financial accounting management of health care providers	2.1. Establishing an electronic system with a database (software) for all costs of materials, wages, salaries, medicines, equipment and other expenses of the HI as the basis for establishing realistic prices for the services and the revision requirements	HIF	First half of 2022	Established functional integrated information system for electronic monitoring of the costs of health care providers	Yes
3. Improving the regulations and transparency of the process of establishing reference prices for the health services and medicines	3.1. Drafting/revising the regulations for establishing the prices of health services and medicines	HIF	First half of 2022	Prepared rulebooks and regulations for use	No
	3.2. Including provisions for "Managed entry agreements" for medicines that have a monopoly position on the market, the Rulebook on the positive list of medicines and in the Rulebook for reference medication prices	HIF	Second half of 2022	Prepared rulebooks and regulations for use	
	3.3. Adopting procedures for negotiating prices with HI and pharmaceutical companies, which will be based on the principle of transparency;	HIF	First half of 2022, continuously	Prepared rulebooks and regulations for use	
4. Introduce transparency and procedure in the process of adoption and allocation of the HIF budget to the HI	4.1. Adopting regulations on the manner and procedure for budget adoption and allocation	HIF	First half of 2022	Established procedures for budget adoption and transparency	No
	4.2. Establishing a requirement for public disclosure of the HIF budgets	HIF	First half of 2022		

5. Annual revision of the prices of health services and medications	5.1 The methodology for determining the reference prices of health services should contain established deadlines for a full price revision at least once a year, in accordance with the calculations involved in determining the prices	HIF Health care facilities	First half of 2022	Modified methodology for determining the reference prices of health services and established practices of price revisions	No
6. Establishment of a system for determining the "standard" and "above-standard" of the materials included in the health service	6.1. Preparation of bylaws that will define the standard and above the standard of services, materials, aids, etc.	Ministry of health, HIF	First half of 2022	Adopted acts and established system for determining "standard" and "above standard"	No
7. Implementation of internal controls and audits of the process of drug pricing and proper application of methodologies	7.1. Inclusion of regular and non-regular controls of the process and methodologies for establishing the single prices of medicines in the MOH and the reference prices of medicines in the HIF	Ministry of health, HIF	First half of 2022	Number of conducted controls	No
8. Introduction of transparency and procedures in the process of adoption and distribution of the HIF budget to the health institutions	8.1. Adoption of a rulebook on the manner and procedure of adoption and distribution of the budget 8.2. Establishing an obligation for public disclosure of HIF budgets	HIF	First half of 2022	Established procedures for adoption and transparency of budgets	No



9. Establishment and maintenance of a system of measurable and transparent indicators for the success of the health institutions	9.1. HIF and MOH in the Systematization to arrange a responsible organizational unit for establishing a system for monitoring the performance indicators of the health institution; to establish a procedure for communication with health institution; to enable on-line publication and monitoring of performance indicators	HIF, MoH with "my term" and health institutions	First half of 2022	Established sustainable, measurable and transparent indicators for the success of the health institutions	No
10. Annual revision of the prices of health services and medicines	10.1 In the methodology for determining the reference prices of health services to set deadlines for complete revision of the prices, at least once a year following the calculating elements that participate in the formation of the prices	HIF, health institutions	Second half of 2023	The Methodology for determining reference prices of health services has been changed and the practice for price revision has been established	No

#### SECTOR 5.4. HEALTH

**Problem 2: Subjectivism in the choice of medicines to be reimbursed from public funds, i.e. contributions for health insurance of citizens, and failure to apply the evidence-based medicine regulation consistently**

**Connection with the strategic objectives provided in the Strategy:**

3. Strengthening the integrity and accountability in the public sector;

4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner.

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Establishing a legal framework for the selection of medicines that will be covered from the state budget which will be unified and will apply to all medicines	1.1. Analysing the existing practice for the selection of medicines covered by the HIF	MH HIF	Second half of 2021	Prepared analysis	Yes
	1.2. Adoption of the Rulebook on the positive list of medicines based on the methodology of Health Technology Assessment - HTA;	MH HIF	Second half of 2021	Adopted Rulebook	No

	1.3. Including provisions for “Managed entry agreements” for medicines that have a monopoly position on the market, the Rulebook on the positive list of medicines and in the Rulebook for reference medication prices;	MH	Second half of 2021	Amended Rulebook	No
2. Ensuring transparency in the implementation of the MH programs, which include providing medicines	2.1. Public disclosure of the list of medicines that are covered by the programs of the Ministry of Health, the criteria on which the choice is made.	MH	Second half of 2021	Established methodology and published list of medicines that are purchased within the MH programs	No
3. Consistent application of the principles of evidence-based medicine	3.1. Updating the instructions for practicing evidence-based medicine within the legally prescribed procedure;	MH Chambers of Professional Associations	Second half of 2021	Updated guidelines	No
	3.2. Adoption of guidelines for evidence-based medicine in areas where they do not exist			Adopted guidelines	

<b>SECTOR 5.4. HEALTH</b>					
<b>Problem 3: Misuse of the procedures for giving/receiving donations, clinical studies and projects;</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
3. Strengthening the integrity and accountability in the public sector;					
4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner.					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>

1. Specify the characteristics, conditions and manner of accepting donations of the PHI	1.1. Drafting by-laws on accepting donations	MH Agency for Medicines	First half of 2021	Adopted by-laws and their use	No
2. Establishing a publicly accessible register of donations of medicines, equipment and clinical studies	2.1. Preparing a register	MH Agency for Medicines	Second half of 2021	Developed publicly accessible register	Yes

<b>SECTOR 5.4 HEALTH</b>					
<b>Problem 4: Unethical practices in marketing medicines</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
3. Strengthening the integrity and accountability in the public sector;					
4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner;					
10. Supporting transparency and integrity in the private sector					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Regulating and monitoring the relations between pharmaceutical companies and medical doctors with respect to marketing medicines	1.1. Adoption of a code of conduct for marketing medicines	MH MALMED Medical Chamber	Second half 2021	Established code of conduct with mechanisms for its use	No
	1.2. Introducing the obligation for public disclosure of conflicts of interest, fees and financial contracts			Established code of conduct	No
	1.3. Establishing mechanisms for monitoring the proper application of these codes of ethics			Established mechanisms for its use	No

2. Establishing a system of "Therapeutic committees" and "Hospital records of medicines" at the hospital level	2.1. Welcomes legislative changes and regulations for mandatory establishment of a system of "Therapeutic committees" and "Hospital records of drugs" in all hospitals in the country	MH PHI	Second half 2021	Amended Law on Health Care and adopted by-laws	No
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#### SECTOR 5.4 HEALTH

##### Problem 5: Transparent and objective decision-making in the procedure for treatment abroad

##### Connection with the strategic objectives provided in the Strategy:

- 3. Strengthening the integrity and accountability in the public sector;
- 4. Implementation of competencies in the public sector in a legal, transparent, ethical, economical, accountable and effective manner;
- 10. Supporting transparency and integrity in the private sector

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Establishment of reference hospitals through clearly defined criteria in a bylaw	1.1. Amendment of acts for defining the criteria	HIF	Second half of 2021	Amended acts with clearly defined criteria for determining reference hospitals	No

#### SECTION 5.5. EDUCATION

##### Problem 1: Pronounced influences and discretionary powers in the process of recruitment and employment in the education

##### Connection with the strategic objectives provided in the Strategy:

- 2. Conscientious management of political influence in the public sector and preventing political interference in the work of independent bodies and procedures regulated by law;
- 5. Ensuring the integrity and transparency in the recruitment and employment, and personnel policies in the public sector, based on a system of values and quality criteria.
- 6. Strengthening supervisory and control mechanisms

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Establishing clear criteria for grading and procedures for conducting interviews for recruitment and employment of teachers in primary and secondary education	1.1. Adopting by-laws regarding the process of interviewing and determining criteria for grading when selecting candidates for teachers	MES BDE VEC	First half of 2021	Adopted by-laws	No
2. Establishing a legal obligation according to which the decisions for dismissal of principals of primary and secondary school before the expiration of their mandate should include detailed explanations and be subject to inspection supervision	2.1. Change in the Law on Education Inspection aimed at mandatory supervision solutions for early dismissal of principals of primary and secondary schools	MES	Second half of 2021	Adopted amendments to the Law on Education Inspection	No
	2.2. Conducting surveillance on the content of the explanation of solutions for early dismissal of principals of primary and secondary schools	SEI	Second half of 2021 - continuous	Number of inspections conducted over the dismissal of principals of primary and secondary schools	No
				Number of measures taken on grounds of detected irregularities	No
3. Establishing a mechanism of regular supervision by the SEI over the procedures for election in academic and scientific titles	3.1. Adopting an annual plan/program of the SEI for supervision of the procedures for the academic and scientific titles	MES SEI	First half of 2021 - continuous	Number of completed inspections	No
				Number of detected irregularities	

4. Increasing the competences of the SEI for enforcing oversight procedures for the academic and scientific titles	4.1. Amendments to the Law on Higher Education aimed at taking away the right of the Minister to rule on the decisions of the executive oversight by SEI (Article 203 of the Law on Higher Education)	MES	Second half of 2020	Adopted amendments to the Law on Higher Education	No
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<b>SECTION 5.5. EDUCATION</b>					
<b>Problem 2: Insufficient capacities of the State Education Inspectorate</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
2. Conscientious management of political influence in the public sector and preventing political interference in the work of independent bodies and procedures regulated by law;					
6. Strengthening supervisory and control mechanisms;					
11. Raising public awareness and conducting anti-corruption education					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Advancing the material and technical conditions and human resources of the SEI	1.1. Preparing an analysis for assessing the capacity of the SEI	SEI Inspection Council	Second half of 2021	Prepared analysis with identified development needs of the SEI	Yes
	1.2. Increasing the SEI budget	MF	Second half of 2021	Increased budget	Yes
	1.3. Increasing the number of inspectors	MF SEI	Second half of 2021	Increased number of inspectors	Yes
	1.4. Extraordinary inspection supervision to be conducted by at least two inspectors	SEI	Second half of 2021	Increased number of inspectors	No

2. Education and training for strengthening the resilience of employees in the SEI from influences	2.1. Conducting education and training on integrity and ethics, as well as raising awareness of the SEI staff on how to report on the attempts to influence the competent authority - SCPC and/or IC	SCPC IS SEI	Second half of 2020 - continuous	Number of trainings conducted	Yes
				Number of trained employees in the SEI	
3. Strengthening the mechanisms for controlling the work of the inspectors in the SEI	3.1. Preparing analysis for the establishment of a mechanism to control the work of the inspectors	SEI SCPC	Second half of 2021	Prepared analysis	Yes
	3.2. Established mechanism for controlling the work of the inspectors	MES	First half of 2022	Established control mechanism	No

#### SECTION 5.5. EDUCATION

##### Problem 3. Low awareness for addressing the issue of corruption in the education institutions

##### Connection with the strategic objectives provided in the Strategy:

11. Raising public awareness and enforcement of anti-corruption education

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Raising the awareness of teachers about preventing corruption in primary and secondary education	1.1. Preparing a Program for teacher training on ethics and integrity	STC BDE VETC	First half of 2022	Prepared program	Yes
	1.2. Preparing a guide/brochure on the prevention of corruption	STC BDE SCPC VETC	First half of 2022	Prepared brochure	Yes

	1.3. Organizing and conducting educational workshops with teachers	STC BDE SCPC VETC	Second half of 2022 - continuous	Number of conducted trainings	Yes
2. Raising the awareness on the use of mechanisms for reporting corruption at the universities	2.1. Conducting activities for reporting corruption at the universities	University Rectorates  SCPC	First half of 2021	Number of implemented activities for raising the awareness on reporting corruption at the universities	Yes
3. Establishing a mechanism for monitoring the commitments set out in the draft - the policy for preventing corruption at the university	3.1. Ongoing monitoring and supervision on the implementation of the draft – policies on preventing corruption at the universities and publishing annual reports	University Rectorates	First half of 2021	Prepared and published annual reports on conducted commitments stipulated in the draft - policy for preventing corruption at the university	Yes

#### SECTION 5.5. EDUCATION

##### Problem 4. Lack of precise legislation on the use of teaching aids and didactic technical devices

##### Connection with the strategic objective:

- 3. Strengthening the integrity and accountability in the public sector;
- 4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner;

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
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1. Establish precise criteria for the purchase and use of educational aids in primary and secondary schools	1.1. Preparing an analysis of the practices and defining the criteria for the purchase and use of educational aids	MES BDE	first half of 2021	Prepared analysis	Yes
	1.2. Adopting amendments to the Law on Textbooks	MES	Second half of 2021	Adopted amendments to the Law	No
	1.3. Adopting appropriate bylaws	MES BDE VETC	Second half of 2021	Adopted by-laws	

#### SECTION 5.5. EDUCATION

**Problem 5. Lack of procurement procedures conducted outside the law on public procurement in the educational institutions** (student field trips, school security, student photos and preparation of student yearbooks, purchasing snacks etc.).

**Connection with the strategic objectives provided in the Strategy:**

- 3. Strengthening the integrity and accountability in the public sector;
- 4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective way

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Preparation of by-laws that will regulate the manner of conducting the procurement in the educational institutions that are not subject to the public procurement law	1.1. Adoption of by- laws/regulations	MES	First half of 2022	Adopted by-laws	No

#### SECTION 5.5. EDUCATION

**Problem 6. Lack of bylaws regulating the leasing of real estate to the educational institutions**

<b>Connection with the strategic objective:</b>					
3. Strengthening the integrity and accountability in the public sector;					
4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective way					
Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Preparation of by-laws regulating the issuance of real estate to the educational and higher education institutions	1.1. Adoption laws	MES LSGU	First half of 2022	Drafted by-laws	No

<b>SECTION 5.5. EDUCATION</b>					
<b>Problem 7: Raising the quality of higher education in the field of accreditation of higher education institutions, scientific institutions and study programs</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective way					
Measure	Activity	Responsible institution	Implementation deadline	Indicator meeting / impact	Financial implications
1. National Council of Higher Education and Scientific Research and the Agency for Quality Assurance in Higher Education should be functional	1.1. Appointing members of the National Council and the Agency for Quality Assurance in Higher Education	Government  MES	Second half of 2020	Established bodies - the Council and the Agency	Yes

2. Regulating the accountability of the Agency for Quality Assurance in the Education	2.1. Preparing amendments to the Law on Higher Education for specific regulation of the accountability of the Agency for Quality Assurance in Higher Education	MES	Second half of 2021	Amended Law on Higher Education	No
3. Ensuring transparency in the selection of members of the Agency for Quality Assurance in the Education	3.1. Publication of elaborated decisions on election of members of the Agency for Quality Assurance in the Education	Government MES	First half of 2020 - Continued	Published elaborated decisions on the election of members of the Agency	No
4. Ensuring transparency in the work of the Agency for Quality Assurance in the Education in the field of accreditation of higher education institutions, scientific institutions and study programs	4.1. Publication of detailed elaborated decisions of the Agency for accreditation, re-accreditation and other professional activities	Agency for Quality Assurance in Higher Education	First half of 2021 - continuous	Number of published detailed elaborated decisions of the Agency for accreditation, re-accreditation and professional activities	No
5. Registering the Agency for Quality Assurance in the Education in ENQA (European Network of Quality Assurance Agencies in Higher Education)	5.1. Development of a Plan for joining the Agency for Quality Assurance in the Education check the plan in ENQA	Agency for Quality Assurance in Higher Education	First half of 2022	Adopted Plan for membership of the Agency in ENQA	No

#### SECTION 5.5. EDUCATION

#### Problem 8. Insufficient content in the educational process of the secondary education on the principles of good governance and integrity

#### Connection with the strategic objective:

11. Raising public awareness and conducting of anti-corruption education

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
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1. Introducing anti-corruption education content for high school students as part of the regular curriculum	1.1. Implementing the policy paper - Anti-corruption education in secondary schools	MES BDE SCPC	First half of 2021	Prepared analysis and recommendations based on completed policy paper	Yes
	1.2 Adopting appropriate legislation for the introduction of anti-corruption education in the regular curriculum	ISCPC	Second half of 2021	Passed legislation for the introduction of anti-corruption education in all secondary schools	No
		MES BDE	First half of 2021 - continuous	The anti-corruption education for high school students in all schools is being implemented	No

**SECTOR: 5.6. LABOR AND SOCIAL POLICY**

**Problem 1: Lack of oversight procedures for the exercise of rights on the basis of pension and disability insurance**

**Connection with the strategic objectives provided in the Strategy:**

- 3. Strengthening the integrity and accountability in the public sector;**
- 4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner;**
- 6. Strengthening supervisory and control mechanisms**
- 7. Digitalization in all sectors of public services**

<b>Measure</b>	<b>Activity</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Establish a single digitalized central social security system	1.1. Amending the legal regulations in the field of social security	MLSP Other competent institutions	First half of 2022	Amended and supplemented legislation	No
	1.2. Establishing a single digitalized central social security system	MLSP	First half of 2023	Established system	Yes

2. Establish a new body for centralized expert appraisal/assessment of the disability/ability to work in order to reduce the possibility of corruption in the decision-making process	2.1. Preparing an analysis on the ongoing assessment process of the disability/ability to work	MLSP PIIF	Second half of 2021	Prepared analysis	Yes
	2.2. Adopting a legal solution for establishing the expert appraisal/assessment body		First half of 2022	Adopted regulations on the establishment of the expert appraisal/assessment body for assessment of the disability/ability to work	No
	2.3. Establishing an expert appraisal/assessment body		Second half of 2022	Established body of expert appraisal/assessment for assessment of the disability/ability to work	Yes
3. Improving the regulation governing the election of members of the Committee for audit, assessment and opinions with respect to determining the grounds for disability	3.1 Analysing the Rulebook on the organization, composition and method of work of the Commission for reviewing the findings, assessment and opinions on disability aimed at identifying gaps in relation to the selection of its members	MLSP	Second half 2022	Prepared analysis	Yes
	3.2. Amending the Rulebook on the organization, composition and method of work of the Commission for reviewing the findings, assessment and opinions on determining the disability	MLSP	First half of 2023	Committee members are elected under the amended Rulebook	No
4. Strengthening the supervision in the procedures for exercising the rights on the grounds of pension and disability insurance	4.1. Adopting a methodology for the implementation of controls (regular and ad hoc)	MLSP	First half of 2022	Adopted methodology	No
	4.2. Conducting regular and ad hoc controls (not only on the basis of complaints)		- continuous	Number of organized regular and ad hoc controls	

5. Strengthening the supervision procedures for the exercising of rights on grounds of assistance and care provided by another person	5.1. Conducting regular and ad hoc controls (not only on the basis of complaints)	MLSP MH	continuous	Number of organized regular and ad hoc controls	No
				Number of detected irregularities	

SECTOR 5.7. URBANISM AND SPATIAL PLANNING					
Problem 1: Lack of supervision over the construction of buildings from the second category					
Connection with the strategic objectives provided in the Strategy:					
4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective way					
6. Strengthening of the control mechanism					
Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Establishing intensified supervision over the performance of the second category construction buildings	1.2. Amending the Law on Construction towards mandatory initiating of proceedings on revoking the license for the supervision of the legal entity, in case of detected irregularity by displaying a false state (Article 38, paragraphs 5 and 6 of the Law on Construction)	MTC	Second half of 2021 - continuous	Amended law aimed at establishing enhanced surveillance	No
				Number of requests for revoking licenses for supervision annually	
				Number of revoked licenses for supervision annually	

<b>SECTOR 5.8. ENVIRONMENT</b>					
Problem 1: Absence of an integrated regional waste management system					
<b>Connection with the strategic objectives provided in the Strategy:</b> 4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner; 2. Conscientious management of political influence in the public sector and preventing political interference in the work of independent bodies and procedures regulated by law.					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. The establishment of regional waste management centres	1.1. Publishing an open call for the selection of concessionaires	MEPP	First half of 2022	Number of published open calls	No
	1.2. Decision to award concessions for waste management	LSGU ALSG	First half of 2022	Number of functional regional centres	No

<b>SECTOR 5.9. AGRICULTURE</b>					
Problem 1: Lack of adequate supervision on the purpose of the land use and the execution of contracts for the use of state agricultural land					
<b>Connection with the strategic objective:</b> 8.Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state aid 4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner 6. Strengthening supervisory and control mechanisms					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Strengthening supervision over the intended use of land and execution of agreements on leasing agricultural land	1.1. Prescribing detailed procedures for supervision over the intended use and implementation of agreements on leasing agricultural land	MAFWE	Second half of 2021	Prescribed procedures	No

	1.2. Amending the Law on the Use of Agricultural Land aimed at defining the sanctions for specified violations			Prescribed fines	
2. Revision of the rules for the sale of state-owned agricultural land	2.1. Revision of the methodology for sale of State agricultural land according to market conditions based on classes of agricultural land	MAFWE	First half of 2021	Adopted new Methodology for sale of state-owned agricultural land	No
3. Establishment of an independent state administration body established by the Assembly of the Republic of North Macedonia for sale of state-owned agricultural land	3.1. Changing the legal status of the commission for sale of state-owned agricultural land as an independent body of state administration established by the Assembly of the Republic of Northern Macedonia by passing a law		First half of 2022	Adopted law and established a commission for sale of state-owned agricultural land	No

<b>SECTOR 5.9. AGRICULTURE</b>					
<b>Problem 2: Frequently changing regulations, imprecise criteria for granting subsidies</b>					
<b>Connection with the strategic objective:</b>					
<b>8. Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state aid</b>					
<b>4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner</b>					
<b>6. Strengthening supervisory and control mechanisms</b>					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Creating new measures and policies for support based on the principles of environmental protection, introducing good agricultural practices and production of healthy and safe	1.1 Prescribing clear and detailed procedures for introducing new measures that ensure environmental protection and introducing good agricultural practices and production of healthy and safe food	MAFWE	First half of 2022	Provided clear and detailed procedures when creating new measures in agriculture	Yes



food, and economically viable amounts of subsidies	1.2. Creating any measure should be accompanied by a success indicator for monitoring the effects of the financial support.				
2. Establishing measurability of the effects from the application of measures for financial support in the agriculture	2.1. Establishing a methodology that will provide the amounts of subsidies to be economically justified and stimulate realistic production	MAFWE	First half of 2022	Provided indicators for monitoring the effects of the measures for financial support.	Yes

SECTOR 5.9. AGRICULTURE					
<b>Problem 3: Insufficient number of employees and their education, insufficient assistance for the referral of citizens, transparency of procedures;</b>					
<b>Connection with the strategic objective:</b>					
<b>8. Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state aid</b>					
<b>4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner</b>					
<b>6. Strengthening supervisory and control mechanisms</b>					
Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Strengthening human capacities of institutions for the timely and transparent familiarization of the potential customers with the relevant information to facilitate access to these funds, and timely handling of requests	1.1. Strengthening human resources so as to ensure the timely handling of requests for financial support	MF MAFWE AFSARD NEA	First half of 2021	Increased number of employees per year	Yes
	1.2. Establishing advisory services to assist potential users with respect to granting financial support	MAFWE AFSARD NEA	First half of 2022	Increased number of employees per year	Yes

2. Increasing the transparency of procedures and familiarization of potential customers with relevant information to facilitate access to these funds.	2.1. Establish procedures for transparency - notify potential users of the conditions for granting financial support	MAFWE AFSARD NEA	First half of 2021	Adopted procedures	No
	2.2. Implement training programs for employees to further enhance their knowledge and know-how, and promote integrity		Second half of 2020 - continuous	Number of employees attending trainings	Yes

**SECTOR 5.9. AGRICULTURE**

**Problem 4: Concentration of competencies in policy making (laws and bylaws), policy implementation and food surveillance;**

**Connection with the strategic objective:**

**8. Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state aid**

**4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner**

**6. Strengthening supervisory and control mechanisms**

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Demarcation of competencies for policy making, their implementation and supervision	MAFWE	MAFWE	Second half of 2021	Adopted laws amending the laws on food safety and animal feed	No
	1.2. Establishment of a special body for the food inspection service or taking over the inspectors in the State Inspectorate for Agriculture	MF MAFWE AFSARD NEA	Second half of 2021	Established special body / taken over employees in DIZ	No

**SECTOR 5.9. AGRICULTURE**

**Problem 5: Concentration of competencies in policy making (laws and bylaws), policy implementation and supervision in the field of veterinary medicine;**

Connection with the strategic objective:					
8. Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state aid					
4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner					
6. Strengthening supervisory and control mechanisms					
Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Demarcation of competencies in the three segments policy making, implementation of professional competencies and implementation of supervision	1.1. Amending the legislative package in order to differentiate the competencies for creating policies, their implementation, supervision and conducting misdemeanor procedures in the field of veterinary health; Law on Veterinary Health, Law on Veterinary Medicinal Products, Law on By-Products of Animal Origin, Law on Identification and Registration of Animals	MAFWE	Second half of 2021	Adopted laws amending the laws of the veterinary package	No
	1.2. Establishment of a special body for the inspection service for veterinary health from the body that implements the implementation of the policies in veterinary health in a special inspectorate or taking over the inspectors in the State Inspectorate for Agriculture	MAFWE	Second half of 2021	Established special body / taken over employees in DIZ	No

SECTOR 5.10. SPORTS
Problem 1: Inadequate management, use and maintenance of sports facilities owned by the Republic of North Macedonia and the Local Self-Government Units.
Connection with the strategic objectives provided in the Strategy:
4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective manner;

6. Strengthening supervisory and control mechanisms;					
Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Adopting a strategy for sports facilities in state ownership	1.1. Analysing the situation in terms of sports facilities in state ownership	Agency for Youth and Sports Government	Second half 2021	Prepared and adopted analysis	Yes
	1.2. Inventory of sports facilities in state ownership	AYS LSGU	First half of 2022	Census of sports facilities in state ownership	Yes
	1.3. Preparing a strategy for sports facilities in state ownership based on the analysis and the inventory, especially in terms of: - categorization, - property, - management, - administration, - usage, - decentralization.	AYS	Second half of 2022	Prepared strategy for sport facilities	Yes
2. Regulating the legal status of sports facilities in state ownership	2.1. Analysing contracts for use of sports facilities owned by RNM and LSGU (legal and economic feasibility, timing, compliance)	AYS LSGU	Second half of 2020	Prepared analysis	Yes
	2.2. Taking legal means to regulate the legal status of sports facilities owned by RNM and LSGU	AYS LSGU	First half of 2021 - continuous	Number of irregularities detected and removed annually	Yes

	2.3. Conducting inspection in terms of utilization of sports facilities owned by RNM and LSGU	AYS LSGU	Continuous	Number of completed controls	No
				Number of detected irregularities	
3. Legal regulation of sports facilities	3.1. Adoption of a Law on Sports Facilities	Ministry of Justice	First half of 2021	Adopted law	No
	3.2. Adoption of bylaws on:  - Categorization of facilities  - Rulebook for determining the compensation for the use of sports facilities	Ministry of Justice	Second half 2021	Rulebook	No
4. Establishment of information system for keeping a record of sports facilities in state ownership	4.1. Preparing a database of sports facilities in state ownership (location, category, municipality, ownership, size, year of construction, content, structure, etc.).	Agency for Youth and Sports	First half of 2022	Functional information system for sports facilities	Yes

<b>SECTOR 5.10. SPORTS</b>					
<b>Problem 2: Lack of inspection supervision in sports</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
6. Strengthening supervisory and control mechanisms					
11. Raising public awareness and implementing anti-corruption education					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>

1. Establishing an effective inspection in sports and sports facilities	1.1. Analysing the current state of inspection in the sport and sports facilities sector	AYS	First half of 2021	Prepared analysis	Yes
	1.2. Amending the Law on Sports in the inspection sector	Ministry of Justice	First half of 2022	Adopted amendments to the Law on Sports	No
	1.3. Establishing the State Sports Inspectorate	Ministry of Justice	Second half of 2022	Established State Inspectorate for Sport	Yes
2. Integrated education and ethics of sports federations, clubs, administration	2.1. Adopting a program for training and education on integrity and ethics of sports federations, clubs, administration and sports professionals	AYS LSGU	First half of 2021	Adopted program	Yes
	2.2. Conducting training sessions, workshops, roundtables, public media appearances on integrity and ethics	AYS SCPC	Continuous	Number of conducted trainings/workshops	Yes
	2.3. Preparation of promotional material for integrity and ethics in sport	AYS SCPC	Continuous	Number of prints	Yes
<b>SECTOR 5.11. ECONOMY AND BUSINESS</b>					
<b>Problem 1. Lack of a register of awarded state aid to economic operators owned by domestic and foreign legal entities</b>					
<b>Connection with the strategic objectives provided in the Strategy:</b>					
3. Strengthening the integrity and accountability in the public sector					
6. Strengthening supervisory and control mechanisms					
8. Reducing corruption in the public procurement in the process of awarding grants, subsidies and state aid					
<b>Measure</b>	<b>Activity</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>

1. Establishment, publication and updating of the registry with information about any form of state aid	1.1. Amending the Law on Control of State Aid for establishing a register of any form of state aid	Ministry of Economy Commission for Protection of Competition	First half of 2021	Amended and supplemented law	No
	1.2. Preparing a register of state aid within the Commission for Protection of Competition	Commission for Protection of Competition	First half of 2022	Functional and publicly accessible register of state aid	Yes

#### SECTOR 5.11. ECONOMY AND BUSINESS

**Problem 2. Excessive granting concessions, insufficient transparency of concession contracts and insufficiently developed mechanisms for determining the realistic concession fee of the exploited resources**

**Connection with the strategic objectives provided in the Strategy:**

4. Implementation of the responsibilities in the public sector in a legal, transparent, ethical, cost-effective, accountable and effective way  
6. Strengthening supervisory and control mechanisms

Measure	Activity	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Optimizing the use of natural resources in order to protect the environment	1.1. Feasibility study for establishing the conditions by using natural resources by areas	Ministry of Economy	Second half of 2021	Feasibility study	Yes
	1.2. Adopting policies and measures aimed at fulfilling the recommendations of the feasibility study	Ministry of Economy Government	Second half of 2022	Adopted policies and measures	No
2. Increasing transparency with respect to awarding concessions	2.1. Public disclosure of concession contracts for the exploitation of raw materials	ME MEPP MAFWE	Second half of 2020 - continuous	All concession contracts published on the websites of the relevant institutions	Yes

3. Developing mechanisms for determining the amount and payment of the concession fee for exploited resources	3.1. Analysis and review of the amount of the concession fee and the extent of his recovery.	ME MEPP MAFWE	First half of 2021 - continuous	Prepared analysis with recommendations for appropriate adjustments to the amount of the concession fee	Yes
	3.2. Drafting the methodology and mechanisms for determining the realistic concession fee	ME	Second half of 2021	Adopted methodology for determining the realistic concession fee	No
4. Increasing control in the exploitation of raw materials from granted concessions	4.1. Increasing the number of employees in the inspection services	ME MAFWE	First half of 2021	Increased number of employees in the inspection's services annually	Yes
	4.2. Conducting trainings of staff in the competent inspection services	MH		Conducted trainings on the appropriate annually	Yes

#### SECTOR 5.11. ECONOMY AND BUSINESS

#### Problem 3. Lack of records on the property owned by the Republic of North Macedonia and LSGU

#### Connection with the strategic objectives provided in the Strategy:

2. Strengthening integrity and accountability in the public sector

Measure	Activity	Responsible institution	Implementation deadline	Completion indicator	Financial implications
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1. Establishing a single record of the real estate property owned by the Republic of North Macedonia	1.1. Updating the electronic records of real estate property owned by the state, and real estate property owned by the state which is used by state authorities and legal entities established by the state and LSGU	Agency for Real Estate Cadastre	First half of 2020 continuous	Established single record or the real estate property owned by upgrading the electronic real estate cadastre	No
	1.2 Ensuring transparency by incorporating the option to perform an open search of state-owned real estate property on the distribution portal of the Agency for Real Estate Cadastre (by EIB, name of state body, type of property and other criteria)	Agency for Real Estate Cadastre	First half of 2020 – continuous	Open portal of real estate records owned by the state	No
2. Establishing a publicly accessible registry of motor vehicles owned by the institutions from the public sector and LSGU (except vehicles for special purposes)	2.1 The existing register of motor vehicles kept by the Ministry of Interior is to be upgraded by providing the possibility to make the data publicly available and easy to search by institution	Mol	Second half of 2020	Public and transparent registry of motor vehicles	Yes

<b>SECTOR 5.11. ECONOMY AND BUSINESS</b>
<b>Problem 4. Lack of involvement of smaller economic entities in the process of creating economic and other policies relevant to the business community</b>
<b>Connection with the strategic objectives provided in the Strategy:</b> 3. Strengthening the integrity and accountability in the public sector 10. Supporting transparency and integrity in the private sector

Measure	Activity	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1/ Increasing the transparency of the process of creating economic and other relevant policies for the business community	1.1. Modification of the methodology for assessing the Regulatory Impact Assessment (RIA) in the direction of ensuring a more detailed disclosure of the reasons for the adoption of certain legal solutions, the main proposals that were under consideration (and their sponsors) and the impact of the selected solution on the economic climate and the business community.	MISA	Second half 2021	Methodology modified RIA	No
	2.2. Conducting training, mentoring and support to micro and small enterprises aimed at building common positions and participating in the policies that affect the economic climate and conditions for their operation in the country	Agency for Entrepreneurship Civil society Business associations	First half of 2022 - continuous	Number of trainings conducted annually	Yes

**SECTOR 5.12. Public enterprises and joint stock companies owned by the state and local government**

**Problem 1: Lack of uniform and official information on legal entities owned by the state and LSGU**

**Connection with the strategic objective:**

3. Strengthening the integrity and accountability in the public sector

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
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1. Preparation of a single database for legal entities established under the Law on Public Enterprises and the Law on Commercial Companies where the state and local government are the owners or have equity stakes.	1.1. Establishing a registry and updating the data on the ownership and financial performance in the enterprises	Ministry of Economy, Ministry of Local Government Ministry of Finance CRRNM	Second half 2021	Prepared single and functional registry with data	Yes
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<b>SECTOR 5.12. Public enterprises and joint stock companies owned by the state and local government</b>					
<b>Problem 2: Lack of systemic approach to corruption prevention in enterprises owned by the state and LSGU</b>					
<b>Connection with the strategic objective:</b>					
3.Strengthening integrity and accountability in the public sector					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Introduction and implementation of an anti-corruption program for companies predominantly owned by the state and LSGU	1.1. Preparation of an anti-corruption program for companies predominantly owned by the state and LSGU	SCPC	Second half of 2023	Drafted anti-corruption program for companies predominantly owned by the state and LSGU	Yes
	1.2. Adopting an anti-corruption program for companies predominantly owned by the state and LSGU by Government	Government	First half of 2024	Adopted anti-corruption program for companies predominantly owned by the state and LSGU	No

	1.3. Establishing an efficient monitoring of the implementation of the program.		Second half of 2024- continuous	Implementation of 50% of the obligations prescribed by the anti-corruption program in the first year of implementation and 100% in the subsequent years.	No
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<b>SECTOR 5.12. Public enterprises and joint stock companies owned by the state and local government</b>					
<b>Problem 3: Inadequate legal framework for the operation of enterprises owned by the state and LSGU</b>					
<b>Connection with the strategic objective:</b>					
3. Strengthening the integrity and accountability in the public sector					
4. Implementation of responsibilities in the public sector in a transparent, ethical, cost-effective, accountable and effective manner.					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Establishing a single legal framework for the operation of companies predominantly owned by the state and public enterprises established by the Government and local self-government.	1.1. Comparative analysis of the legislation with the regional countries and EU member states aimed at detecting good solutions	Ministry of Economy	Second half of 2021	Prepared comparative analysis	Yes
	1.2. Adopting a single law that would regulate the operation of these categories of legal entities		First half of 2022	Adopted law	No

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<b>SECTOR 5.13. MEDIA AND CIVIL SOCIETY</b>					
<b>Problem 1: Lack of transparency of public sector institutions for cooperation with media, internet portals, marketing agencies and media workers</b>					
<b>Connection with the strategic objective:</b>					
12. Involvement of civil society and media in the fight against corruption in society and building personal and professional integrity, including their framework					
8. Reducing corruption in public procurement and in the process of awarding grants, subsidies and other state aid					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Establishing an obligation for public sector institutions to submit reports on signed and implemented agreements with media, internet portals, marketing agencies and media workers.	1.1. Adopting the legal regulation for establishing the obligation of public sector institutions to submit reports on signed and implemented agreements with media, internet portals, marketing agencies and media workers.	MISA	First half by 2022	Adopted legislation	No
2. Improving the criteria for granting state aid for print media	2.1. Analysing the existing criteria for granting state aid	Government of RNM	First half of 2022	Identified solutions for improving the criteria	Yes
	2.2. Amending the decision concerning the program for support of print media and their distribution		Second half 2022	Modified program with more stringent criteria	No

<b>SECTOR 5.13. MEDIA AND CIVIL SOCIETY</b>					
<b>Problem 2. Strengthening self-regulation in terms of online media</b>					
<b>Connection with the strategic objective:</b>					
10. Supporting transparency and integrity in the private sector; 12. Involvement of civil society and media in the fight against corruption in society and building of personal and professional integrity, including their framework					
<b>Measure</b>	<b>Actions</b>	<b>Responsible institution</b>	<b>Implementation deadline</b>	<b>Completion indicator</b>	<b>Financial implications</b>
1. Strengthening self-regulation with respect to online media	1.1. Analysing the online media in terms of professionalism and integrity in their work	AJM CMEM	Second half of 2021	Identified problems that need to be addressed in the field of online media	Yes
	1.2. Establishing mechanisms to strengthen the self-regulation of online media		Second half of 2021	Established mechanisms to strengthen the self-regulation of online media	Yes
2. Upgrading the register of professional online media	2.1. Adopting and implementing positive international practices for updating the register of professional online media	AJM CMEM Chamber of Commerce of the RNM	Second half of 2021 – continuous	Credible and effective registry of professional online media	Yes

<b>SECTOR 5.13. MEDIA AND CIVIL SOCIETY</b>
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**Problem 3: Strengthening the transparency of the institutions in planning funds for financing CSOs and accountability for the implementation and effects of the projects**

**Connection with the strategic objective:**

12. Involvement of civil society and media in the fight against corruption in society and building of personal and professional integrity, including their framework

Measure	Actions	Responsible institution	Implementation deadline	Completion indicator	Financial implications
1. Strengthening the transparency of institutions in the planning of funds for financing CSOs and accountability for the implementation and effects of the projects	2.1. Amending the Law on Associations and Foundations aimed at prescribing an obligation to establish a single database with information on allocated resources and the effects of all IT projects that receive funds from public institutions and LSGU	Ministry of Justice  Ministry of Finance  MISA	First half of 2022	Amended Law on Associations and Foundations	No
	2.2. Amending the Law on Associations and Foundations in terms of prescribing obligations to public institutions and LSGU for regular updating of the single database		First half of 2021	Amended Law on Associations and Foundations	No

