



**ANNUAL REPORT ON THE IMPLEMENTATION
OF THE 2021-2025 NATIONAL STRATEGY FOR
PREVENTION OF CORRUPTION AND CONFLICT
OF INTEREST for the period from 01.01.2021 –
31.12.2021**

Skopje, March 2022

Annual report on the implementation of the measures of the National Strategy for Prevention of Corruption and Conflict of Interest envisaged for implementation in 2021

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List of Acronyms

Acronym	Full name
AREC	Agency for Real Estate Cadaster
AFSARD	Agency for financial support in agriculture and rural development
AQHE	Agency for Quality in Higher Education
MALMED	Agency for Medicines and Medical Devices
AYS	Agency for Youth and Sports
AFAPI	Agency for Free Access to Public Information
AJPP	Academy of Judges and Prosecutors
BPP	Bureau for Public Procurements
BDE	Bureau for Development of Education
Government	Government of the Republic of North Macedonia
SCPC	State Commission for Prevention of Corruption
SIA	State Inspectorate of Agriculture
SIE	State Inspectorate for Education
SAI	State Administrative Inspectorate
ULGs	Units of local self-government
AJM	Association of Journalists of Macedonia
APP	Association of Prosecutors
PPO of RNM	Public Prosecutor's Office of the Republic of North Macedonia
MOI	Ministry of the Interior
MoH	Ministry of Health
MAFW	Ministry of Agriculture, Forestry and Water Economy
ME	Ministry of Economy
MIOA	Ministry of Information Society and Administration
MoES	Ministry of Education and Science
MoJ	Ministry of Justice
MLSP	Ministry of Labor and Social Policy
MF	Ministry of Finance
Strategy	National Strategy for Prevention of Corruption and Conflict of Interest for 2021-2025
Assembly	Assembly of the Republic of North Macedonia
CME	Council for Media Ethics
FPO	Financial Police Office
FIU	Financial Intelligence Unit
FHI	Fund for Health Insurance
PDIF	Pension and Disability Insurance Fund
CA	Customs Administration

Introduction

Context

In January 2019, the Assembly of the Republic of North Macedonia adopted the new Law on Prevention of Corruption and Conflict of Interest, which was published in the "Official Gazette of the Republic of Macedonia" no.12/19. The main purpose of this law is to regulate the measures and activities for:

- prevention of corruption in the exercise of power, public powers, official duty and politics,
- prevention of conflicts of interest and
- prevention of corruption in the performance of works in public interest of legal entities in the exercise of their public powers.

The State Commission for Prevention of Corruption is the competent institution for the implementation of the measures and activities related to the prevention of corruption and conflict of interest, which is also guaranteed full autonomy and independence in the law regarding the performance of the works under its jurisdiction. The SCPC within its remit adopts a five-year national strategy for the prevention of corruption and conflict of interest, with an action plan for its implementation. The National Strategy is submitted to the Assembly of the Republic of North Macedonia for adoption.

Based on previously established Methodology and conducted analysis of corruption risks, and by applying a broad, inclusive and transparent consultation process with participation of representatives of the public and private sectors, media, CSOs and foundations, experts and representatives of relevant international organizations, on 10 December 2020, the SCPC adopted the 2021-2025 National Strategy for Prevention of Corruption and Conflict of Interest, which was then adopted by the Assembly of the Republic of North Macedonia on 18 April 2021. An integral part of the Strategy is the Action Plan for its implementation, which provides detailed elaboration of the problems and measures by activities and indicators, and further systematized in 2 horizontal areas and 13 vulnerable sectors, namely:

- Public procurement – horizontal area
- Employment- horizontal area
- Political system
- Judiciary
- Law Enforcement Authorities
- Health
- Education
- Labor and Social Policy
- Urbanism and Spatial Planning
- Environment
- Agriculture
- Sport
- Economics and Business
- Public enterprises and joint-stock companies owned by the state and local self-government
- Media and Civil Society

Pursuant to Article 18 paragraph (6) of the Law on Prevention of Corruption and Conflict of Interest, the SCPC is obliged to monitor the implementation of the measures in the Strategy and to prepare annual reports and a final report on the implementation of the national strategy. These reports are submitted by the SCPC to the Assembly, no later than 31 March of the current year for the previous year.

According to the LPCCI, the SCPC may decide to amend the Strategy when deemed necessary based on conducted analyses or observations from the annual reports on its implementation. The changes of the

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Strategy shall be undertaken in the procedure prescribed for the preparation of the Strategy and shall be submitted to the Assembly for adoption.

In view of the fact that the Strategy refers to the period from 2021 to 2025, this is the first Annual Report on the implementation of the measures of the National Strategy for Prevention of Corruption and Conflict of Interest that were envisaged to be implemented in 2021.

Based on the analyses and obtained data, this report will serve as basis to implement the procedure for amending the Strategy. In doing so, these changes will concern both changing the deadlines for measures and activities that have not been implemented, and activities with expired deadline for implementation, as well as changing the responsible institution for the activity where the data received point to a need to change the responsible institution for the respective activity. In addition, the amendments will detect new problems, and additional measures and activities will be specified, if that is deemed necessary during the analyses.

This report reflects the structure of the Strategy, i.e., there are 16 sections and summary, two sections concerning the two horizontal areas and 13 sections concerning each of the sectors covered by the Strategy. Each of these sections include the findings regarding the implementation of measures and activities from the Action Plan, along with presentation of statistical data on the number of implemented measures and activities, as well as a qualitative analysis of the implemented activities, and recommendations to tackle the problems.

Methodology

This annual report has been prepared based on the information received from competent institutions, which are specified as responsible institutions for the respective activity in the Action Plan. To effectively monitor the degree of implementation of the Strategy activities, a software solution – web application – was developed in the second half of 2021, thus ensuring that the nominated coordinators submit periodical reports on the degree of implementation of the activities under the responsibility of their institution. In the period from 15 to 31 December, the evaluation process for the degree of implementation of the activities for 2021 was launched on the web application, and during this period the coordinators submitted reports relating to the activities within their competence.

Once the reports were collected, the SCPC carried out the analysis and evaluation and determined the activity status (implemented, in progress and unimplemented) during the staff meetings held in February 2021.

Additionally, in the period from 7 to 11 March 2021, round tables were organized for each sector, and representatives from all responsible institutions for certain activities were invited. At these round tables, the reports received through the web-application were once again reviewed, discussions were held about the foreseen activities and measures and respective degree of implementation, as well as the reasons why certain activities were not implemented.

With regard to activities that the competent institutions failed to provide information, additional analyses of available data and documents on websites as well as of the relevant legislative acts and bylaws were undertaken in order to obtain accurate data on the degree of implementation of the measures and activities of the Strategy's Action Plan.

This Annual Report resulted from analyses of all listed activities, i.e., analysis of reports received from institutions, analysis of documents and data available on web sites, analysis of relevant legislative acts and bylaws, round tables as well as daily communication with coordinators from all institutions.

The degree of implementation of the Strategy is presented through the activities by indicating the institution with main responsibility and also indicating the activities that require cooperation between several institutions.

1. EXECUTIVE SUMMARY

The 2021-2025 National Strategy for Prevention of Corruption and Conflict of Interest identifies 54 problems, and 111 measures and 191 activities to tackle them. The breakdown of problems, measures and activities is as follows:

Ord. No.	Area/Sector	Problems	Measures	Activities
1.	Public procurement	2	2	4
2.	Employment	3	8	13
3.	Political system	6	7	8
4.	Judiciary	3	7	14
5.	Law Enforcement Authorities	7	13	21
6.	Health	5	18	26
7.	Education	8	18	34
8.	Labor and Social Policy	1	5	10
9.	Urbanism and Spatial Planning	1	1	1
10.	Environment	1	1	2
11.	Agriculture	5	9	16
12.	Sport	2	6	15
13.	Economics and Business	4	8	13
14.	PE and JSC	3	3	6
15.	Media and Civil Society	3	5	8
Total		54	111	191

As it is shown on the table, the number of problems, measures and activities by sector depends primarily on the risk of corruption in each of the areas/sectors, but also on the extent to which institutions within the areas/sectors were involved and contributed during the preparation of the Strategy.

In doing so, the largest number of problems are noted in the sectors of education, law enforcement, political system, agriculture and health. On the other hand, the sectors with the least problems detected are labor and social policy, urbanism and spatial planning and environment.

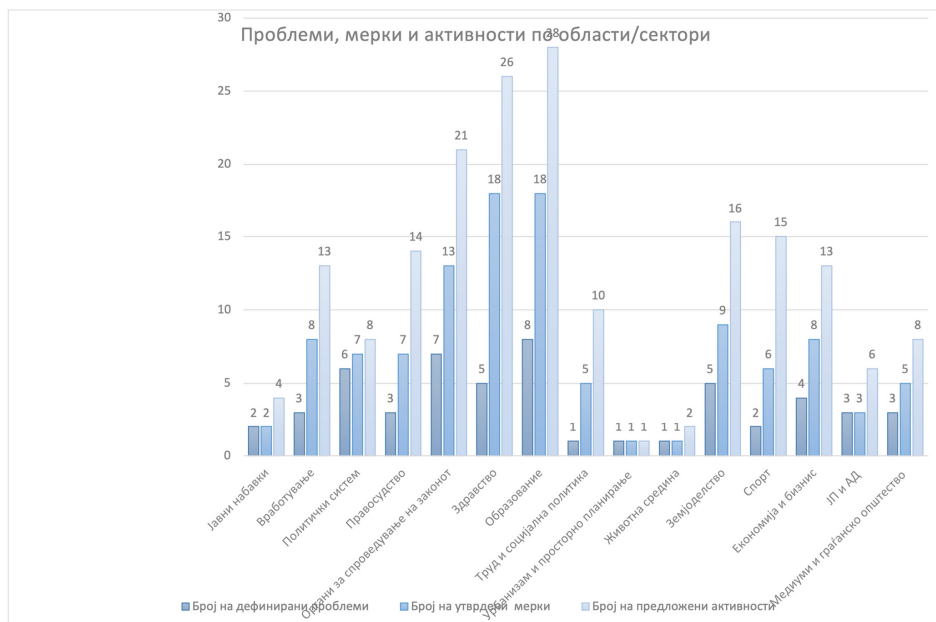
However, as far as the measures are concerned, the largest number are the measures in the health, education and law enforcement sectors where there is a double-digit number of measures. The lowest number of measures is found in the urbanism and spatial planning and environment sectors.

Regarding the number of defined activities, the sectors of education, health and law enforcement are predominant. Again, there are fewer activities in the urbanism and spatial planning sector.

From the above data, one can conclude that the number of measures and activities is proportional to the number of identified problems.

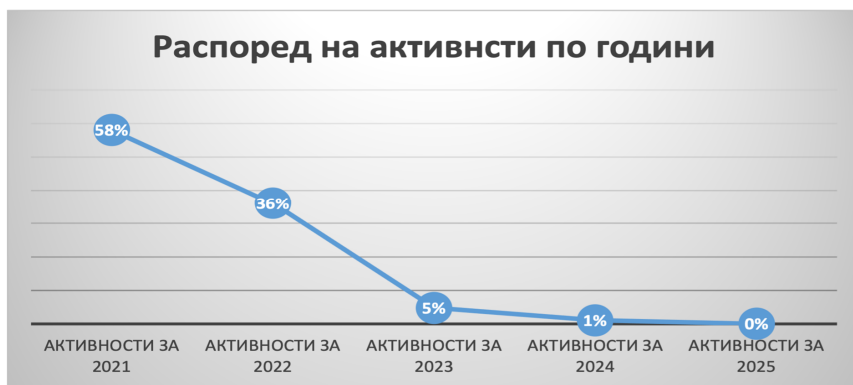
The distribution of problems, measures and activities by area/sector is presented in the graph below:

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About 40% of all measures and activities concern the education, health and law enforcement sectors.

The breakdown of activities by year is as follows:



The biggest number of activities are planned for 2021, i.e., for the first year of implementation of the Strategy. Namely, 111 activities (58%) are foreseen for 2021, 69 activities (36%) are foreseen for 2022, 9 activities (5%) are foreseen for 2023, 2 activities (1%) are foreseen for 2024, and no activity is foreseen for 2025. One should note that during the preparation of the Strategy, the deadlines for activity implementation were proposed by the participating institutions from the respective sectors. The deadlines for implementation of activities not implemented so far will be extended for the coming years.

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Regarding the number of activities planned and implemented for 2021, the situation is as follows:

Area/Sector	Number of activities in 2021	Implemented activities	Unimplemented activities	Activities in progress
Public procurement	3	1	2	0
Employment	8	1	5	2
Political system	6	1	1	4
Judiciary	9	7	0	2
Law Enforcement Authorities	14	2	9	3
Health	12	1	9	2
Education	27	6	10	11
Labor and Social Policy	3	0	2	1
Urbanism and Spatial Planning	0	0	0	0
Environment	0	0	0	0
Agriculture	11	0	10	1
Sport	7	0	6	1
Economics and Business	8	1	5	2
PE and JSC	0	0	0	0
Media and Civil Society	3	2	0	1
Total	111	22	59	30

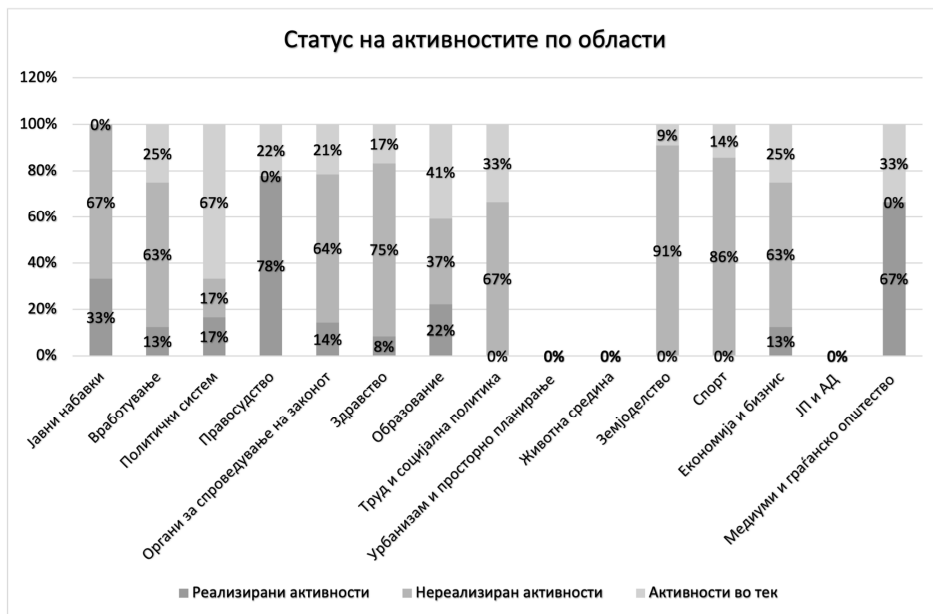
Out of 111 activities planned for 2021, 22 (20%) were fully implemented, 30 activities (27%) were in progress, while 59 (53%) of the activities were not started at all.



The percentage of implementation of activities by area and sector is as follows:

The graph below shows the status of projected, implemented, unimplemented activities and activities in progress by area/sector, as follows:

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According to the data, the largest number of activities were implemented in the judiciary sector (78%), followed by the media and civil society sector (67%), the horizontal area of public procurement (33%) and the education sector (22%). On the other hand, in three sectors (labor and social policy, agriculture and sport) there are 0% fully implemented activities. It should be noted that for the sectors of urbanism and spatial planning, environment and PE and JSC owned by the state and local self-government units no activity is foreseen for the reporting year-2021.

Regarding the degree of implementation of activities by institution, the situation is as follows:

INSTITUTION	Total activities in 2021	Implemented	Unimplemented	In progress
Agency for Real State Cadaster	2	0	1	1
Agency for Quality in Higher Education	1	0	0	1
Agency for Medicines and Medical Devices	1	0	1	0
Agency for Youth and Sports	7	0	6	1
Agency for Free Access to Public Information	2	0	2	0
Academy of Judges and Prosecutors	3	3	0	0
Bureau for public procurement	2	1	1	0
Bureau for Development of Education	2	1	1	0
Government of the RNM	2	1	0	1
State Commission for Prevention of Corruption	4	1	0	3
State Inspectorate for Education	5	0	1	4
State Administrative Inspectorate	1	1	0	0

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AJM and CME	3	2	0	1
Association of Prosecutors	1	1	0	0
Public Prosecutor's Office of the Republic of North Macedonia	3	3	0	0
Ministry of the Interior	2	0	1	1
Ministry of Health	9	0	8	1
Ministry of Agriculture, Forestry and Water Economy	9	0	9	0
Ministry of Economy	8	1	4	3
Ministry of Information Society and Administration	10	0	9	1
Ministry of Education and Science	6	0	6	0
Ministry of Justice	3	1	1	1
Ministry of Labor and Social Policy	3	0	2	1
Ministry of Finance	9	1	2	6
Assembly of the Republic of North Macedonia	1	0	0	1
Financial Intelligence Office	1	0	1	0
Health Insurance Fund	2	1	0	1
Pension and Disability Insurance Fund				
Customs Administration	1	0	1	0
University of St. Paul the Apostle	2	1	0	1
Mother Theresa University	2	0	2	0
University Goce Delcev, Shtip	2	1	0	1
University "Ss. Clement of Ohrid.	2	2	0	0
Total	111	22	59	30

The lowest degree of implementation of activities is noted in the Ministry of Information Society and Administration, that is, out of 10 activities only one activity is in progress; the Ministry of Health, i.e., out of 9 activities only one activity is in progress and the Ministry of Agriculture, Forestry and Water Economy, i.e., out of 9 activities not a single activity has been implemented. If one takes into account the fact that there are in total 28 activities for these three ministries, which accounts for 25% of the total number of activities, one can understand why the degree of activity implementation of the Strategy's Action Plan foreseen for 2021 is at such low level.

The percentage of implementation of activities per institution is as follows:

Institution	Implemented	Unimplemented	In progress
Agency for Real State Cadaster	0%	50%	50%
Agency for Quality in Higher Education	0%	0%	100%
Agency for Medicines and Medical Devices	0%	100%	0%
Agency for Youth and Sports	0%	86	14%
Agency for Free Access to Public Information	0%	100%	0%
Academy of Judges and Prosecutors	100%	0%	0%
Bureau for Public Procurement	50%	50%	0%
Bureau for Development of Education	50%	50%	0%
Government of the Republic of North Macedonia	50%	0%	50%
State Commission for Prevention of Corruption	25%	0%	75%
State Inspectorate for Education	0%	20%	80%
State Administrative Inspectorate	100%	0%	0%
Association of Journalists of Macedonia and Council for Media Ethics	67%	0%	33%
Association of Prosecutors	100%	0%	0%

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Public Prosecutor's Office of the Republic of North Macedonia	100%	0%	0%
Ministry of the Interior	0%	50%	50%
Ministry of Health	0%	89%	11%
Ministry of Agriculture, Forestry and Water Economy	0%	100%	0%
Ministry of Economy	13%	50%	38%
Ministry of Information Society and Administration	0%	90	10%
Ministry of Education and Science	0%	100%	0%
Ministry of Justice	33%	33%	33%
Ministry of Labor and Social Policy	0%	67%	33%
Ministry of Finance	11%	22%	67%
Assembly of the Republic of North Macedonia	0%	0%	100%
Financial Intelligence Office	0%	100%	0%
Health Insurance Fund	50%	0%	50%
Customs Administration	0%	100%	0%
University of St. Paul the Apostle	50%	0%	50%
Mother Theresa University	0%	100%	0%
University Goce Delcev, Shtip	50%	0%	50%
University "Ss. Clement of Ohrid".	100%	0%	0%

As shown by the percentage of activity realization by institution, 7 institutions have 0% unimplemented activities, i.e., neither implemented nor started the realization of any of the activities.

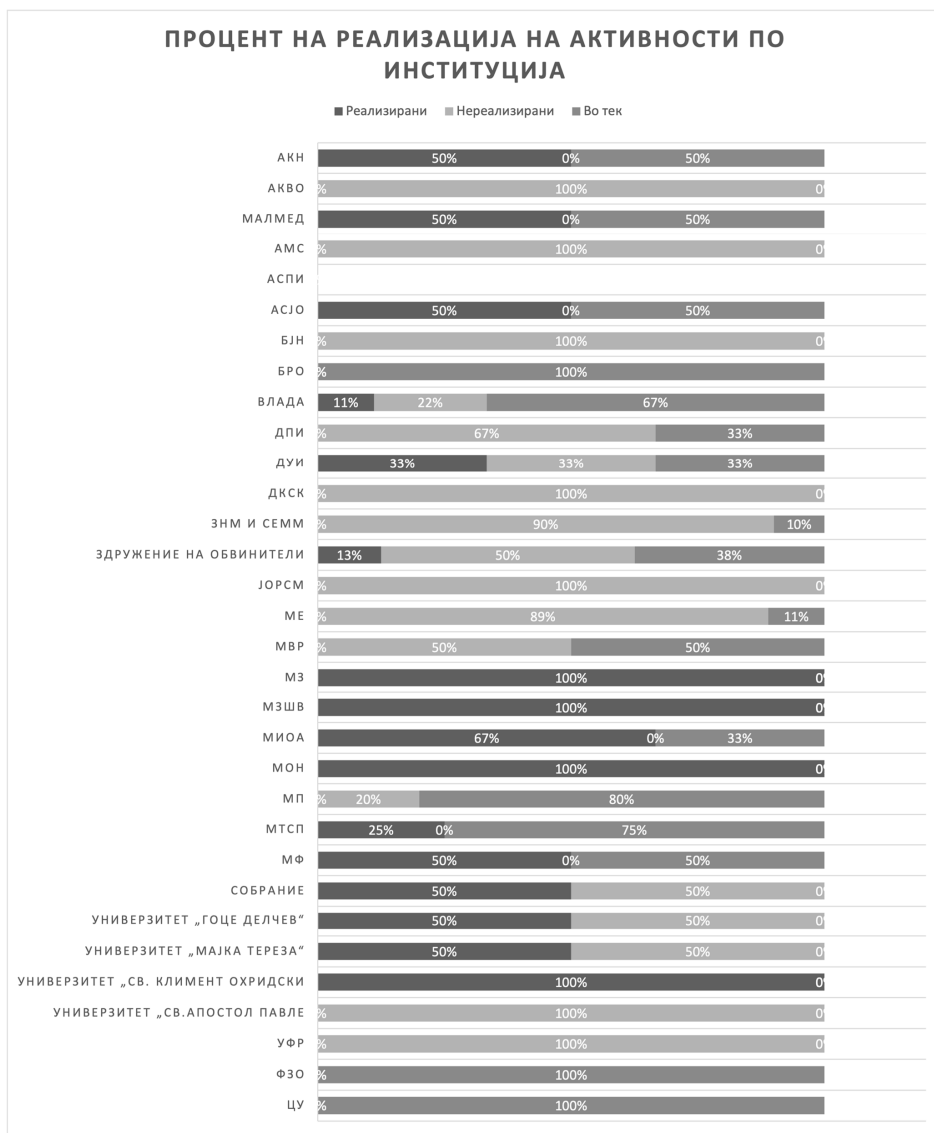
On the other hand, one should note that the Academy for Judges and Public Prosecutors, the State Administrative Inspectorate, the Association of Public Prosecutors, the Public Prosecutor's Office of the Republic of North Macedonia and the University "St. Kliment Ohridski" from Bitola implemented all the activities planned for 2021, including the Association of Journalists of Macedonia and the Council for Media Ethics with 67% realization of activities.

For 12 institutions that were responsible for activities in 2021 there is 0% unimplemented activities, i.e., they either started or fully implemented the foreseen activities. However, when considering the percentages, one has to take account of the fact that the distribution of activities is not even, i.e., as many as 18 institutions have 1 to 2 activities for 2021.

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The graph below shows the percentage of realization of activities by institution:

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From the presented data, it can be concluded that 89 activities that were foreseen to be implemented in 2021, (59 unimplemented and 30 in progress) are being transferred for the following years, and together with 80 activities already foreseen for these years, a total of 169 activities will remain to be implemented in the period 2022-2025.

While monitoring the implementation of the Strategy activities, the SCPC faced a problem with establishing and maintaining communication with the Ministry of Information Society and

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Administration and the Ministry of Health, as no reports were submitted with data on the implementation of the activities under their responsibility within the specified deadline, and therefore, the SCPC additionally checked their websites for examination and verification of the degree of implementation of the activities. In addition, the Ministry of Information Society and Administration did not delegate a representative for the round tables at which reports were presented and the implementation of the Strategy was discussed. Given the above, it will be necessary to establish a mechanism for accountability of the managers in the institutions that do not cooperate and do not submit data on the implemented activities of the Strategy.

Based on the analyses of the obtained data, it can be concluded that corruption risks assessment by horizontal areas and by sector that was made during the preparation of the Strategy is further relevant, i.e., the general intersectoral corruption risks are further identified in connection with:

- Public procurement and inspection supervision concerning all sectors and their impact in the society is highest.
- Public sector employment is important both at the level of central and local government, which is why the risk of corruption in this horizontal area is very high in the society.
- The risk of corruption when issuing permits, decisions, licenses and approvals, associated both with the public and private sector, is very high at both central and local government level.
- There is a high risk of corruption when awarding grants, subsidies and state aid both at the central and local level.

In all analyzed sectors, a common denominator was determined for the following risk factors:

- Strong political influence in the public sector;
- Problems regarding the rule of law and a low rate of sanctioning corruptive behavior in the whole society;
- Inconsistent regulations that leave space for abuses and incitement to corruptive behavior;
- Low level of human factor integrity and
- Insufficient transparency, oversight system and control mechanisms in the public sector.

The analysis of the obtained data, the communication with the responsible institutions for the activities, as well as the number of reports that SCPC receives on a daily basis which are indicators of potential corruptive activities, lead to the conclusion that there are two additional problems that need to be introduced into the Strategy as special areas:

- Inspection services and
- Utilization of property owned by the state and local self-government units.

Inspection services are indeed part of several areas/sectors in the current Strategy. They are subject of interest in the law enforcement sector, but also in other sectors, such as education, agriculture, urbanism and spatial planning, etc. The problem of controlling the execution of laws in the state is alarming. Namely, increasing number of citizens are complaining about dysfunctioning of the inspection services, especially those at the local level, for example, inspection supervision in the construction sector. The State Construction Inspectorate does not have sufficient human and other capacities to effectively and efficiently implement their jurisdiction on the entire territory of the country, while at the local level, there are shortcomings regarding the appropriate organizational setup for the smooth functioning of the inspection services. As a result, the number of illegal buildings is growing, thus jeopardizing the public interest.

The situation regarding the environment, housing and all other inspection services at the local level is similar.

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On the other hand, lack of clarity and distinction about the competences of the inspection services leaves a huge space for discretion and abuse. For these reasons, the problem with the inspection services needs to be specified as special area in the Strategy, with a clear specification of all problems, as well as definition of measures and actions to tackle them.

The disposal of state-owned and municipal-owned property is another emerging horizontal problem in several sectors, especially in sports, agriculture, economy and business, labor and social policy, etc. Due to unclear criteria and absence of precise legislation, there is a huge space for abuse and corruption. The Strategy sets out certain measures and activities related to the disposal of state-owned and municipal property. Obtained data and undertaken analyses reveal that the responsible institutions for these activities have neither the capacity nor sufficient legal competences to be able to solve these problems. For these reasons, it is estimated that this situation should be addressed in the Strategy as a separate area, with a systematic approach to overcome it, starting with registers of property and utilization of property, that would ultimately minimize the space for corrupt practices.

1.1. Recommendations

In view of the general situation regarding the implementation of the Action Plan for the 2021-2025 National Strategy for Prevention of Corruption, in order to improve the overall situation, it is necessary to implement the following recommendations:

1. Given the low percentage of implemented activities and measures from the Action Plan of the Strategy, as well as the fact that in some sectors no activity has been implemented, the SCPC considers it necessary to establish a strong control mechanism and institutional responsibility for the implementation of the measures. In this regard, the SCPC proposes the following:
 - The activities of the Assembly should be intensified in order to enhance the accountability, responsibility and transparency of the holders of public offices in the executive branch with responsibility to implement the activities of the Strategy (committee hearings, oversight hearings, etc.).
 - The institutions that are responsible for the activities of the Strategy should create conditions for continuous and effective reporting system about the degree of implementation of the activities for which they are responsible both within the institution and before the SCPC.
 - Provide funds to strengthen the capacity of the SCPC through establishment of a department for monitoring the implementation of the Strategy and ensure continuous communication with the institutions, so that the SCPC can be an active driver for the implementation of activities by collecting data from institutions on quarterly basis and holding regular meetings by area.
2. In accordance with the LPCCI, undertake changes to the Strategy, in order to:
 - Update and adapt the measures and activities (deadline for implementation, indicator, competent institution, etc.).
 - Embed the proposals of the Assembly bodies regarding the adoption of the Strategy.
 - Define additionally detected priority problems, which relate to inspection services and the disposal of state and municipal owned property.

2. HORIZONTAL AREA - PUBLIC PROCUREMENTS

2.1. Description of the horizontal area -public procurements

Public procurements, which is one of the most significant areas in the Strategy, are undertaken at both central and local level and this covers about 20% of the Budget of the Republic of North Macedonia and is a predominant part of the budgets of the local self-government units.

The National Strategy in the horizontal area of public procurement identifies three problems, and 2 measures and 4 activities under the responsibility of the BPP, MoF and AFAP.

2.2. Degree of implementation of the activities of the Strategy

In this horizontal area, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: *Insufficient number of persons with appropriate qualifications and knowledge of the standards when defining the technical specifications as well as the criteria for determining the ability of economic operators.*

- **Measure 1:** Strengthen the capacities of the persons preparing the tender documents.
 - ✓ **Activity 1.1.** Design and delivery of trainings for the application of standards in the preparation of technical specifications and criteria for determining ability, with the participation of the Institute for Standardization.
Deadline: second half of 2021, continuous
Competent institution: BPP
Status: **Unimplemented.**
In the submitted report, BPP stated that in accordance with the provisions of the Public Procurement Law there is no legal possibility for the inclusion of lecturers from the Institute for Standardization, who would teach at the public procurement trainings organized by the Bureau, and that the law does not allow public procurement trainings to be held by persons who do not possess a trainer certificate for public procurement.

Problem 2: *Insufficient transparency of the institutions and low degree of integrity of the persons involved in the implementation of public procurement.*

- **Measure 1:** Increase the institutional integrity and transparency in public procurement.
 - ✓ **Activity 1.1.:** Amendment of the Public Procurement Law to prescribe the mandatory signing of a confidentiality statement by the persons participating in the preparation of the technical specification.
Deadline: first half of 2023
Competent institution: MF
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** In the models of tender documents produced by BPP, it is mandatory to indicate the authorized persons for receipt of reports for protected internal and external reporting by whistleblowers, and in connection with corruption in public procurement.
Deadline: second half of 2020
Competent institution: BPP
Status: **Implemented.**
The model of tender documentation for procurement of small value and the model of tender documentation for a simplified open procedure have been updated. In the models of tender documents there is an added section where the contracting parties will need to indicate which

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person in the institution in accordance with the Law on Protection of Whistleblowers is authorized for receipt of reports for protected internal and external reporting by whistleblowers.

- ✓ **Activity 1.3.:** Strengthen the supervision with regard to the publication of information on public procurements in accordance with Article 10 of the Law on Free Access to Public Information.

Deadline: second half of 2021, continuous

Competent institution: AFAPI

Status: **Unimplemented.**

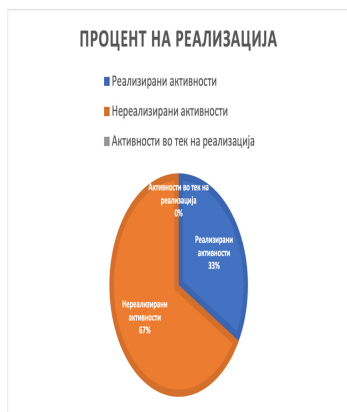
According to the submitted report, AFAPI informs that in the Law on Free Access to Public Information there are no misdemeanor provisions for non-publication of the data that are specified in this activity. The Sector for monitoring of the public procurement system and management of the ESPP within the BPP has prepared Guidelines for automatic publication on the websites of the institutions, which allow automatic publication of notices and notifications for concluded public procurement contracts on the websites of the institutions, which significantly increases the transparency in public procurements. Regarding AFAPI's claims that there are no misdemeanor provisions in the law for non-publication of the listed data from this activity, the SCPC considers that it is unfounded, i.e., there is a possibility of conducting a misdemeanor procedure for non-compliance with Article 9 of the law, which also covers this issue. In any case, AFAPI has not fulfilled the obligation for enhanced supervision over the application of Article 10 of the law, in the area of public procurement, which is one of the key competencies.

Based on the data obtained, and the analyses made, the situation with the implementation of the activities specified in the Action Plan of the Strategy for 2021 for the horizontal area of public procurement is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	BPP	2021	Unimplemented
2.	P2.M1A.1.2.	MF	2023	/
3.	P2.M2A.1.2.	BPP	2020	Implemented
4.	P2.M2A.1.3.	AFAPI	2021	Unimplemented

2.3. Summary for the respective area

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Institution	Total activities in 2021	Implemented	Unimplemented	In progress
АФАПИ	1	0	1	0
ВРР	2	1	1	0

2.4. RECOMMENDATIONS

1. In the Action Plan of the Strategy, concerning the Problem 1, under Measure 1, the Activity 1.1. to be divided into two separate activities, namely:
 - a. Activity 1.1. Conclusion of a memorandum of cooperation between ВРР and the Institute for Standardization, aimed at training delivery by the Institute for Standardization for trainers from the Public Procurement Bureau, regarding the application of the standards in the preparation of the technical specifications and the criteria for determining ability. Deadline for implementation: second half of 2022
Competent institutions: ВРР and the Institute for Standardization
 - b. Activity 1.2. Training of trainers in the Public Procurement Bureau for the application of standards in the preparation of technical specifications and criteria for determining ability.
Deadline for implementation: second half of 2022
Competent institutions: ВРР and the Institute for Standardization

3. HORIZONTAL AREA - EMPLOYMENT

3.1. Description of the horizontal area of employment

Employment in the public sector is an area that is directly related to the spending of public funds (salaries of public sector employees are financed from the central budget or the budgets of local self-government units) and has a strong impact on the quality and access to public sector services, personal and institutional integrity and on the creation and implementation of public policies, which entails long-term effects on the whole society. Public sector employment also encompasses appointments to governing and supervisory boards in the public sector, which is reflected in the quality of management of the respective institutions.

The National Strategy in the horizontal area of employment identifies 3 problems, for which 8 measures and 13 activities are envisaged, and the following institutions are responsible for the implementation of these activities:

- Government
- SCPC
- MIOA
- ME
- MLSG,
- MoH
- MoES
- MLSP
- MK
- The ministries,
- ULGs
- AFAPI

3.2. Degree of implementation of the activities of the Strategy

In the horizontal area of employment, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: *Non-conformity of a number of laws regulating employment, allowing for all kinds of influence: party influence, nepotism, cronyism and clientelism.*

- **Measure 1:** Abolish the possibility of employment through Temporary Employment Agencies and the possibility for temporary employment to be transformed into full-time employment without a regular employment procedure.
 - ✓ **Activity 1.1.:** Amendment of the Law on Public Sector Employees in order to abolish the opportunity for employment through temporary employment agencies and to transform the labor relations without regular employment procedure.
Deadline: second half of 2021
Competent institution: MIOA
Status: **Unimplemented.**
In the period of submission of the reports, MIOA, although a key institution in this area, out of 6 reports for 2021, did not submit any report, and also did not nominate representatives for the round tables by sector.
- **Measure 2:** Assessing the real needs for the number of employees and their expertise in public sector entities.
 - ✓ **Activity 2.1.:** Preparation of functional analysis in public sector entities.
Deadline: second half of 2021, continuous
Competent institution: MIOA

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Status: **Unimplemented**

- ✓ **Activity 2.2.:** Publication of the functional analysis of the websites of the institutions.
Deadline: second half of 2021, continuous
Competent institution: MIOA
Status: **Unimplemented**
- ✓ **Activity 2.3.:** Analysis of the need to introduce an annual workload assessment in public sector entities.
Deadline: second half of 2021, continuous
Competent institution: MIOA
Status: **Unimplemented**
- **Measure 3:** Appropriate definition of the type of education for a specific job position in the acts on job systematization.
 - ✓ **Activity 3.1.:** Amend the "Rulebook on the content and manner of preparation of the acts for internal organization and systematization of job positions, as well as the content of the functional analysis of the public sector institutions" in order to determine the type of higher education by scientific areas, and not by scientific fields in accordance with the Frascati classification of scientific areas in determining the type of education in the acts for systematization.
Deadline: first half of 2022
Competent institution: MIOA
Status: **Deadline for implementation is not due.**
- **Measure 4:** Increase the transparency in public sector employment.
 - ✓ **Activity 4.1.:** Strengthening the supervision regarding the publication of the acts for organization and systematization and employment, in accordance with Article 10 of the Law on Free Access to Public Information.
Deadline: second half of 2021, continuous
Competent institution: AFAPI
Status: **Unimplemented**.

Problem 2: Inefficient management, administration and supervision in individual state administration bodies, agencies, public enterprises and state-owned stock companies.

- **Measure 1:** To optimize the number of members in supervisory and governing boards in PE and JSC.
 - ✓ **Activity 1.1:** Determination of criteria (competencies, revenues/expenditures, number of employees) in the Law on Public Enterprises and the Law on Trading Companies in terms of optimization of the number of members in the management bodies (supervisory and governing boards).
Deadline: second half of 2021
Competent institution: MoE.
Status: **In progress.**
Amendments to the Law on Public Enterprises to reduce the number of members of governing and supervisory boards, as well as criteria for their appointment are in the parliamentary procedure. On the other hand, no activities have been undertaken in the same regard in the Law on Trading Companies, as in the Law on Institutions.
 - ✓ **Activity 1.2.:** Harmonization of the statutes of PE and JSC in accordance with the changes in the laws.
Deadline: second half of 2022
Competent institution: Government

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Status: **Deadline for implementation is not due.**

- **Measure 2:** Introduction of criteria for type of education and competences in the selection and appointment of directors and members of governing and supervisory boards.
 - ✓ **Activity 2.1.:** Amendment in the Law on Public Enterprises and the Law on Trading Companies in order to prescribe a legal obligation, that is, the Statute to provide the necessary type of education for the managers and for the members of the management bodies, prescribing a procedure for timely appointment of the legally prescribed number of members of the supervisory and governing boards and prescribing misdemeanor sanctions for the founders for untimely appointment of members or unlawful election of a managerial person.
Deadline: second half of 2021
Competent institution: ME.
Status: **In progress.**
Amendments to the Law on Public Enterprises that reduce the number of members of governing and supervisory boards, as well as criteria for their appointment are in the parliamentary procedure. On the other hand, no activities have been undertaken in the same regard in the Law on Trading Companies, as in the Law on Institutions.
 - ✓ **Activity 2.2.:** Alignment of the Statutes and internal acts with the amendments in the Law on Trading Companies and the Law on Public Enterprises by the state administration bodies, PE and JSC.
Deadline: second half of 2022
Competent institution: Government
Status: **Deadline for implementation is not due.**

Problem 3: The legislation does not provide for a clear system for evaluation of the selection criteria in the process of employment and promotion in the public sector.

- **Measure 1:** Establishment of a clear and transparent process of evaluation of the criteria for employment and promotions in health, education, culture, social protection sectors and state-owned JSC.
 - ✓ **Activity 1.1.:** Prescribe bylaws for determining objective criteria and evaluation process for employment and promotion depending on the specific needs of each sector separately.
Deadline: first half of 2022
Competent institution: Ministry of Health
Status: **Deadline for implementation is not due.**
- **Measure 2:** Limitation of the discretionary right of the responsible person in the employment process.
 - ✓ **Activity 2.1.:** Analysis of the legislation that allows the discretionary right of the responsible person in employment.
Deadline: second half of 2021
Competent institution: SCPC
Status: **Implemented.**
 - ✓ **Activity 2.2.:** Implement the findings of the prepared analysis.
Deadline: second half of 2022
Competent institution: MIOA
Status: **Deadline for implementation is not due.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities determined by the Action Plan of the Strategy for 2021 for the horizontal area of employment is as follows:

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Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	MIOA	2021	Unimplemented
2.	P1.M2A.2.1.	MIOA	2021 and continued	Unimplemented
3.	P1.M2A2.2.	MIOA	2021	Unimplemented
4.	P1.M2A2.3.	MIOA	2021	Unimplemented
5.	P1.M3.A3.1.	MIOA	2022	/
6.	P1.M4. A4.1.	AFAPI	First half of 2021 - continuous	Unimplemented
7.	P2.M1A1.1.	ME	2021	In progress
8.	P2.M1A1.2.	Government	2022	/
9.	P2.M2A2.1.	ME	2021	In progress
10.	P2.M2A2.2.	Government	2022	/
11.	P3.M1A1.1.	MoH	First half of 2022	/
12.	P3.M2A2.1.	SCPC	2021	Implemented
13.	P3.M2A2.2.	MIOA	2022	/

3.3. Summary for the respective area



Institution	Total	Implemented activities	Unimplemented activities	Activities in progress
AFAPI	1	0	1	0
SCPC	1	1	0	0
MIOA	4	0	4	0
ME	4	0	0	2

3.4. Recommendations

Based on the analysis of the received data and information, as well as the analyses made, in order to overcome the problems identified and to enhance the degree of implementation of the measures and activities determined by the Strategy, the following recommendations should be implemented in the horizontal area of employment:

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1. In the Action Plan of the Strategy, in Problem 1, under Measure 4, in the Activity 4.1. change regarding the indicators, i.e., the only indicator for the realization of this activity should be the number of performed inspection supervisions.
2. In Problem 2, under Measure 1, Activity 1.1. should be divided into two separate activities, namely:
 - a. Activity 1: Amendment of the Law on Public Enterprises.
Deadline for implementation: second half of 2022
Competent institution: ME.
 - b. Activity 2: Amendment of the Law on Trading Companies.
Deadline for implementation: second half of 2022
Competent institution: ME.
3. In Problem 3, under Measure 1, Activity 1.1. to be divided into five separate activities, for which the institutions involved in this activity will be designated as responsible.
4. In Problem 3, under Measure 2, Activity 2.2. to be divided into five separate activities, for which the institutions involved in this activity will be designated as responsible.

4. SECTOR -POLITICAL SYSTEM

4.1. Description of the sector -political system

The political system sector entails the government and politics, with a particular focus on the legislative branch, so that this section refers to decision-making processes at the political level, such as laws, policies, strategies and other general acts, at all stages, from initiation of drafting procedure to adoption.

The National Strategy in the sector of political system identifies 6 problems, and there are 7 foreseen measures and 8 activities to tackle them, while the responsible institutions for the implementation are as follows:

- The Assembly
- Government
- SCPC
- MIOA and
- MoJ

4.2. Degree of implementation of the activities of the Strategy

In the sector of political system, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Adoption of a number of laws in a shortened procedure without proper justification for this type of procedure.

- **Measure 1:** The Rules of Procedure should specify a definition about complexity and scope of proposed laws.
 - ✓ **Activity 1.1.:** Amendment of the Rules of Procedure of the Assembly of the RNM.
Deadline: second half of 2021
Competent institution: the Assembly
Status: **In progress.**

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The report of the Assembly concludes that the working group responsible for participating in the Jean Monnet Dialogue has been established, and has been working for a long time on amendments to the Rules of Procedure, with detailed elaboration on its contents in order to achieve consensus among all participants in the process.

Problem 2: Preparing, proposing and enacting regulation is often carried out without prior properly conducted quality analyses, impact assessment and consultation processes in the function of protecting the public interest.

- **Measure 1:** Regulation of the regulatory impact assessment (RIA) process, in the context of becoming mandatory.
 - ✓ **Activity 1.1.:** Adoption of a new Methodology for RIA with unification of the assessment processes for the implementation of the regulation and anti-corruption review of the legislation.
Deadline: second half of 2021
Competent institution: MIOA
Status: **In progress.**
Based on the MIOA report, in accordance with the 2018-2022 Public Administration Reform Strategy, an analysis of the existing ex-ante and ex-post processes has been conducted in order to assess the extent to which they are topical, beneficial and the extent of their utilization, as well as to define an effective mechanism for determining the laws that will be subject of ex-post analyses. Additionally, there is an ongoing analysis of the practices with regard to the RIA Report from the point of view of its use. It is expected that it will be properly updated/enhanced in order to assist the lawmakers in determining effective legal solutions as well as to respond to the imposed needs for addressing the issue of gender equality and anti-corruption review of legislation. The adoption of the new documents (Methodology, Guidelines and Decision for the RIA and ARI) and the achievement of the results is conditioned on the adoption of the draft Rules of Procedure for amending and supplementing the Rules of Procedure of the Government.

Problem 3: Failure to sanction the refusal to submit a declaration of assets and interests by the persons who have such an obligation

- **Measure 1:** Define the state of "refusal to submit declaration of assets and interests" by persons who have such legal obligation.
 - ✓ **Activity 1.1.:** Amendment of the Law on Prevention of Corruption and Conflict of Interest.
Deadline: first half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**
- **Measure 2:** Establishment of measures to determine the liability of persons who refuse to submit a declaration of assets and interests.
 - ✓ **Activity 2.1.:** Amendment of the Law on Prevention of Corruption and Conflict of Interest.
Deadline: first half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**

Problem 4: Unregulated interaction between lobbyists and representatives of legislative and executive bodies, as well as officials from the local government.

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- **Measure 1:** Establish rules to regulate interaction between lobbyists and government officials.
 - ✓ **Activity 1.1.:** Adoption of a new law on lobbying.
Deadline: second half of 2021
Competent institution: MoJ
Status: **Implemented.**

Problem 5: Insufficient involvement of top-level holders of function in the executive branch in educational programs in the field of ethics and integrity.

- **Measure 1:** Strengthen the system of the integrity of the holders of the top-level functions in the executive branch.
 - ✓ **Activity 1.1.:** Adoption of a program for raising awareness and strengthening the integrity of the holders of function in the executive branch at the highest level.
Deadline: second half of 2021
Competent institution: SCPC
Status: **In progress.**
SCPC, in order to implement this activity, during 2021 provided support from the Council of Europe, and after completing the administrative part in their organization, Council of Europe informed that at the beginning of 2022 they will start implementing activities to strengthen the system of integrity of the holders of the top-level functions in the executive branch. In addition to the efforts to provide international support, the SCPC, in February 2021, published the Report on the disposal and use of state assets by officials with recommendations for overcoming identified problems. Following the recommendations and addressed remarks of the SCPC, the Government of the Republic of North Macedonia adopted the Decision on the manner of use and maintenance of official vehicles, and in addition a Register for official vehicles is being prepared, which will accurately regulate the use of official vehicles following the guidelines indicated by the SCPC. The listed activities fall within the integrity system and will be covered by the envisaged Program for raising awareness and strengthening the integrity of the holders of functions in the executive branch at the highest level. The activity will be fully implemented in 2022 – the first half.
 - ✓ **Activity 1.2.:** Implementation of a training program.
Deadline: second half of 2021, continuous
Competent institution: SCPC
Status: **In progress.**

Problem 6: There is no mechanism or authority to effectively monitor the media representation of election campaign participants on Internet portals.

- **Measure 1:** The fee for advertising on Internet portals should not be covered from the Budget of the Republic of North Macedonia.
 - ✓ **Activity 1.1.:** Amendment of the Electoral Code in order to exempt Internet portals for reimbursement of advertising costs for the participants in election campaigns until the adoption of a legal framework for their regulation.
Deadline: second half of 2021
Competent institution: MoJ
Status: **Not implemented.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities determined by the Action Plan of the Strategy for 2021 for the sector political system is as follows:

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Ord.No.	Activity	Holder	Deadline	Status
1.	P1.M1A1.1.	Assembly	2021	In progress
2.	P2.M1A1.1.	MIOA	2021	In progress
3.	P3.M1A1.1.	MoJ	2022	/
4.	P3.M2A2.1.	MoJ	2022	/
5.	P4.M1A1.1.	MoJ	2021	Implemented
6.	P5.M1A1.1.	SCPC	2021	In progress
7.	P5.M1A1.2.	SCPC	2021 and continuously	In progress
8.	P6.M1A1.1.	MoJ	2021	Not implemented

4.3. Summary for the respective area



Institution	Total	Implemented activities	Unimplemented activities	Activities in progress
SCPC	2	0	0	2
MP	2	1	1	0
MIOA	1	0	0	1
Assembly	1	0	0	1

5. SECTOR - JUDICIARY

5.1. Description of the sector-Judiciary

Judiciary is the key sector for the rule of law. From the aspect of this Strategy, this sector is comprised of the public prosecution offices, the courts, the State Attorney, as well as other relevant bodies - the Judicial Council, the Council of Public Prosecutors, the Academy for Judges and Public

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Prosecutors. The judiciary, in accordance with the Constitution and the law, is characterized by independence. The competent ministry proposing the laws in this area is the Ministry of Justice, which also has competence in the organization and monitoring of the judicial administration.

The National Strategy in the sector of judiciary identifies 3 problems, and 7 measures and 14 activities to tackle them by the following responsible institutions:

- MoJ
- MF
- PPO of RNM,
- State attorney
- AJPP and
- Association of Public Prosecutors.

5.2. Degree of implementation of the activities of the Strategy

In the sector of judiciary, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Insufficiently effective system for strengthening integrity in the judiciary and the public prosecution office.

- **Measure 1:** Supplement the Code of Public Prosecutors with comments and examples.
 - ✓ **Activity 1.1.:** Proposing comments and examples for the Code by the Association of Public Prosecutors.
Deadline: second half of 2021
Competent institution: the Association of Public Prosecutors
Status: **Implemented.**
From the submitted report, it is evident that on 21 December 2021 a meeting was held with a human rights expert from the United Kingdom, and with the mediation of the Council of Europe, where observations were given about the Code, in order to harmonize and improve it with the standards accepted by the Council of Europe.
 - ✓ **Activity 1.2.:** Adoption of the supplements to the Code of Public Prosecutors.
Deadline: second half of 2021
Competent institution: PPO of RNM
Status: **Implemented.**
On 5 May 2021, the Council of Public Prosecutors adopted a new Code of Ethics for Public Prosecutors in the Republic of North Macedonia.
- **Measure 2:** Conduct mandatory training for judges and public prosecutors for the implementation of codes of professional conduct.
 - ✓ **Activity 2.1.:** Adoption of compulsory training programs for professional conduct of judges and prosecutors.
Deadline: second half of 2021
Competent institution: AJPP
Status: **Implemented.**
AJPP reported that it is adopting a General Program for continuous training of judges, public prosecutors and other target groups from institutions related to the judiciary, which is being adopted for a period of 2 years. It includes an Organized Crime and Corruption section and a General Topics section covering ethics and integrity.
 - ✓ **Activity 2.2.:** Delivery of trainings by the Academy for Judges and Public Prosecutors.
Deadline: 2021, continuous
Competent institution: AJPP
Status: **Implemented.**

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According to the General Training Program, regular training sessions are held in terms of ethics and integrity of judges and public prosecutors.

- **Measure 3:** Conduct an assessment of corruption risks in the judiciary.
 - ✓ **Activity 3.1.:** Establishment of an expert working group to assess the risks of corruption in the judiciary.
Deadline: first half of 2022
Competent institution: SCPC
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 3.2.:** Preparation of due diligence analysis and assessment of factors that generate corruption in the judiciary.
Deadline: second half of 2022
Competent institution: SCPC
Status: **Deadline for implementation is not due.**

Problem 2: Insufficient material and human resources, absence of an automated system for the allocation of cases and their monitoring in the public prosecutor's office and insufficient transparency in the work of the Council of Public Prosecutors.

- **Measure 1:** Staffing of public prosecutor's offices in accordance with the existing systematization of job positions.
 - ✓ **Activity 1.1.:** Increase of PPO budget resources for new employment.
Deadline: second half of 2021
Competent institution: MF
Status: **In progress.**
The Ministry of Finance informed that the Budget for 2022 provides for 435.140.000 denars for salaries in PPO of RNM, which is an increase of about 10.3% compared to 2021. Within the planned funds for 2022, there is a foreseen 15% increase for salaries in the PPO of RNM and funds are provided for the unimplemented consent of the MF from 2021 for 60 persons and unimplemented renewal of consent from MF for 2020 for 11 persons.
 - ✓ **Activity 1.2.:** Delivery of training sessions for new public prosecutors.
Deadline: 2021, continuous
Competent institution: AJPP
Status: **Implemented.**
AJPP reported that in relation to the trainings in 2021, trainings in civil, criminal and administrative matters were held for the public prosecutors who were elected in 2020 and 2019.
- **Measure 2:** Establishment of investigative centers within the public prosecution offices.
 - ✓ **Activity 2.1.:** Provision of budgetary resources for the investigation centers.
Deadline: 2021, continuous
Competent institution: MF
Status: **In progress.**
According to the report from the Ministry of Finance, several investigative centers for which budget funds are provided are already functioning.
 - ✓ **Activity 2.2.:** Adoption of a decision on the establishment of the investigation centers.
Deadline: 2021, continuous
Competent institution: PPO of RNM
Status: **In progress.**

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- **Measure 3:** Establishment of an automated system for allocation and monitoring of cases in the public prosecution office.
 - ✓ **Activity 3.1.:** Analysis of the process of managing the cases in the PPO of RNM.
Deadline: second half of 2021
Competent institution: PPO of RNM
Status: **Implemented.**
From the submitted report, it is evident that during November 2021, a draft Rulebook was prepared on the manner of allocation of cases in public prosecution offices through the system for electronic allocation of cases. This rulebook will regulate the electronic distribution of cases through the information system in PPO of RNM, as part of the single information center with a database for the judicial authorities in RNM. The draft rulebook is currently in the procedure for review and adoption.
 - ✓ **Activity 3.2.:** Procurement of an automated system for the allocation and monitoring of cases.
Deadline: first half of 2022
Competent institution: PPO of RNM
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 3.3.:** Training of personnel on using the system.
Deadline: second half of 2022
Competent institution: PPO of RNM
Status: **Deadline for implementation is not due.**

Problem 3: Insufficient efficiency and transparency in the work of the State Attorney.

- **Measure 1:** Increase the efficiency and transparency in the operation of the State Attorney.
 - ✓ **Activity 1.1.:** Adoption of a new law on state attorney.
Deadline: second half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**
MoJ reports that they have not foreseen such activity for 2022.

Based on the data obtained, and the analyses made, the situation with the implementation of the activities determined by the Action Plan of the Strategy for 2021 for the sector judiciary is as follows:

Ord.No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	Association of Public Prosecutors.	2021	Implemented
2.	P1.M1A1.2.	PPO OF RNM	2021	Implemented
3.	P1.M2A1.1.	AJPP	2021	Implemented
4.	P1.M2A1.2.	AJPP	Continuous	Implemented
5.	P1.M3.A1.1.	MoJ	2022	/
6.	P1.M3.A1.2.	SCPC	2022	/
7.	P2.M1A1.1.	MF	2021	In progress
8.	P2.M1A1.2.	AJPP	Continuous	Implemented
9.	P2.M2A1.1.	MF	Continuous	In progress
10.	P2.M2A1.2.	PPO of RNM	Continuous	Realizable
11.	P2.M3.A1.1.	PPO of RNM	2021	Implemented
12.	P2.M3.A1.2.	PPO of RNM	2022	/
13.	P2.M3.A1.3.	PPO of RNM	2022	/
14.	P3.M1A1.1.	MoJ	2022	/

5.3. Summary for the respective area



Institution	Total	Implemented activities	Unimplemented activities	In progress
AJPP	3	3	0	30
PPO of RNM	3	3	0	0
MF	2	0	0	2
Association of Public Prosecutors.	1	1	0	0

5.4. Recommendations

Based on the analysis of the data and information received, as well as the analyses made, in order to overcome the problems identified and to enhance the degree of implementation of the measures and activities specified in the Strategy, the following recommendations should be implemented in the sector of judiciary:

1. In the Action Plan of the Strategy, in Problem 1, under Measure 1.1, to add another activity, aimed at revising the new Code of Ethics through comparative analysis of its provisions with the comments of the Association of Public Prosecutors, set forth in Activity 1.1 of this measure.

Competent institution: PPO of RNM in cooperation with the Association of Public Prosecutors.

Deadline for realization: continuous.

2. In Problem 1, under Measure 2, Activity 2.1. should be changed to read as follows:

Activity 2.1. Complementing the General Program for Continuous Training of Judges and Public Prosecutors with training also for other target groups from judiciary-related institutions."

Competent institution: AJPP

Deadline: continuous.

6. SECTOR – LAW ENFORCEMENT AUTHORITIES

6.1. Description of the sector -Law Enforcement Authorities

In the Republic of North Macedonia, some of the authorities in charge of law enforcement are the the MOI, FPO, FIU and CA. Also, the supervisory bodies, i.e., the inspection services at central and local level, as well as the internal and external audit system play a very important role in the system for law enforcement and detection of irregularities. The above-mentioned bodies, by the nature of their competences, are often exposed to pressures and corruptive influences, which ultimately leads to a loss of citizens' trust in the functioning of the system as a whole. Therefore, it is necessary to pay great attention to these bodies, to improve the legal framework, to strengthen their financial, material and human capacities, as well as the integrity of their employees. Because of their importance and susceptibility to pressures and corruption, law enforcement authorities are a very important part of the Strategy.

The National Strategy in the sector of law enforcement authorities identifies 3 problems, and 7 measures and 21 activities to tackle them by the following responsible institutions for implementation:

- Government
- MOI,
- MF
- FPO
- FIU
- MoJ
- CA
- SCPC
- IS,
- The ministries,
- MIOA
- SAI and
- SAO.

6.2. Degree of implementation of the activities of the Strategy

In the sector of law enforcement authorities, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Discretionary powers of the responsible persons and non-transparency in employment and promotions in the MOI.

- **Measure 1:** Establishing transparency in the procedure for employment and promotion in the MOI, except for the employment conducted on the basis of special provisions of the Law on Internal Affairs.

✓ **Activity 1.1.:** Amendment of the Law on Internal Affairs.

Deadline: first half of 2022

Competent institution: MoI

Status: **Deadline for implementation is not due.**

The MOI reported that in the Proposal-Law for amending and supplementing the Law on Internal Affairs, which is currently in parliamentary procedure, with Article 8 of the amendments an intervention is made in Article 76 of the Law on Internal Affairs, in such a way that the systematization of job positions stipulates that the employment in the Ministry without a public advertisement procedure can be carried out without a job advertisement only for job positions that due to the type and nature of the work assignments, as well as the special conditions under which they are performed.

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- **Measure 2:** Ensure transparency of the acts for organization and systematization of the job positions in the MOI and their publication on the website of the MOI, except for the job positions that are based on the special provisions of the Law on Internal Affairs.
 - ✓ **Activity 2.1.:** Declassification of the acts for organization and systematization of job positions in the MOI.
Deadline: first half of 2022
Competent institution: MoI
Status: **Deadline for implementation is not due.**
In the submitted report by the MOI, it is stated that the declassification of the acts for organization and systematization of job positions in the MOI is not possible, for the reason that their declassification may imply a negative effect on the functioning of the MOI, given the sensitive nature of the internal i.e., police affairs.
But these claims are unacceptable to the SCPC, i.e., it is unacceptable to classify the internal organization and all job positions in the MOI. Therefore, the SCPC continues to insist on the declassification of these acts, except in the part relating to positions and persons whose identity must be protected, whereby with the reorganization of the security sector, these persons are for the most part no longer employed by the MOI.

Problem 2: Ineffective system for determining professional responsibility in law enforcement authorities.

- **Measure 1:** Introduction of a separate organizational unit for internal control and professional standards in FIU and FPO.
 - ✓ **Activity 1.1.:** Amendment of the Financial Police Law.
Deadline: second half of 2021
Competent institution: MF
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Alignments of acts on internal organization and systematization of job positions in FIU and FPO.
Deadline: second half of 2021
Competent institution FIU
Status: **Unimplemented.**
- **Measure 2:** Advance the process of disciplinary procedures in the MOI.
 - Activity 2.1.:** Harmonization of internal acts with the "Strategy for promotion and improvement of disciplinary procedures 2020-2022".
Deadline: second half of 2021
Competent institution: MoI
Status: **In progress.**
The draft law amending the Law on Internal Affairs, which is currently in parliamentary procedure, with the proposed changes in Articles 20, 21, 22 and 23, in fact changes the Articles 195, 196, 198 and 199 of the Law on Internal Affairs ("Official Gazette of the Republic of Macedonia" no. 42/14, 116/14, 33/15, 33/15, 5/16, 127/16, 142/16, 190/16 and 21/18 and "Official Gazette of the Republic of North Macedonia" no. 108/19, 275/19 and 110/21), in such a way as to revise the manner of conducting the procedure for determining disciplinary responsibility in the Ministry, whereby disciplinary procedures are to be conducted in a separate organizational unit in the Ministry, competent for conducting a procedure for determining disciplinary responsibility of employees. In this regard, a working group was established to prepare a proposal for a model for establishing a new organizational unit in the MOI, responsible for conducting disciplinary procedures, i.e., for coordinating the activities for the implementation of the project for the formation of the special organizational unit.

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- **Measure 3:** Introduction of a status of justice police for the employees of the Professional responsibility sector at the Customs Administration (in accordance with the Law of Criminal Procedure Art.46, 47).
 - ✓ **Activity 3.1.:** Amendment of the Law of Criminal Procedure, i.e., Article 47 paragraph 2 regarding the scope of crimes, i.e., to supplement the competence of the members of the judiciary police at the CA and with the crimes in the field of corruption committed by employees of the CA.
Deadline: second half of 2021
Competent institution: MoJ
Status: **Unimplemented.**
In the reply, the Ministry of Justice stated that the measure has been considered and it is deemed unacceptable and will not be incorporated in the amendments to the Law on Criminal Procedure because it is contrary to the concept of an external independent control mechanism for members of the MOI with police powers, prison police, certain categories in the Customs Administration, etc. Namely, for the implementation of this mechanism, a set of laws was adopted, among which is the Law on Public Prosecution - Article 33 which stipulates the exclusive competence of the Specialized Department for prosecution of crimes committed by persons with police powers and members of the prison police. Namely, paragraph 6 of the aforementioned article stipulates that "The Public Prosecutor in the Specialized Department for the Prosecution of Crimes Committed by Persons with Police Powers and Members of the Prison Police shall manage the preliminary procedure and shall take the actions independently or through the Public Prosecutors' Investigators." According to the Law on Public Prosecution, "A person with police powers within the meaning of paragraph (1) of this Article shall mean a police officer, an authorized security and counterintelligence officer with police powers, members of the financial police and forestry police, authorized persons of the Customs Administration by law working on detection of crimes and authorized officials of the Ministry of Defense working on detection and investigation of crimes." At the same time, we believe that the proposed measure will not ensure the prevention of corruption, but could have the opposite effect and is contrary to the above concept of an external independent control mechanism already embedded in our legislation in cooperation with the Council of Europe and the European Union.
 - ✓ **Activity 3.2.:** Amendment of the Law on Customs Administration (alignment with the amendment of the LCP).
Deadline: second half of 2021
Competent institution: MoF
Status: **Unimplemented.**
In accordance with the response of the MoJ, it turns out that this measure cannot be implemented either. It was agreed at the round table that the MoJ, the MoF and the CA would hold a meeting within one week to agree on this activity and to notify the SCPC thereof, but this has not been done, i.e., the SCPC has not received any notification regarding this activity.
 - ✓ **Activity 3.3.:** Amendment of the Rulebooks on systematization and organization of the Customs Administration (alignment with the amendment of the LCP and the LCA).
Deadline: second half of 2021
Competent institution: CA
Status: **Unimplemented.**
Similarly, as with regard to the previous activity, in accordance with the MoJ response, this measure cannot be implemented either.

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- **Measure 4:** Introduction of an obligation for customs officers to submit a declaration of assets and interests and change in property status and interests.
 - ✓ **Activity 4.1.:** Amendment of the Law on Prevention of Corruption and Conflict of Interest in order to refine the provision of Article 83.
Deadline: first half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 4.2.:** Amendment of the Law on Customs Administration (alignment with the amended Law on Prevention of Corruption and Conflict of Interest).
Deadline: second half of 2022
Competent institution: CA
Status: **Deadline for implementation is not due.**

Problem 3: Unclear and imprecisely determined competences and overlapping of competences between inspectorates.

- **Measure 1:** Refinement and delimitation of the competences of individual inspection services.
 - ✓ **Activity 1.1.:** Analysis of the statutory competences of the inspection services.
Deadline: first half of 2022
Competent institution: IC
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** Amend the laws in which the analysis established imprecise competences or their overlapping with other inspections.
Deadline: second half of 2022
Competent institution: the ministries
Status: **Deadline for implementation is not due.**

Problem 4: Subjective and improper acting by inspectors in the fulfilment of their competence.

- **Measure 1.:** Strengthening the integrity of inspection services.
 - ✓ **Activity 1.1.:** Preparation of a Methodology for Assessment of Corruption Risks in Inspection Services.
Deadline: second half of 2021
Competent institution: MIOA
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Preparation of an analysis of corruption risks in the inspection services.
Deadline: second half of 2021
Competent institution: MIOA
Status: **Unimplemented.**
- **Measure 2:** Prescribe the obligation for inspectors to declare their property status and interests to the Inspection Council.
 - ✓ **Activity 2.1.:** Amendment of the substantive laws relating to the inspection services for the purpose of establishing an obligation to declare assets and interests.
Deadline: second half of 2021
Competent institution: MIOA
Status: **Unimplemented.**
- **Measure 3:** Prescribing disciplinary liability for failure of inspectors to declare assets and interests
 - ✓ **Activity 3.1.:** To supplement the substantive laws on inspection services by prescribing disciplinary measures for non-submission of declarations.
Deadline: second half of 2021

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Competent institution: MIOA
Status: **Unimplemented.**

Problem 5: Insufficiently functional inspection supervision in the local self-government.

- **Measure 1:** Strengthen the inspection services in ULGs with authorized inspectors.
 - ✓ **Activity 1.1.:** Conducting continuous inspection supervision by the State Administrative Inspectorate in ULGs in terms of fulfilling the legal obligation to employ authorized inspectors.
Deadline: 2021, continuous
Competent institution: SAI
Status: **Implemented.**

Problem 6: Responsible or managerial staff of the institutions do not implement the recommendations proposed by the internal audit and SAO.

- **Measure 1:** Establish an effective reporting system for the non/implementation of the recommendations of the internal audit and SAO to the higher supervisory and control authorities.
 - ✓ **Activity 1.1.:** Amendment of the Law on Public Internal Financial Control.
Deadline: second half of 2021
Competent institution: MF
Status: **In progress.**
 - ✓ **Activity 1.2.:** Amendment of the Law on State Audit
Deadline: second half of 2021
Competent institution: MF
Status: **In progress.**

Problem 7: Influence by the responsible persons in public institutions on the independence of internal audit.

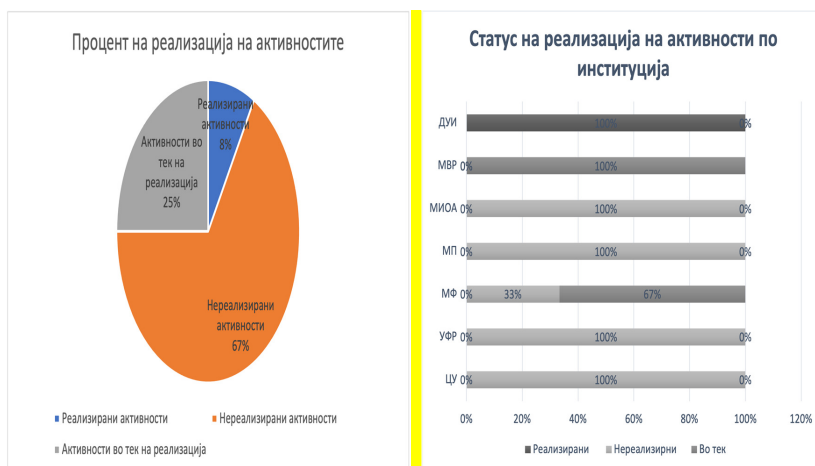
- **Measure 1:** Ensure the independence in the work of internal audit through the establishment of a separate unit in the Ministry of Finance.
 - ✓ **Activity 1.1.:** Amendment of the Law on Public Internal Financial Control.
Deadline: first half of 2023
Competent institution: MF
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** Amendment of an act on the organization and systematization of the Ministry of Finance.
Deadline: second half of 2023
Competent institution: MF
Status: **Deadline for implementation is not due.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities determined by the Action Plan of the Strategy for 2021 for the sector – law enforcement authorities, is as follows:

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Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1.A1.1.	MOI	2022	/
2.	P1.M2.A2.1.	MOI	2022	/
3.	P2.M1.A1.1.	MF	2021	Unimplemented
4.	P2.M1.A1.2.	FIU	2021	Unimplemented
5.	P2.M2.A2.1.	MOI	2021	In progress
6.	P2.M3.A3.1.	MoJ	2021	Unimplemented
7.	P2.M3.A3.2.	MF	2021	Unimplemented
8.	P2.M3.A3.3.	CA	2021	Unimplemented
9.	P2.M4.A4.1.	MoJ	2022	/
10.	P2.M4.A4.2.	MF	2022	Related work
11.	P3.M1.A1.1.	IC,	2022	/
12.	P3.M1.A1.2.	competent ministries	2022	/
13.	P4.M1.A1.1.	MIOA	2021	Unimplemented
14.	P4.M1.A1.2.	MIOA	2021	Unimplemented
15.	P4.M2.A2.1.	MIOA	2021	Unimplemented
16.	P4.M3.A3.1.	MIOA	2021	Unimplemented
17.	P5.M1.A1.1.	SAI	Continuous	Implemented
18.	P6.M1.A1.1	MF	2021	In progress
19.	P6.M1.A1.2.	MF	2021	In progress
20.	P7.M1.A1.1.	MF	2023	/
21.	P7.M1.A1.2.	MF	2023	/

6.3. Summary for the respective area



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Institution	Total activities in 2021	Implemented	Unimplemented	In progress
TC	1	0	1	0
FIU	1	0	1	0
MF	3	0	1	2
MP	1	0	1	0
MIOA	4	0	4	0
MOI	1	0	0	1
SAI	1	1	0	0

6.4. Recommendations

Based on the analysis of the received data and information, as well as the analyses made, in order to overcome the problems identified and to enhance the degree of implementation of the measures and activities specified in the Strategy, the following recommendations should be implemented in the sector of law enforcement authorities:

1. In the Action Plan of the Strategy, in Problem 1, under Measure 1, Activity 1.1. to be divided into two separate activities, namely:
 - a. Activity 2.1. Alignment of acts on internal organization and systematization of job positions in the FIU.
Deadline for implementation: second half of 2022
Competent institution: FIU
 - b. Activity 1.2. Alignment of acts on internal organization and systematization of job positions in FPO.
Deadline for implementation: second half of 2022
Competent institution: FPO
2. In Problem 2, under Measure 3, regarding the activity 1.1., the competent institutions should harmonize their positions so that these activities can be precisely defined, given the fact that the Ministry of Justice insists that this activity is eliminated while the Customs Administration is working on the realization of this activity.
3. In problem 4, under Measure 1, in terms of activities 1.1 and 1.2 to change the responsible institution for the activity, i.e. instead of MIOA, the responsible institution should be the IC in cooperation with SCPC.

7. SECTOR - HEALTH

7.1. Description of the health sector

Relevant reports on corruption insignificantly elaborate the topic related to the public health sector, but citizens in various surveys have expressed their perception of a high level of corruption in health sector. The Ministry of Health does not assess the risks of corruption, nor that is mentioned in any of the strategic documents in this sector. The risks of corruption in the health sector are mainly related to the performance of the basic activity – provision of health services, employment and especially in public procurement procedures, given that in this sector a large number of high-value procurements (medical equipment, medicines and other necessary goods/services) are continuously carried out to enable functional and uninterrupted performance of daily activities.

The National Strategy in the health sector identifies 5 problems, and 18 measures and 26 activities to tackle them by the following responsible institutions for implementation of activities:

- MoH
- FHI
- MALMED
- Doctor's Chamber
- Medical facilities,

7.2. Degree of implementation of the activities of the Strategy

The situation regarding the implementation of the activities of the National Strategy in the health sector is as follows:

Problem 1: There are no effective criteria for determining the contractual fees (limits/budgets) for health facilities (public and private medical facilities) and for the prices of health services and medicines, nor are there any criteria for transparent determination and allocation of the budget aimed for medical institutions, new technologies and medicines, methods for healthcare services.

- **Measure 1:** Establish effective criteria for allocating the budget of the FHI by health services and medical facilities.
 - ✓ **Activity 1.1.:** Prepare an analysis of the existing regulation on the allocation of the budget of the FHI by health services and medical facilities.
Deadline: second half of 2021
Competent institution: FHI
Status: **Implemented.**
An analysis of the existing regulation on the allocation of the budget of the FHI of RNM has been prepared by the finance sector.
 - ✓ **Activity 1.2.:** Amendment of the Rulebook on setting criteria for determining the contractual fee in order to determine measurable and relevant criteria that will directly affect the amount of the contractual fee.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 2:** Strengthen the capacities of the Fund for planning, analytics and health economics with particular reference to the methodology for Health Technologies Assessment (HTA).
 - ✓ **Activity 2.1.:** Establishment of the Analytics / Development / Health Economics sector in the FHI.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 3:** Provide an inclusive way of allocating the budget by levels and areas of health care by an independent body (association, society, etc.) with representatives from the medical facilities
 - ✓ **Activity 3.1.:** Establishment of an independent body (association, society, etc.) with representatives of the medical facilities that will represent and advocate for the interests of all medical facilities and participate in the negotiations for determining the budgets of the medical facilities.
Deadline: first half of 2022, continuous
Competent institution: FHI
Status: **Deadline for implementation is not due.**

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- ✓ **Activity 3.2.:** Annual distribution of the health budget - total by levels and areas of health care, but also individually by medical facilities.
Deadline: second half of 2022, continuous
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 4:** Digitalization and linking of financial and accounting management of health service providers.
 - ✓ **Activity 4.1.:** Establishment of an electronic system with a database (software) for all costs for supplies, salaries, medicines, equipment and other costs of the medical facilities as a basis for the formation of real prices for services as well as the need for revision of prices.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 5:** Improve regulation and transparency of the process of setting reference prices for health services and medicines.
 - ✓ **Activity 5.1.:** Drafting/revising the rulebooks on determining prices of health services and medicines.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 5.2.:** Inclusion of provisions for "Managed Entry Agreements" for medicines that have a monopoly position on the market, amendment in the Law on Health Insurance and amendment in the Rulebook on positive list of medicines and in the Rulebook on reference prices of medicines.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 5.3.:** Adoption of procedures for negotiating prices with the medical facilities and pharmaceutical companies, which will be based on the principle of transparency.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 6:** Establishment of a system of setting a "standard" and "over-standard" of supplies that are included in a health service.
 - ✓ **Activity 6.1.:** Drafting of bylaws that will define a standard and an over-standard of services, supplies, aids, etc.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 7:** Implementation of internal controls and audits in the process of establishing price for medicines and proper application of methodologies.
 - ✓ **Activity 7.1.:** Inclusion of regular and extraordinary process controls and methodologies for the formation of single prices of medicines in the Ministry of Health and reference prices of medicines at the FHI.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 8:** Introduction of transparency and procedure in the process of adoption and allocation of the budget of the FHI to the medical facilities.

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- ✓ **Activity 8.1.:** Adoption of rulebook on the manner and procedure of adoption and allocation of the budget.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- ✓ **Activity 8.2.:** Establishment of the obligation to make the budgets of the FHI public.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 9:** Establish and maintain a system of measurable and transparent performance indicators for medical facilities.
 - ✓ **Activity 9.1.:** FHI of RNM and the Ministry of Health, within the Systematization to establish a responsible organizational unit for introduction of a system for monitoring of success indicators for the medical facilities, to establish a procedure for communication with the medical facilities and to enable on-line publication and monitoring of success indicators.
Deadline: first half of 2022
Competent institution: FHI
Status: **Deadline for implementation is not due.**
- **Measure 10:** Annual revision of prices of health services and medicines.
 - ✓ **Activity 10.1.:** In the methodology for determining the reference prices of health services, to establish deadlines for full price revision, at least once a year by following the calculation elements that participate in price formation.
Deadline: second half of 2023
Competent institution: FHI
Status: **Deadline for implementation is not due.**

Problem 2: Subjectivism in the selection of medicines that are covered from public funds, i.e., from citizens' health insurance contributions, and inconsistent application of regulations on evidence-based medicine.

- **Measure 1:** Establish a legal framework for the selection of medicines to be covered by the state budget which will be unified and will apply to all medicines.
 - ✓ **Activity 1.1.:** Determination of criteria for selection of medicines on the burden of the FHI of RNM.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Adoption of the Rulebook on the Positive List of medicines based on the Health Technology Assessment (HTA) Methodology.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**
 - ✓ **Activity 1.3.:** Inclusion of provisions for "Managed entry agreements" for medicines that have a monopoly position on the market in the legislation and amendment in the Rulebook on positive list of medicines and in the Rulebook on reference prices of medicines.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**

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- **Measure 2:** Ensuring transparency in the implementation of MoH programs, which also entails the provision of medicines.
 - ✓ **Activity 2.1.:** Publication of the list of medicines, which are covered by the programs of the Ministry of Health, with criteria on the basis of which the choice was made.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**
- **Measure 3:** Consistent application of the principles of evidence-based medicine.
 - ✓ **Activity 3.1.:** Update of the guidelines for practicing evidence-based medicine within the framework of the lawfully provided procedure.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**
 - ✓ **Activity 3.2.:** Adoption of guidelines for evidence-based medicine for areas where they do not exist.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**

Problem 3: Abuses in the procedures for giving/receiving donations, clinical studies and projects.

- **Measure 1:** Specify the characteristics, conditions and manner of receipt of donations for public medical facilities.
 - ✓ **Activity 1.1.:** Drafting a by-law on receiving donations.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**
- **Measure 2:** Establishment of a publicly available Register of Donations of medicines, equipment and clinical studies.
 - ✓ **Activity 2.1.:** Preparation of a register.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**
From the information received at the round table, it was concluded that clinical studies are not within the competence of the Ministry of Health, those are not donations and are made public on the Malmed website, which is why they should not be part of this measure and activity.

Problem 4: Unethical practices in the marketing of medicines.

- **Measure 1:** Regulating and monitoring the relations between pharmaceutical companies and doctors regarding the marketing of medicines.
 - ✓ **Activity 1.1.:** Adopt a code of ethical conduct for all stakeholders when marketing medicines.
Deadline: second half of 2021
Competent institution: Malmed
Status: **Unimplemented.**
It was pointed out by Malmed that there is already a by-law regulating this issue, but the conclusion is that the adoption of a code of ethical conduct can positively affect the behavior of healthcare professionals and associates when marketing medicines, which is why this activity should be implemented.

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- **Measure 2:** At the hospital level, establish a system of "Therapeutic Committees" and "Hospital registers of medicines".
 - ✓ **Activity 2.1.:** Adopt legislative changes and by-laws for the obligatory establishment of a system of "Therapeutic Committees" and "Hospital registers of medicines" in all hospitals in the country.
Deadline: second half of 2021
Competent Institution: MoH
Status: **Unimplemented.**

Problem 5: Transparent and objective decision making in the procedure for providing treatment abroad.

- **Measure 1:** Establishment of reference hospitals through clearly defined criteria in a by-law.
 - ✓ **Activity 1.1.:** Amendment of acts defining the criteria.
Deadline: second half of 2021
Competent institution: FHI
Status: **Unimplemented.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities determined by the Action Plan of the Strategy for 2021 for the health sector is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	FHI	2021	Implemented
2.	P1.M1A1.2.	FHI	2022	/
3.	P1.A2.M2.1.	FHI	2022	/
4.	P1.M3.A3.1.	FHI	2022	/
5.	P.M3.A3.2.	FHI	2022 and continuous	/
6.	P1.M4.A4.1.	FHI	2022	/
7.	P1.M5.A5.1.	FHI	2022	/
8.	P1.M5.A5.2.	FHI	2022	/
9.	P1.M5.A5.3.	FHI	2022	/
10.	P1.M6.A6.1.	MoH	2022	/
11.	P1.M7.A7.1.	MoH	2022	/
12.	P1.M8.A8.1.	FHI	2022	/
13.	P1.M8.A8.1.	FHI	2022	/
14.	P1.M9.A9.1.	FHI	2022	/
15.	P1.M10.A10.1.	FHI	2023	/
16.	P2.M1A1.1.	MoH	2021	Unimplemented
17.	P2.M1A1.2.	MoH	2021	Unimplemented
18.	P2.M1A1.3.	MoH	2021	Unimplemented
19.	P2.M2A2.1.	MoH	2021	Unimplemented
20.	P2.M3.A3.1.	MoH	2021	Unimplemented

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21.	P2.M3.A3.2.	MoH	2021	In progress
22.	P3.M1A1.1.	MoH	2021	Unimplemented
23.	P3.M2A2.1.	MoH	2021	Unimplemented
24.	P4.M1A1.1.	MALMED	2021	Unimplemented
25.	P4.M2A2.1.	MoH	2021	Unimplemented
26.	P5.M1A1.1.	FHI	2021	In progress

7.3. Summary for the respective area



Institution	Total activities in 2021	Implemented	Unimplemented	In progress
FHI	2	1	0	1
MoH	9	0	8	1
MALMED	1	0	1	0

7.4. Recommendations

Based on the analysis of the received data and information, as well as the analyses made, in order to overcome the problems identified and to enhance the degree of implementation of the measures and activities specified in by the Strategy, the following recommendations should be implemented in the health sector:

1. In the Action Plan of the Strategy, in Problem 3, under Measure 2 clinical studies to be excluded from the measure, because they are not donations.

8. SECTOR - EDUCATION

8.1. Description of the education sector

The education sector is very broad and consists of the Ministry of Education and Science and the autonomous bodies in its composition, local self-government units (because of decentralized competences in this sector), public primary and secondary schools, as well as state universities. This includes also the Ministry of Labor and Social Policy which is competent for kindergartens that provide pre-school education.

Corruption in education is little addressed in relevant reports on corruption, however, this sector is often pointed out by citizens in various surveys regarding their perception or experience with corruptive acts. The Ministry of education does not assess the risks of corruption, nor corruption is mentioned in any of the strategic documents in this sector.

The National Strategy in the sector of education identifies 8 problems, and 18 measures and 36 activities are foreseen to tackle them by the following responsible institutions:

- AQHE
- BDE,
- Government
- SEC,
- SCPC
- SIE
- ULGs
- IS
- MoES
- MF
- Senates of universities and
- CVE

8.2. Degree of implementation of the activities of the Strategy

In the sector of education, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Pronounced influences and discretionary powers for employment in the education sector.

- **Measure 1:** Establish clear scoring criteria and procedures when conducting an interview for employment of teachers in primary and secondary education.
 - ✓ **Activity 1.1.:** Adoption of bylaws regarding the conduct of the interview and establishing criteria for scoring when selecting candidates for teachers.
Deadline: second half of 2021
Competent Institution: MoES
Status: **Unimplemented.**
- **Measure 2:** Establishment of a legal obligation that decisions for dismissal of directors of the primary schools and special primary schools before the expiration of their term of office should contain detailed justifications and be subject to inspection supervision.
 - ✓ **Activity 2.1.:** Amendment in the Law on Education Inspection with regard to mandatory supervision over the decisions for early dismissal of the directors of primary schools and special primary schools.
Deadline: second half of 2021
Competent Institution: MoES
Status: **Unimplemented.**
 - ✓ **Activity 2.2.:** Conduct supervision regarding the content of the rationale of the decisions for early dismissal of the directors of primary schools and special primary schools.
Deadline: second half of 2021, continuous

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Competent institution: SIE

Status: **In progress.**

It is evident from the received report that the SIE performs extraordinary inspection supervision whenever it receives an initiative from a director who has been dismissed by the mayor.

- **Measure 3:** Establishment of a mechanism of regular supervision by the SIE over the selection procedures for teaching and scientific titles.
 - ✓ **Activity 3.1.:** Adoption of an annual plan/program of SIE for supervision of selection procedures for teaching and scientific titles.
Deadline: second half of 2021, continuous
Competent institution: SIE
Status: **Unimplemented.**

Problem 2: Insufficiently developed capacities of the State Inspectorate for Education (SIE).

- **Measure 1:** Enhancing the material-technical conditions and human resources of the SIE.
 - ✓ **Activity 1.1.:** Prepare an analysis to assess the capacities of SIE.
Deadline: second half of 2021
Competent institution: SIE
Status: **In progress.**
 - ✓ **Activity 1.2.:** Increase in budget of SIE.
Deadline: second half of 2021
Competent institution: MF
Status: **In progress.**
The Ministry of Finance reported that the budget of SIE for 2022 was increased by about 2.8%, but this increase should be further applied so as to ensure that SIE will have the capacity to fully realize its responsibilities, which is why we believe that the implementation of this activity is under way, with the expectation that the increase in the SIE budget will continue in the coming years.
 - ✓ **Activity 1.3.:** Increase in the number of inspectors.
Deadline: first half of 2022
Competent institution: MF
Status: **In progress.**
The Ministry of Finance has given consent for the SIE annual employment plan for 2022, which provides for 7 new employments, which have not yet been implemented.
 - ✓ **Activity 1.4.:** Extraordinary inspection supervision to be carried out by at least two inspectors.
Deadline: second half of 2021
Competent institution: SIE
Status: **In progress.**
SIE reports that 10% of the inspective supervision was carried out by two inspectors.
- **Measure 2:** Education and training to strengthen the resilience of SIE employees from influences.
 - ✓ **Activity 2.1.:** Conducting education and training on integrity and ethics, as well as raising awareness of SIE employees about the way to report attempts for influence to the competent authority – SCPC and/or IC.
Deadline: second half of 2021, continuous
Competent institution: SCPC
Status: **In progress.**
The SCPC provided support from USAID (CEP), to actively work in the first three quarters of 2022 on implementing activities for mentoring and support in the

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implementation of the integrity system in the inspection services, with an emphasis on enhanced education and training on integrity and ethics, as well as to raise awareness of SIE employees and the way to report attempts for influences.

- **Measure 3:** Strengthening the mechanisms for controlling the work of inspectors in SIE.
 - ✓ **Activity 3.1.:** Prepare an analysis to establish a mechanism for controlling the work of inspectors.
Deadline: second half of 2021
Competent institution: SIE
Status: **In progress.**
 - ✓ **Activity 3.2.:** A mechanism for controlling the work of inspectors has been established.
Deadline: first half of 2022
Competent Institution: MoES
Status: **Deadline for implementation is not due.**

Problem 3: Low awareness of addressing the issue of corruption within educational institutions.

- **Measure 1:** Strengthening directors' and teachers' awareness of corruption prevention in primary and secondary education.
 - ✓ **Activity 1.1.:** Preparation of a training program for school directors and teachers on ethics and integrity.
Deadline: first half of 2022
Competent Institution: BDE
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** Preparation of a Guide/ Brochure on Corruption Prevention.
Deadline: first half of 2022
Competent Institution: BDE
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.3.:** Organizing and conducting educational workshops with school directors and teachers.
Deadline: second half of 2022, continuous
Competent Institution: BDE
Status: **Deadline for implementation is not due.**
- **Measure 2:** Raising awareness about the use of corruption reporting mechanisms at universities.
 - ✓ **Activity 2.1.:** Implementation of activities to report corruption at universities with participation of students.
Deadline: second half of 2021
Competent institution: University of Information Sciences and Technologies "St.Paul the Apostle" - Ohrid
Status: **Implemented.**
 - ✓ **Activity 2.2.:** Implementation of activities to report corruption at universities with participation of student
Deadline: second half of 2021
Competent institution: Mother Teresa University - Skopje
Status: **Unimplemented.**
 - ✓ **Activity 2.3.:** Implementation of activities to report corruption at universities with participation of student.
Deadline: second half of 2021
Competent institution: - University "Goce Delchev" Stip
Status: **Implemented.**

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- ✓ **Activity 2.4.:** Implementation of activities to report corruption at universities with participation of student.
Deadline: second half of 2021
Competent institution: - University "St. Kliment Ohridski" - Bitola,
Status: **Implemented.**
- ✓ **Activity 2.5.:** Implementation of activities to report corruption at universities with participation of student.
Deadline: second half of 2021
Competent Institution: Senates of Universities
Status: **Unimplemented.**
- **Measure 3:** Establish a mechanism for monitoring the commitments set out in the Draft – University Corruption Prevention Policy.
- **Activity 3.1.:** Ongoing monitoring of the application of the Draft – University Corruption Prevention Policy and Publication of Annual Reports
Deadline: second half of 2021
Competent institution: University of Information Sciences and Technologies "St. Paul the Apostle" - Ohrid
Status: **In progress.**
- **Activity 3.2.:** Ongoing monitoring of the application of the Draft – University Corruption Prevention Policy and Publication of Annual Reports
Deadline: second half of 2021
Competent institution: Mother Teresa University - Skopje
Status: **Unimplemented.**
- **Activity 3.3.:** Ongoing monitoring of the application of the Draft – University Corruption Prevention Policy and Publication of Annual Reports.
Deadline: second half of 2021
Competent institution: University "Goce Delchev" Stip
Status: **In progress.**
- **Activity 3.4.:** Ongoing monitoring of the application of the Draft – University Corruption Prevention Policy and Publication of Annual Reports.
Deadline: second half of 2021
Competent institution: UCLO - University "St. Clement of Ohrid" University - Bitola.
Status: **Implemented!**
- **Activity 3.5.:** Ongoing monitoring of the application of the Draft – University Corruption Prevention Policy and Publication of Annual Reports.
Deadline: first half of 2021
Competent Institution: Senates of Universities
Status: **Unimplemented.**

Problem 4: There is no precise legislation for the use of teaching visual and didactic means/aids.

- **Measure 1:** Establish precise criteria for procurement and use of educational aids in primary and secondary schools.
 - ✓ **Activity 1.1.:** Preparation of an analysis of practices and definition of criteria for procurement and use of educational aids.
Deadline: second half of 2021
Competent Institution: MoES
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Adoption of an amendment to the Law on Textbooks

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Deadline: second half of 2021

Competent Institution: MoES

Status: **In progress.**

- ✓ **Activity 1.3.:** Adoption of appropriate bylaws that will result from the Law on Textbooks.

Deadline: second half of 2021

Competent Institution: MoES

Status: **Unimplemented.**

Problem 5: Lack of procurement procedures that are implemented in the educational institutions outside the Law on Public Procurement (excursions of students, school security, making photos of students and production of almanacs, procurement of snacks, etc.).

- **Measure 1:** Preparation of bylaws regulating the manner of implementation of procurement in educational institutions that are not subject to the Law on Public Procurement.

- ✓ **Activity 1.1.:** Adoption of by-laws/rulebooks

Deadline: first half of 2022

Competent Institution: MoES

Status: **Deadline for implementation is not due**

Problem 6: Lack of bylaws on the manner of regulating the leasing of real estate by educational institutions.

- **Measure 1:** Preparation of bylaws, guidelines and instructions that will regulate the lease of real estate by educational and higher education institutions.

- ✓ **Activity 1.1.:** Adoption of by-laws, guidelines and instructions.

Deadline: first half of 2022

Competent Institution: MoES

Status: **Deadline for implementation is not due.**

Problem 7: Raising the quality of higher education in the sphere of accreditation of higher education institutions, scientific institutions and study programmes.

- **Measure 1:** The National Council for Higher Education and Scientific Research Activity and the Agency for Quality in Higher Education should be functional.

- ✓ **Activity 1.1.:** Appointment of members of the National Council and of the Agency for Quality in Higher Education.

Deadline: second half of 2020

Competent institution: Government

Status: **Implemented.**

- **Measure 2:** Regulate the Agency's accountability for the quality of education.

- ✓ **Activity 2.1.:** Preparation of amendments to the Law on Higher Education to precisely regulate the accountability of the Agency for Quality in Higher Education.

Deadline: second half of 2021

Competent Institution: MoES

Status: **Unimplemented.**

- **Measure 3:** Ensure transparency in the selection of members of the Agency for the Quality of Education.

- ✓ **Activity 3.1.:** Publication of reasoned decisions for the selection of the members of the Agency for Quality of Education.

Deadline: second half of 2020, continuous

Competent institution: Government

Status: **In progress.**

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- **Measure 4:** Ensure transparency in the work of the Agency for Quality in Education in the area of accreditation of higher education institutions, scientific institutions and study programmes.
 - ✓ **Activity 4.1.1.:** Publication of detailed reasoned decisions of the Agency on accreditations, re-accreditations and other professional activities.
Deadline: second half of 2021, continuous
Competent institution: AQHI
Status: **In progress.**
- **Measure 5:** Membership of the Agency for quality in higher education in ENKA (European Network of Higher Education Quality Assurance Agencies).
 - ✓ **Activity 5.1.1.:** Preparation of the Plan for membership of the Agency in ENKA - to check for the plan.
Deadline: first half of 2022
Competent institution: AQHE
Status: **Deadline for implementation is not due.**

Problem 8: Insufficient educational contents in the secondary education on the principles of good governance and integrity.

- **Measure 1:** Introduction of anti-corruption education content for secondary school students as part of regular curricula.
 - ✓ **Activity 1.1.1.:** Implementation of Project - Anti-Corruption Education in Pilot Secondary Schools.
Deadline: second half of 2021
Competent Institution: BDE
Status: **Implemented.**
In 2021, through a project implemented by the SCPC, 13 teachers from 10 secondary pilot schools from across the country were trained, who then held training sessions with 1 group of students from their schools. Manuals for teachers and manuals for students in Macedonian and Albanian teaching languages have been prepared for the project.
 - ✓ **Activity 1.2.:** Adopt appropriate acts to introduce anti-corruption education in regular curricula.
Deadline: second half of 2021, continuous
Competent Institution: BDE
Status: **Unimplemented.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities determined by the Action Plan of the Strategy for 2021 for the sector education is as follows:

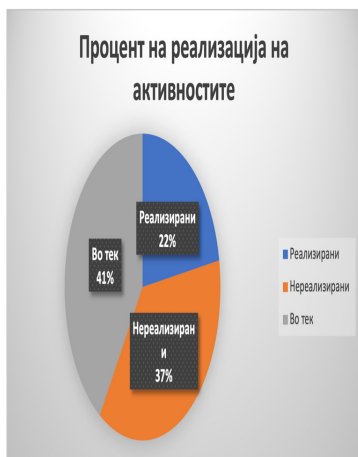
Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	MoES	2021	Unimplemented
2.	P1.M2A2.2.	MoES	2021	Unimplemented
3.	P1.M2A2.1	SIE	2021 and continued	In progress
4.	P1.M3.A1.1.	SIE	2021 and continued	Unimplemented
5.	P2.M1A1.1.	SIE	2021	In progress
6.	P2.M1A1.2.	MF	2021	In progress
7.	P2.M1A1.3.	MF	2022	In progress

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8.	P2.M1A1.4.	SIE	2021	In progress
9.	P2.M2A2.1.	SCPC	2021 and continued	In progress
10.	P2.M3.A3.1.	SIE	2021	In progress
11.	P2.M3.A3.2.	MES	2022	/
12.	P3.M1A1.1.	BDE	2022	/
13.	P3.M1A1.2.	BDE	2022	/
14.	P3.M1A1.3.	BDE	2022 and continuous	/
15.	P3.M2A2.1.	University of St.Paul the Apostle	2021	Implemented
16.	P3.M2A2.2.	Mother Theresa University	2021	Unimplemented
17.	P3.M2A2.3.	University Goce Delcev, Shtip	2021	Implemented
18.	P3.M2A2.3.	University of St. Kliment Ohridski	2021	Implemented
19.	P3.M3.A3.1.	University of St.Paul the Apostle	2021	In progress
20.	P3.M3.A3.2.	Mother Theresa University	2021	Unimplemented
21.	P3.M3.A3.3.	University Goce Delcev, Shtip	2021	In progress
22.	P3.M3.A3.4.	University "Ss. Clement of Ohrid.	2021	Implemented
23.	P4.M1A1.1.	MoES	2021	Unimplemented
24.	P4.M1A1.2.	MoES	2021	Unimplemented
25.	P4.M1A1.3.	MoES	2021	Unimplemented
26.	P5.M1A1.1.	MES	2022	/
27.	P6.M1A1.1.	MoES	2022	/
28.	P7.M1A1.1.	Government	2020	Implemented
29.	P7.M2A2.1.	MoES	2021	Unimplemented
30.	P7.M3.A3.1.	Government	2020 and continued	In progress
31.	P7.M4.A4.1.	AQHE	2021 and continued	In progress
32.	P7.M5.A5.1.	AQHE	2022	/
33.	P8.M1A1.1.	BDE	2021	Implemented
34.	P8.M1A1.2.	BDE	2021	Unimplemented

8.3. Summary for the respective area

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Institution	Total activities in 2021	Implemented	Unimplemented	In progress
AQHE	1	0	0	1
BDE	2	1	1	0
Government	2	1	0	1
SIE	5	0	1	4
SCPC	1	0	0	1
MoES	6	0	6	0
MF	2	0	0	2
University of St. Paul the Apostle	2	1	0	1
Theresa Mother University	2	0	2	0
University Goce Delcev, Shtip	2	1	0	1
University "Ss. Clement of Ohrid.	2	2	0	0

8.4. Recommendations

Based on the analysis of the received data and information, as well as the analyses made, in order to overcome the problems identified and to enhance the degree of implementation of the measures and activities specified in the Strategy, the following recommendations should be implemented in the sector of education:

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1. In the Action Plan of the Strategy, in Problem 1 under Measure 2, Activity 2.1. to be changed in the sense that it is necessary to make an amendment to the Law on Education Inspection in order to carry out extraordinary inspection supervision to check the lawfulness of the reasons for early dismissal of directors of primary schools and special primary schools.
2. Regarding the Problem 1, under Measure 2, Activity 2.2. should be amended and the Law on Primary Education and the Law on Secondary Education should be harmonized by prescribing the obligation for mandatory inspection supervision in case of early dismissal of a director.
3. Regarding the Problem 2, under Measure 1, in Activity 1.2. and Activity 1.4. the deadline for their realization should be changed to continuous.
4. Regarding the Problem 3, under the Measures 1 and 2, the activities should be divided, i.e. for each university to have a separate activity, and the deadlines for these activities should be continuous.

9. SECTOR - LABOR AND SOCIAL POLICY

9.1. Description of the Labor and Social Policy Sector

The labor and social policy sector covers issues related to labor relations and social rights, the right to pension and disability insurance, as well as pre-school education for children in kindergartens.

The National Strategy in the labor and social policy sector identifies 1 problem and 5 measures and 10 activities to tackle it which are under the competence of the Ministry of Labor and Social Policy.

9.2. Degree of implementation of the activities of the Strategy

In the labor and social policy sector, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Lack of supervision in the procedures for exercising rights to pension and disability insurance.

- **Measure 1:** Establishment of a single digitized central social security system.
 - ✓ **Activity 1.1.:** Amendment of the legislation in the field of social security.
Deadline: first half of 2022
Competent institution: MTSP
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** Establishment of a single digitized central social security system.
Deadline: second half of 2023
Competent institution: MTSP
Status: **Deadline for implementation is not due.**
- **Measure 2:** Establishment of a new body for centralized expert report/assessment of disability / ability to work in order to reduce the possibility of corruption in decision-making.

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- ✓ **Activity 2.1.:** Preparation of an analysis for the current process for assessment of disability/ ability to work.
Deadline: second half of 2021
Competent institution: MTSP
Status: **In progress.**
- ✓ **Activity 2.2.:** Adoption of a legal solution for establishment of body for expert reports/assessment.
Deadline: first half of 2022
Competent institution: MTSP
Status: **Deadline for implementation is not due.**
- ✓ **Activity 2.3.:** Establishment of the body for expert reports/assessment.
Deadline: second half of 2022
Competent institution: MTSP
Status: **Deadline for implementation is not due.**
- **Measure 3:** Improvement of the regulation governing the procedure for selecting the members of the Committee for the audit of findings, assessment and opinion for determining disability.
 - ✓ **Activity 3.1.:** Analysis of the Rulebook on organization, composition and method of work of the Committee for the audit of findings, assessment and opinion on determination of disability with a view to identifying the ambiguities regarding the election of its members.
Deadline: second half of 2022
Competent institution: MTSP
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 3.2.:** Amendment of the Rulebook on organization, composition and method of work of the Committee for the audit of findings, assessment and opinion on determination of disability.
Deadline: first half of 2023
Competent institution: MTSP
Status: **Deadline for implementation is not due.**
- **Measure 4:** Strengthen the supervision in procedures for exercising rights on the basis of pension and disability insurance.
 - ✓ **Activity 4.1.:** Adoption of a Methodology for the implementation of controls (regular and ad hoc).
Deadline: first half of 2022
Competent institution: MTSP
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 4.2.:** Implementation of regular and ad hoc controls (not only on the basis of complaints).
Deadline: 2021, continuous
Competent institution: MTSP
Status: **Unimplemented.**
- **Measure 5:** Strengthen the supervision in procedures for exercising rights based on assistance and care by another person.
 - ✓ **Activity 5.1.:** Implementation of regular and ad hoc controls (not only on the basis of complaints).
Deadline: 2021, continuous
Competent institution: MTSP
Status: **Unimplemented.**

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Based on the data obtained, and the analyses made, the situation with the implementation of the activities specified in the Action Plan of the Strategy for 2021 for the labor and social policy sector is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	MLSP	2022	/
2.	P1M1.A1.2.	MLSP	2023	/
3.	P1M2.A2.1.	MLSP	2021	In progress
4.	P1M2.A2.2.	MLSP	2022	/
5.	P1M2.A2.3.	MLSP	2022	/
6.	P1M3.A3.1.	MLSP	2022	/
7.	P1M3.A3.2.	MLSP	2023	/
8.	P1M4.A4.1.	MLSP	2022	/
9.	P1M4.A4.2.	MLSP	Continuous	Unimplemented
10.	P1M5.A5.1.	MLSP	Continuous	Unimplemented

9.3. Summary for the respective area



Institution	Total activities in 2021	Implemented	Unimplemented	In progress
MLSP	3	0	2	1

In the labor and social policy sector, there are no additional recommendations, except the general recommendation given in the section of the Executive Summary of this Report, which refers to the transfer of activities with expired deadline in the following years.

10. SECTOR - URBANISM AND SPATIAL PLANNING

10.1. Description of the Urbanism and Spatial Planning Sector

The urbanism and spatial planning sector in the context of this Strategy consists of public institutions that are part both of the central and local government, and with competences in the field of urbanism, spatial planning and construction. These include primarily the Ministry of Transport and Communications, the Ministry of Environment and Spatial Planning, the autonomous bodies in their composition, and local self-government units.

The National Strategy in the urbanism and spatial planning sector identifies 1 problem and one measure and one activity to be tackled, which is a responsibility of the MTC.

10.2. Degree of implementation of the activities of the Strategy

In the sector of urbanism and spatial planning, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Insufficient supervision over the construction of buildings of second category.

- **Measure 1:** Establish enhanced supervision over the construction of buildings of second category.
 - ✓ **Activity 1.1.:** Amendment of the Law on Construction with regard to initiation of compulsory procedure for revocation of the license of a legal entity for supervision if irregularities have been found based on untruthfully presented condition.
Deadline: second half of 2022, continuous
Competent institution: MTC
Status: **Deadline for implementation is not due.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities specified in the Action Plan of the Strategy for 2021 for the urbanism sector is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	PI.M1A1.1.	MTC	2022 and continuous	/

As it can be seen from the Action Plan of the Strategy for the urbanism and spatial planning sector for 2021, no activities have been foreseen.

10.3. Recommendations

Based on the analysis of the received data and information, as well as the analyses made, in order to overcome the problems identified and to enhance the degree of implementation of the measures and activities specified in the Strategy, the following recommendations should be implemented in the urbanism and spatial planning sector:

1. The Action Plan of the Strategy should be supplemented with a new problem 2. "Abuse of the procedure for sale of state-owned land on the grounds of development of a plot of construction land". The description of the problem as well as the measures and activities to

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tackle it, will be stated in the Proposal for changes to the National Strategy that will follow once this report is adopted by the Parliament.

11. SECTOR - ENVIRONMENT

11.1. Description of the environment sector

The sector of environment in the context of this Strategy is represented by public institutions that are part both of the central and local government, and with competence in matters of environmental protection. This sector has gained importance in recent years due to the introduction of various environmental and other permits that business entities need to have in order to be able to start/perform their operation.

The National Strategy in the environment sector identifies 1 problem and 1 measure and 2 activities to tackle it, that is 1 activity under the responsibility of the Ministry of Environment and Spatial Planning and 1 activity under the competence of the ULGs.

11.2. Degree of implementation of the activities of the Strategy

In the sector of environment, the situation with the implementation of the activities of the National Strategy is as follows:

Issue 1: Non-Established Integrated Regional Waste Management System.

- **Measure 1:** Establishment of Regional Waste Management Centers.
 - ✓ **Activity 1.1.:** Publication of a notice on the selection of concessionaires.
Deadline: first half of 2022
Competent institution: MESP
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** Decision-making on awarding concessions for waste management.
Deadline: second half of 2022
Competent institution: ZELS
Status: **Deadline for implementation is not due.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities specified in the Action Plan of the Strategy for 2021 for the environment sector is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	PI.MIA1.1.	MESP	2022	/
2.	PI.MIA1.2.	ULGs	2022	/

As it can be seen from the Action Plan of the Strategy for the environment sector for 2021, no activities have been foreseen.

12. SECTOR -AGRICULTURE

12.1. Description of the Agriculture Sector

The agriculture sector in the context of this Strategy consists of the public institutions with competences in the field of agriculture, primarily the Ministry of Agriculture, Forestry and Water Economy, the Agency for Financial Support of Agriculture and Rural Development and the National Extension Agency.

In the past years, the Government through the creation of agricultural support policies has allocated a significant part of the budget for stimulating and increasing the agricultural production, but the prevailing opinion is that the effects of these measures have not achieved the expected results, primarily due to inefficient management and implementation of the created policies.

The National Strategy in the agriculture sector identifies 5 problems and 10 measures and 18 activities to tackle them, which are the responsibility of the following institutions:

- MAFW
- MF
- IS,
- SAI
- FVA
- AFSAD and
- AFSRD.

12.2. Degree of implementation of the activities of the Strategy

In the agriculture sector, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Redefining the system for sale of state-owned agricultural land and effective supervision over the purpose of land use and realization of contracts for the use of state-owned agricultural land.

- **Measure 1:** Strengthening the supervision over the intended use of the land and the realization of the contracts for the lease of agricultural land.
 - ✓ **Activity 1.1.:** Prescribing detailed procedures for supervising the intended use and realization of the lease contracts for agricultural land.
Deadline: second half of 2021
Competent institution: MAFW
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Amendment of the Law on the Use of Agricultural Land in order to define sanctions for established violations, in particular regarding the members of the commission, the organizational unit for the management of agricultural land and the competent inspectors who supervise the economic operators who have agricultural land under concession.
Deadline: second half of 2021,
Competent Institution: MAFW
Status: **Unimplemented.**
- **Measure 2:** Revision of the rules for the sale of state-owned agricultural land.

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- ✓ **Activity 2.1.:** Revise the methodology for the sale of state-owned agricultural land in accordance with market conditions based on classes of agricultural land.
Deadline: second half of 2021
Competent institution: MAFW
Status: **Unimplemented.**
- **Measure 3:** Establishment of an autonomous body of state administration established by the Assembly of the Republic of North Macedonia for the sale of state-owned agricultural land.
 - ✓ **Activity 3.1.:** Changing the legal status of the commission for sale of state-owned agricultural land as an autonomous body of state administration founded by the Assembly of the Republic of North Macedonia through the adoption of a law.
Deadline: first half of 2022
Competent institution: MAFW
Status: **Deadline for implementation is not due.**

Problem 2: Frequent changes of the regulations, imprecise criteria for granting subsidies.

- **Measure 1:** Creation of new support measures and support policies based on the principles for environmental protection, introduction of good agricultural practices and production of healthy and safe food, as well as economically justifiable amounts of subsidies.
 - ✓ **Activity 1.1.:** Prescribe clear and detailed procedures for the introduction of new measures that will enable environmental protection and introduce good agricultural practices and the production of healthy and safe food.
Deadline: first half of 2022
Competent institution: MAFW
Status: **Deadline for implementation is not due.**
 - Activity 1.2.:** The creation of each measure should be accompanied with success indicator for the purpose of monitoring the effects of the financial support.
Deadline: first half of 2022
Competent institution: MAFW
Status: **Deadline for implementation is not due.**
- **Measure 2:** Establishment of effects measurements regarding the application of financial support measures in the agriculture sector.
 - ✓ **Activity 2.1.:** Establish a Methodology that will ensure that subsidy measures are utilized for agricultural development, and that the amounts of subsidies are economically justified and stimulate the actual production.
Deadline: first half of 2022
Competent institution: MAFW
Status: **Deadline for implementation is not due.**

Problem 3: Insufficient number of employees and their education, insufficient assistance for referral of citizens, non-transparency of procedures.

- **Measure 1:** Strengthen the human capacities of institutions for timely and transparent providing of relevant information to potential users to ensure easier access to these funds and timely handling of applications.
 - ✓ **Activity 1.1.:** Strengthening of human resources for timely handling of applications for financial support.
Deadline: second half of 2021
Competent institution: MF
Status: **In progress.**

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In the AFSARD Annual Employment Plan 2021, 27 new employments and 16 promotions were approved. In the 2022 Annual Employment Plan, no new employments have been approved. At the same time, due to greater motivation of the employees and retention of the existing staff, salary supplement of 15% is provided in the IPA structures for the employees.

Activity 1.2.: Establishment of competences of one competent authority for submission of applications for direct payments (subsidies) to ensure continuity of the application procedure.

Deadline: second half of 2021

Competent institution: MF

Status: **Unimplemented.**

- ✓ **Activity 1.3.:** Adopt a legal solution for the establishment of advisory services for providing assistance to potential beneficiaries of financial support.

Deadline: first half of 2022

Competent institution: MAFW

Status: **Deadline for implementation is not due.**

- **Measure 2:** Increase the transparency of procedures and provide the potential users with relevant information for easier access to these funds.

- ✓ **Activity 2.1.:** Establish transparency procedures for notifying potential beneficiaries of the conditions for granting financial support.

Deadline: second half of 2021

Competent institution: MAFW

Status: **Unimplemented.**

- ✓ **Activity 2.2.:** Deliver trainings for the employees to enhance their knowledge and increase integrity.

Deadline: second half of 2020, continuous

Competent institution: MAFW

Status: **Unimplemented.**

Problem 4: Concentration of competences in policy making (laws and bylaws), policy implementation and supervision in the field of food.

- **Measure 1:** Distinguish policymaking competences, their implementation and supervision.

- ✓ **Activity 1.1.:** Change of the legislative package in the field of food in order to differentiate the competences for policy making, their implementation, supervision and conduct of misdemeanor procedures in the field of food and animal feed into the Law on Food Safety and the Law on Animal Feed Safety.

Deadline: second half of 2021

Competent institution: MAFW

Status: **Unimplemented.**

Activity 1.2.: Establishment of a special authority for the food inspection service or taking over of the inspectors in the State Inspectorate of Agriculture.

Deadline: second half of 2021

Competent institution: MAFW

Status: **Unimplemented.**

Problem 5: Concentration of competences in policy making (laws and bylaws), policy implementation and supervision in the field of veterinary activities.

- **Measure 1:** Distinction of competences in the three segments of policy making, implementation of professional competences and implementation of supervision.

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- ✓ **Activity 1.1.:** Change of the legislative package aimed at delimiting the competences for policy making, their implementation, supervision and conduct of 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.

Deadline: second half of 2021

Competent institution: MAFW

Status: **Unimplemented.**

Activity 1.2.: Establishment of a special authority for the inspection service for veterinary health by the body implementing the policies in veterinary health as a special inspectorate or taking over the inspectors in the State Inspectorate of Agriculture.

Deadline: second half of 2021

Competent institution: MAFW

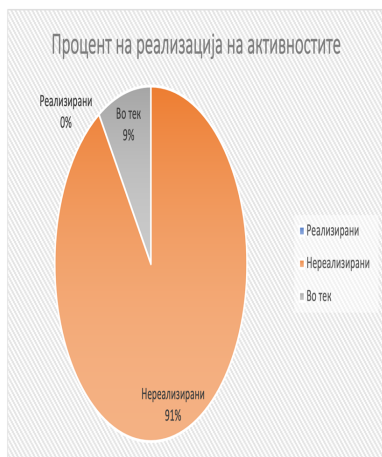
Status: **Unimplemented.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities specified in the Action Plan of the Strategy for 2021 for the agriculture sector is as follows:

Ord.number	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	MAFW	2021	Unimplemented
2.	P1.M1A1.2.	MAFW	2021	Unimplemented
3.	P1.M2A2.1.	MAFW	2021	Unimplemented
4.	P1.M3.A3.1.	MAFW	2022	/
5.	P2.M1A1.1.	MAFW	2022	/
6.	P2.M1A1.2.	MAFW	2022	/
7.	P2.M2A2.1.	MAFW	2022	/
8.	P3.M1A1.1.	MF	2021	In progress
9.	P3.M1A1.2.	MF	2021	Unimplemented
10.	P3.M1A1.3.	MAFW	2022	/
11.	P3.M2A2.1.	MAFW	2021	Unimplemented
12.	P3.M2A2.2.	MAFW	2020 and continued	Unimplemented
13.	P4.M1A1.1.	MAFW	2021	Unimplemented
14.	P4.M1A1.2.	MAFW	2021	Unimplemented
15.	P5.M1A1.1.	MAFW	2021	Unimplemented
16.	P5.M1A1.1.	MAFW	2021	Unimplemented

12.3. Summary for the respective area

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Institution	Total activities in 2021			
	Implemented	Unimplemented	In progress	
MAFW	0	9	0	
MF	0	1	1	

There are no additional recommendations in the agriculture sector, except for the general recommendation given in the section of the Executive Summary in this Report, which refers to transferring the activities with expired deadline for the next years.

13. SECTOR - SPORT

13.1. Description of the sports sector

Sport is a segment of the social life with great significance for the mental and physical health of citizens, but also with great sociological impact on the whole community. Also, it has strong potential for promoting the country worldwide. This sector is addressed in the strategy due to the risk of corruption in the sphere of management and disposal of sports facilities owned by the Republic of North Macedonia and local self-government units, but also in the sphere of sporting activity, which is implemented through sports federations and sports clubs, as their members. Given the state's large investment in sports facilities and their importance for sporting activity, the way these properties are managed has serious effect on the public interest. This also imposes a need for normative arrangement of optimal relations in terms of ownership, disposal and use of sports facilities. At the same time, the central government and the local self-government units have an obligation to ensure conditions for sporting activities in accordance with the law and the positive practices.

The National Strategy in the sports sector identifies 2 problems and 6 measures and 15 activities to tackle them, which are the responsibility of the following institutions:

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- AYS
- Government
- SCPC
- ULGS and
- MoJ

13.2. Degree of implementation of the activities of the Strategy

In the sector of sports, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Inadequate management, use and maintenance of sports facilities owned by the Republic of North Macedonia and local self-government units.

- **Measure 1:** Adoption of a strategy for state-owned sports facilities.
 - ✓ **Activity 1.1.:** Analysis of the situation regarding state-owned sports facilities.
Deadline: second half of 2021
Competent institution: AYS
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Inventory of state-owned sports facilities.
Deadline: first half of 2022
Competent institution: AYS
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.3.:** Preparation of a Strategy for state-owned sports facilities based on the analysis and inventory, especially in terms of categorization, ownership, management, disposal, use and decentralization.
Deadline: second half of 2022
Competent institution: AYS
Status: **Deadline for implementation is not due.**
- **Measure 2:** Regulation of the legal status of state-owned sports facilities.
 - ✓ **Activity 2.1.:** Analysis of the contracts for the use of sports facilities owned by RNM and ULGs (legal and economic justification, deadlines, adherence to contracts).
Deadline: second half of 2021
Competent institution: AYS
Status: **Unimplemented.**
 - ✓ **Activity 2.2.:** Undertaking legal procedures to regulate the legal status of sports facilities owned by RNM and ULGs.
Deadline: second half of 2022, continuous
Competent institution: AYS
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 2.3.:** Conduct inspection supervision in terms of the use of sports facilities owned by RNM and ULGs.
Deadline: 2021, continuous
Competent institution: AYS
Status: **Unimplemented.**
- **Measure 3:** Legislative regulation of sports facilities.
 - ✓ **Activity 3.1.:** Adoption of Law on Sports Facilities.
Deadline: first half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**

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- ✓ **Activity 3.2.:** Adoption of bylaws for categorization of facilities and Rulebook on determining compensation for the use of sports facilities.
Deadline: second half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**
- **Measure 4:** Establishment of an information system for keeping records of state-owned sports facilities.
 - ✓ **Activity 4.1.:** Design of a database on state-owned sports facilities (location, category, municipality, ownership, area, year of construction, contents, structure, etc.).
Deadline: first half of 2023
Competent institution: AYS
Status: **Deadline for implementation is not due.**

Problem 2: Lack of inspection supervision in the sport sector.

- **Measure 1:** Establishment of independent inspection supervision for sports and sports facilities.
 - ✓ **Activity 1.1.:** Analysis of the current state of inspection supervision in the sports sector and sports facilities.
Deadline: second half of 2021
Competent institution: AYS
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Amendment of the Law on Sport in the area of inspection supervision.
Deadline: first half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.3.:** Establishment of the State Inspectorate for Sport.
Deadline: second half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**
- **Measure 2:** Education on integrity and ethics for sports federations, clubs, administration.
 - ✓ **Activity 2.1.:** Adoption of a training and education program on integrity and ethics aimed for sports federations, clubs, administration and sports workers.
Deadline: first half of 2021
Competent institution: AYS
Status: **In progress.**
Currently, the AYS is working on the preparation of an ethics and integrity programme, which will be adequately implemented in cooperation with other stakeholders in the field of sports in the Republic of North Macedonia. The actual need to prepare and implement such a program is identified by the AYS. The AYS is currently working on the preparation and design of several workshops on this topic as part of the European Week of Sport project which would serve as pilot trainings in order to obtain the concrete conclusions from the federations, clubs and athletes and to be finalized, developed and launched based on those conclusions.
 - ✓ **Activity 2.2.:** Delivery of trainings, workshops, round tables, public media performances on integrity and ethics.
Deadline: 2021, continuous
Competent institution: AYS
Status: **Unimplemented.**
 - ✓ **Activity 2.3.:** Production of propaganda material on integrity and ethics in sport.
Deadline: 2021, continuous

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Competent institution: AYS
 Status: **Unimplemented.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities specified in the Action Plan of the Strategy for 2021 for the sports sector is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	AYS	2021	Unimplemented
2.	P1.M1A1.2.	AYS	2022	/
3.	P1.M1A1.3.	AYS	2022	/
4.	P1.M2A2.1.	AYS	2021	Unimplemented
5.	P1.M2A2.2.	AYS	2022 and continuous	/
6.	P1.M2A2.3.	AYS	Continuous	Unimplemented
7.	P1.M3.A3.1.	MoJ	2022	/
8.	P1.M3.A3.2.	MoJ	2022	/
9.	P1.M4.A4.1.	AYS	2023	/
10.	P2.M1A1.1.	AYS	2021	Unimplemented
11.	P2.M1A1.2.	MoJ	2022	/
12.	P2.M1A1.3.	MoJ	2022	/
13.	P2.M2A2.1.	AYS	2021	In progress
14.	P2.M2A2.2.	AYS	Continuous	Unimplemented
15.	P2.M2A2.3.	AYS	Continuous	Unimplemented

13.3. Summary for the respective area



Institution	Total activities in 2021	Implemented	Unimplemented	In progress
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In the sports sector, there are no additional recommendations, except the general recommendation given in the section of the Executive Summary of this Report, which refers to the transfer of activities with expired deadline for the next years.

14. SECTOR - ECONOMY AND BUSINESS

14.1. Description of the Economy and Business Sector

The economy sector in the context of this Strategy consists of public institutions which are part of the executive branch in the Republic of North Macedonia, and with competence in economic matters. These are primarily the Ministry of Economy and its autonomous bodies, as well as other public institutions that have a certain role in terms of economic policies. Also, this sector covers the business entities, especially from the aspect of the interaction of the businesses with the public sector. The risks of corruption in the economy sector are mainly related to the various resolutions, permits, concession contracts and other documents and their issuance is mainly the responsibility of the Ministry of Economy or other institutions. Namely, the legislation on business activity of many economic entities and business activity of self-employed natural persons requires that their status is regulated with any of the mentioned documents. In addition, public procurement, inspection supervision and employment in public institutions are also identified as corruption risks in the economy sector.

The National Strategy in the sector of economy and business identifies 4 problems and 8 measures and 13 activities to tackle them which are the responsibility of the following institutions:

- ME
- MESP
- MAFW
- MoH
- MIOA
- MOI
- AREC
- CPC,
- AES
- Civic sector
- Business community.

14.2. Degree of implementation of the activities of the Strategy

In the sector of economy and business the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: No register of granted state aid to economic operators owned by domestic and foreign legal entities.

- **Measure 1:** Establish, publish and update a register with information on each type of state aid.
- ✓ **Activity 1.1.:** Preparation of a register of state aid within the Commission for Protection of Competition.
Deadline: second half of 2022
Competent institution: Commission for the Protection of Competition
Status: **Deadline for implementation is not due.**

Problem 2: Excessive awarding of concessions, insufficient transparency of concession contracts and underdeveloped mechanisms for determining the actual concession fee for exploited raw materials.

- **Measure 1:** Optimizing the use of natural resources aimed at environmental protection.
 - ✓ **Activity 1.1.:** Preparation of a feasibility study to determine the situation of the use of natural resources by area.
Deadline: second half of 2021
Competent institution: ME.
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Adopt policies and measures aimed to implement the recommendations of the feasibility study.
Deadline: second half of 2022
Competent institution: ME.
Status: **Deadline for implementation is not due.**
- **Measure 2:** Increase the transparency of awarding concessions.
 - ✓ **Activity 2.1.:** Publishing of concession contracts for exploitation of raw materials.
Deadline: second half of 2022, continuous
Competent institution: ME.
Status: **Deadline for implementation is not due.**
- **Measure 3:** Develop mechanisms for determining the amount and collection of the actual concession fee for exploited raw materials.
 - ✓ **Activity 3.1.:** Analysis and revision of the amount of the concession fee and the extent of collection.
Deadline: first half of 2021, continuous
Competent institution: ME.
Status: **Implemented.**
 - ✓ **Activity 3.2.:** Develop Methodology and mechanisms for determining realistic concession fee.
Deadline: second half of 2021
Competent institution: ME.
Status: **Unimplemented.**
- **Measure 4:** Increase control over the exploitation of raw materials after granted concessions.
 - ✓ **Activity 4.1.:** Increase in the number of employees of inspection services.
Deadline: second half of 2021
Competent institution: ME.
Status: **In progress.**
The number of employees in the inspection services has increased, but it is not sufficient for the implementation of the activities.
 - ✓ **Activity 4.2.:** Delivery of trainings for the employees of the competent inspection services.
Deadline: second half of 2021
Competent institution: ME.
Status: **Unimplemented.**

Problem 3: Lack of registers for property owned by the Republic of North Macedonia and ULGs.

- **Measure 1:** Establishment of a single record of the real estate of the Republic of North Macedonia.

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- ✓ **Activity 1.1.:** Update of electronic records of state-owned real estate as well as state-owned real estate used by state administration bodies and legal entities established by the state and ULGs.
Deadline: first half of 2021, continuous
Competent institution: AREC
Status: **In progress.**
The Government of the Republic of North Macedonia adopted the AREC proposal on the manner of granting a unique identification number (EIB) to state administration bodies and legal entities established by the state. According to the data provided by the MIOA for the state administration bodies and legal entities established by the state, the process of linking of each institution's identifier with the real estate registered in the real estate cadaster, i.e., with the data existing in the cadastral records for real estate in their ownership or owned by RNM, has been completed, and now they are shown in the role of users of real estate. In 2022, it is planned that single record is maintained based on a unique identification number (EIB) and to improve the quality of the data in the cadastral records, so as to provide a clear picture of the entire property owned by the state, as well as information on its use by state administration bodies and legal entities established by the state.
- ✓ **Activity 1.2.:** Ensure transparency by embedding the option to perform an open search of the state-owned property on the portal of the Agency for Real Estate Cadaster (by EIB, name of state administration body, type of real estate and other criteria).
Deadline: first half of 2021, continuous
Competent institution: AREC
Status: **Unimplemented.**
- **Measure 2:** Establishment of a publicly available register for motor vehicles owned by public sector institutions and ULGs (except for special purpose vehicles).
 - ✓ **Activity 2.1.:** The existing register of motor vehicles kept at the MOI should be upgraded with the possibility of making the data publicly available and easy to search by institutions.
Deadline: second half of 2021
Competent institution: Moi
Status: **Unimplemented.**

Problem 4: Insufficient involvement of smaller economic entities in the policy making process for economic and other policies relevant to the business community.

- **Measure 1:** Increase the transparency of policy-making process for economic and other relevant policies for the business community.
 - ✓ **Activity 1.1.:** Amendment of the Methodology for regulatory impact assessment (RIA) in order to provide more details of the reasons for the adoption of a specific legal solution, the main proposals that have been considered (and their proposers) and the impact of the chosen solution on the economic climate and the business community.
Deadline: second half of 2021
Competent institution: MIOA
Status: **Unimplemented.**
 - ✓ **Activity 1.2.:** Provide training, mentoring and support to micro and small enterprises to build common attitudes and positions regarding policies that affect the economic climate and conditions for their operation in the country.
Deadline: first half of 2022, continuous
Competent institution: AES (Agency for entrepreneurial support)
Status: **Deadline for implementation is not due.**

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Based on the data obtained, and the analyses made, the situation with the implementation of the activities determined by the Action Plan of the Strategy for 2021 for the economy and business sector is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	CPC,	2022	/
2.	P2.M1A1.1.	ME	2021	Unimplemented
3.	P2.M1A1.2.	ME	Second half of 2022	/
4.	P2.M2A2.1.	ME	2022 and continuous	/
5.	P2.M3. A3.1.	ME	2021 and continued	Implemented
6.	P2.M3. A3.2.	ME	2021	Unimplemented
7.	P2.M4. A4.1.	ME	2021	In progress
8.	P2. M14.A4.2.	MoH	2022	/
9.	P3.M1A1.1.	AREC	2021 and continued	In progress
10.	P3.M1A1.2.	AREC	2021 and continued	Unimplemented
11.	P3.M2A2.1.	MOI	2021	Unimplemented
12.	P4.M1A1.1.	MIOA	2021	Unimplemented
13.	P4.M1A1.2.	AES	2022 and continuous	/

14.3. Summary for the respective area



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Institution	Total activities in 2021	Implemented	Unimplemented	In progress
AREC	2	0	1	1
MOI	1	0	1	0
MIOA	1	0	0	1
ME	4	1	2	1

In the economy and business sector, there are no additional recommendations, except the general recommendation given in the section of the Executive Summary of this Report, which refers to the transfer of activities with expired deadline for the next years.

15. SECTOR - PUBLIC ENTERPRISES AND JOINT-STOCK COMPANIES OWNED BY THE STATE AND LOCAL SELF-GOVERNMENT UNITS

15.1. Description of the sector JP and JSC owned by the state and ULGs

The companies in dominant state ownership and in ownership of the local self-government make up a significant part of the national economy, covering areas that are of strategic importance for the state and its citizens, have large funds at disposal, employ a large number of people and enter into a business relationship with a large number of suppliers and contractors.

The companies in dominant state ownership and in ownership of the local self-government are susceptible to risks of corruption and abuse due to their connections with political structures, governance policies of poor quality and lack of transparency and control.

The National Strategy in the sector JP and JSC owned by the state and the local self-government units identifies 3 problems and 3 measures and 6 activities which are under the responsibility of the Government, ME and SCPC.

15.2. Degree of implementation of the activities of the Strategy

In the sector PE and JSC owned by the state and local self-government units, the situation with the implementation of the activities of the National Strategy is as follows:

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

- **Measure 1:** Preparation of a single database for legal entities established in accordance with the Law on Public Enterprises and the Law on Trading Companies where the state and local self-government is the owner or has ownership shares.
 - ✓ **Activity 1.1.:** Establish a register and update it with data on ownership and financial results of enterprises.
 - Deadline: first half of 2022
 - Competent institution: ME.
 - Status: **Deadline for implementation is not due.**

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Problem 2: Lack of a systemic approach to corruption prevention in state-owned and ULGs-owned enterprises.

- **Measure 1:** Introduction and implementation of an anti-corruption program for enterprises with dominant state and ULGs ownership.
 - ✓ **Activity 1.1.:** Preparation of an anti-corruption program for enterprises with dominant state and ULGs ownership.
Deadline: second half of 2023
Competent institution: SCPC
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** Adoption of an anti-corruption program for enterprises with dominant state and ULGs ownership.
Deadline: first half of 2024
Competent institution: Government
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.3.:** Establishment of effective monitoring of the application of the programmed.
Deadline: second half of 2024, continuous
Competent institution: Government
Status: **Deadline for implementation is not due.**

Problem 3: Inadequate legal framework for the operation of state-owned and ULGs-owned enterprises.

- **Measure 1:** Establishment of a single legal framework for the operation of trading companies in dominant ownership of the state and PE established by the Government and local self-government.
 - ✓ **Activity 1.1.:** Comparative analysis of the legislation with the countries of the region and EU member states aimed at detecting good solutions.
Deadline: second half of 2022
Competent institution: ME.
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** Adopt a single law that will regulate the operation of these categories of legal entities.
Deadline: first half of 2023
Competent institution: ME.
Status: **Deadline for implementation is not due.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities specified in the Action Plan of the Strategy for 2021 for the economy and business sector is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	ME	First half of 2022	/
2.	P2.M1A1.1.	SCPC	Second half of 2023	/
3.	P2.M1A1.2.	Government	First half of 2024	/
4.	P2.M1A1.3.	Government	Second half of 2024-continuous	/

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5.	P3.M1A1.1.	ME	Second half of 2022	/
6.	P3.M1A1.2.	ME	First half of 2023	/

As can be seen from the Action Plan of the Strategy for the sector of public enterprises and joint-stock companies in state ownership and ownership of local government units for 2021, no activity has been foreseen.

16. SECTOR - MEDIA AND CIVIL SOCIETY

16.1. Description of the Media and Civil Society Sector

The media sector covers the electronic, print and online media in the Republic of North Macedonia. Most of the media are regulated by the Law on Audio and Audiovisual Media Services and the Law on Media. An independent body that controls the work of electronic media (television and radio) is the Agency for Audio and Audiovisual and Media Services. The legislation regulates almost all important matters in this sphere, with the exception of online media, which are not recognized as media and there is no legislation to keep records and regulate them.

The media and civil society organizations are important stakeholders in society with an impact on the public opinion, and at the same time are beneficiaries of public finances, which can generate a risk of corruption, especially with regard to insufficiently and precisely defined rules of provided funding by the public sector.

The National Strategy in the media and civil society sector identifies 3 problems and 5 measures and 8 activities which are the responsibility of the Government, the ME and the SCPC.

- Government
- MIOA
- MoJ
- MoF
- AJM
- CME and
- Chamber of commerce of Macedonia.

16.2. Degree of implementation of the activities of the Strategy

In the media and civil society sector, the situation with the implementation of the activities of the National Strategy is as follows:

Problem 1: Insufficient transparency of public sector institutions for cooperation with media, internet portals, marketing agencies and media workers.

- **Measure 1:** Establishing an obligation for public sector institutions to submit reports on contracts concluded and implemented with media, internet portals, marketing agencies and media workers.
- ✓ **Activity 1.1.:** Amendments to the Law on the AAVMS regarding the establishment of an obligation for public sector institutions and ULGs to provide public reports on

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concluded and implemented agreements of any kind with media, internet portals, marketing agencies and media workers.

Deadline: first half of 2022

Competent institution: MIOA

Status: **Deadline for implementation is not due.**

- **Measure 2:** Improve the criteria for granting state aid to the print media.
 - ✓ **Activity 2.1.:** Analysis of the existing criteria for granting state aid.
Deadline: first half of 2022
Competent institution: Government
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 2.2.:** Amendment of the decision on the programme for support of print media and distribution of the print media.
Deadline: second half of 2022
Competent institution: Government
Status: **Deadline for implementation is not due.**

Problem 2: Strengthening of self-regulation in relation to online media.

- **Measure 1:** Strengthening of self-regulation in relation to online media.
 - ✓ **Activity 1.1.:** Analysis of the situation in online media in terms of professionalism and integrity in their operations.
Deadline: second half of 2021
Competent institution: AJM
Status: **In progress.**
 - ✓ **Activity 1.2.:** Establish mechanisms to strengthen the self-regulation of online media.
Deadline: second half of 2021
Competent institution: AJM
Status: **Implemented.**
This activity was implemented through affirmation of the members entered in the Register of professional online media, exclusion of those who violate the membership criteria, organizing events/campaigns for promotion of self-regulation, educational events for the media, etc.
- **Measure 2:** Upgrading the register of professional online media.
 - ✓ **Activity 2.1.:** Adoption and application of positive international practices for upgrading the register of professional online media.
Deadline: second half of 2021, continuous
Competent institution: AJM
Status: **Implemented.**
Data on professional online media is available on the website www.promedia.mk. Currently, the Registry consists of 101 online media outlets, which publish content in several languages. To become part of the Register, the following main criteria should be met by the online media: transparent ownership, published impresum, observance of the standards of the Journalists' Code, the Charter for Ethical Reporting for Elections and the Statute of the CME, all published texts need to be signed by the author, and if undertaken by other media the author should be notified and marked, in accordance with the Law on Copyright Protection. According to the submitted report, one of the positive international practices for upgrading the register of professional online media refers to the established cooperation with social media in order to affirm the media that belong to the Register of professional online media. The activity is implemented on continuous basis.

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Problem 3: Strengthening the transparency of institutions in their plans to provide funding for CSOs as well as the accountability of the implementation.

- **Measure 1:** Strengthening the transparency of the institutions in their plans for providing funding to civil society organizations as well as accountability for the implementation and effects of projects.
 - ✓ **Activity 1.1.:** Amendment of the Law on Associations and Foundations with a view to prescribing an obligation to establish a single database with information on the allocated funds and the project effects of all civil society organizations receiving funds from public institutions and ULGs.
Deadline: first half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**
 - ✓ **Activity 1.2.:** Amendment of the Law on Associations and Foundations aimed at prescribing the obligation for public institutions and ULGs to regularly update the single database.
Deadline: first half of 2022
Competent institution: MoJ
Status: **Deadline for implementation is not due.**

Based on the data obtained, and the analyses made, the situation with the implementation of the activities specified the Action Plan of the Strategy for 2021 for the media and civil society sector is as follows:

Ord. No.	Activity	Responsible institution	Deadline	Status
1.	P1.M1A1.1.	MIOA	2022	/
2.	P1.M2A2.1.	Government	2022	/
3.	P1.M2A2.2.	Government	2022	/
4.	P2.M1A1.1.	AJM and CME	2021	In progress
5.	P2.M1A1.2.	AJM and CME	2021	Implemented
6.	P2.M2A2.1.	AJM and CME	2021 and continued	Implemented
7.	P3.M1A1.1.	MoJ	2022	/
8.	P3.M1A1.2.	MoJ	2022	/

16.3. Summary for the respective area

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Institution	Total activities in 2021	Implemented	Unimplemented	In progress
AJM and CMEs		3	2	0

In the media and civil society sector, there are no additional recommendations.