



ANNUAL REPORT

ON

**THE WORK OF THE STATE COMMISSION FOR PREVENTION
OF CORRUPTION**

for

2021

Skopje, March 2022

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Summary

This report reflects on the work of the State Commission for Prevention of Corruption during 2021.

The State Commission for Prevention of Corruption is an independent institution established by the Assembly of the Republic of North Macedonia, which exercises its powers in accordance with the Law on Prevention of Corruption and Conflict of Interest.

The State Commission for Prevention of Corruption overcame the inherited problems with the inadequate spatial and technical conditions in 2021, when it was assigned new premises by the Government of the Republic of North Macedonia. This created conditions and enabled installation of the computer equipment provided by the European Commission, which had remained unused for a long time. Also, during 2021, the SCPC started increasing the number of its staff and thus strengthening its capacities.

During 2021, citizens' reports on unlawful practices and irregularities in the work of official persons continued. As a result, the State Commission received 720 reports from citizens of suspected corrupt behavior, abuse of public office and conflict of interest; it established 84 cases at its own initiative and initiated 710 misdemeanor proceedings for untimely submission of declarations of assets and interests. The SCPC took 675 decisions with regard to:

- Corruption - 390;
- Conflict of interest - 152;
- Non-compliance with prohibitions during electoral processes - 41 -;
- Verification of data from declarations of assets and interests - 92 and
- Issued 85 opinions on requests for potential conflicts of interest.

Acting on its other competences, the State Commission:

- Conducted campaigns for awareness-raising and building a system of integrity;
- Started integrity education with target groups;
- Held public debates on a series of laws from different areas in which a number of corruption risks were identified;
- Started creating more software solutions for greater efficiency in its operations;
- Adopted internal acts for selection and processing of reports.

Due to the prolonged risk of the Corona-19 virus, in 2021 the State Commission for Prevention of Corruption continued the practice of decision-making at online sessions which were regularly attended by the media.

1. Introduction

In order to fulfill the competences under Article 19 of the Law on Prevention of Corruption and Conflict of Interest (hereinafter referred to as the Law on Prevention of Corruption), the State Commission for Prevention of Corruption (hereinafter: the SCPC) prepared this Report on its work during 2021. The report is submitted to the Assembly of the Republic of North Macedonia and presented to the President of the Republic of North Macedonia, the Government of the Republic of North Macedonia, as well as to the public media.

During this year also, under conditions of health crisis, the SCPC exercised its competences by holding regular sessions, taking regular action on cases and on submitted reports, actively monitoring the Local Elections – 2021 including the activities of the contestants, holding on-line meetings with representatives of state institutions, associations, civil society organization and international institutions aimed at promoting and implementing measures and activities directed at preventing and strengthening the fight against corruption.

In 2021, the SCPC overcame the problems with the lack of adequate working conditions: it resolved the issue of office space and since June 2021 has been working in new offices, which has ensured maximum working conditions; the donated computer equipment from the European Commission has finally become fully functional. Also, during 2021, the SCPC increased its human capacities with 12 people through new hires and takeovers, and it strengthened the management structure in the Secretariat with a number of promotions from within.

In addition to its regular action and decision-making on submitted reports in relation to corruption and conflict of interest, the SCPC devoted itself to educating and raising awareness about the importance of fighting corruption through implementation of projects and organizing public debates on current topics. At the same time, the legislation analyses prepared in various fields resulted in identification of corruption risks. The analyses were submitted to the competent institutions in order to overcome the detected risks upon adoption of new legal solutions.

This year, as in the previous two, the SCPC monitored the activities of political parties and other contestants during the election campaign of the Local Elections-2021, which resulted in a Special Report on the identified abuses in the financing of the election campaign for the Local Elections-2021.

These and other activities that were carried out in the course of 2021 constitute the path along which the SCPC pursues its

Mission: "The SCPC practices and encourages consistent application of laws; normative and institutional strengthening; creates anti-corruption policies; issues preventive and repressive measures that affect the prevention of corruption and conflict of interest in the exercise of power and public authority, official duty and policy; promotes the rule of law and good governance, and develops a legal culture"; and in terms of fulfilling its

Vision: "Establishment a of functional and effective system for prevention and repression of corruption and conflict of interest."

2. Status, Leadership, Competence and Organizational Structure

2.1. Legal Framework

The Law on Prevention of Corruption and Conflict of Interest (hereinafter referred to as the LPCCI), which has been in force since January 2019, has increased the competences of the SCPC and strengthened its institutional importance.

According to the LPCCI, the State Commission for Prevention of Corruption is independent and autonomous in the performance of the activities specified by the Law and has the capacity of a legal entity. Article 17 of the LPCCI establishes 29 competences which can generally be divided into six segments of functioning as shown in Table 1.

Table 1: Competences of the SCPC

Functions of the SCPC	Competences laid down in Article 17
<p>1. Development of anti-corruption policies and improvement of the anti-corruption climate</p>	<ul style="list-style-type: none"> - Adoption of a national strategy for prevention of corruption and conflict of interest, with an action plan for its implementation (item 1). - Conducting anti-corruption review of laws, bylaws and other general acts, in accordance with the SCPC own Methodology (item 2). - Cooperation with associations, foundations, scientific institutions and the private sector regarding the prevention of corruption and conflicts of interest (item 16). - Preparation of analyses on corruption risks in different sectors (item 17). - Taking action aimed at strengthening personal and institutional integrity (item 18). - Conducting public opinion surveys to evaluate its operation and the corruption situation (item 23). - Regular informing of the public about its work (item 28). - Taking action in the area of education and awareness-raising about corruption and conflict of interest (item 19).
<p>2. Continuous monitoring and verification of declarations of assets and interests of elected and appointed persons, financing of political parties and election campaigns and maintaining appropriate registers</p>	<ul style="list-style-type: none"> o Monitoring the legality of election campaign financing (item 7). o Monitoring the legality of the financing of political parties (item 6). o Recording and monitoring the assets and interests of the persons covered by the law (item 10). o Prescribing a form for the declarations of assets and interests (item 11). o Verification of the data contained in the declarations of assets and interests (item 12). o Cooperation with state authorities in the provision of required information (item 13). o Keeping a register of elected and appointed persons (item 20). o Preparing a gift catalogue based on the data received in accordance with Article 58 of the LPCCI and publication of the catalogue on its website (item 22).
<p>3. Instigating initiatives before other competent authorities, identifying situations of conflict of interest, misdemeanor proceedings</p>	<ul style="list-style-type: none"> o Acting on reports from natural and legal persons for suspected corruption and conflict of interest (item 3). o Instigating initiatives before competent authorities for determining liability of official persons (item 4).

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	<ul style="list-style-type: none"> ○ Instigating initiatives for criminal prosecution in cases on which it takes action (item 5). ○ Instigating initiatives based on the reports of the State Audit Office (item 8). ○ Conducting misdemeanor proceedings for the offences set out in Articles 100 - 113 of the LPCCI (Article 114, para. 2)
4. Cooperation with state authorities, domestic and international bodies and organizations	<ul style="list-style-type: none"> ○ Cooperation with state bodies in the provision of information (item 13). ○ Cooperation with national bodies of other countries, as well as with international organizations in the field of prevention of corruption (item 14). ○ Exchange of information with competent bodies of other states and international organizations, based on the commitments undertaken under international agreements ratified in accordance with the Constitution (item 15). ○ Cooperation with associations, foundations, scientific institutions and the private sector regarding the prevention of corruption and conflict of interest (item 16).
5. Education and awareness-raising on corruption and conflict of interest	<ul style="list-style-type: none"> ○ Taking action in the area of education and awareness-raising on corruption and conflict of interest (item 19).
6. Ensuring its own uninterrupted operation	<ul style="list-style-type: none"> ○ Adoption of an annual work program (item 24). ○ Adoption of a code of ethics for the members and the Secretariat (item 25). ○ Adoption of Rules of Procedure (item 26). ○ Adoption of acts on the internal organization and systematization of work positions within the Secretariat (item 27).

The SCPC has additional competences assigned under other laws such as the Law on Protection of Whistleblowers (Official Gazette no. 196/15 and 35/18), the Law on Lobbying (Official Gazette no.106/08 and 135/11) and the Electoral Code (Official Gazette no. 40/06...215/21).

2.2. Mandate and Status of the President and the Members

The State Commission is composed of a President and six members with a status of appointed persons. The President and the members of the SCPC are elected through a public call published by the Assembly following the procedure established by the LPCCI that ensures transparency and public participation in the election of the members.

The President and members of the SCPC are appointed by the Assembly of the Republic of North Macedonia for a period of five years, without the right to re-election. The Vice-President of the SCPS is elected from among the members of the Commission by a majority vote following the principle of rotation on six-month basis. The President and the members of the SCPC perform their functions in a professional manner and on full-time basis. The Assembly of the Republic of North Macedonia may dismiss the President and the members of the SCPC at the proposal of the Committee on Elections and Appointment of the Assembly, in the event that a condition for dismissal set out in the LPCCI is met.

The current composition of the Commission was elected on 8 February, 2019 by a Decision of the Assembly of the Republic of North Macedonia for appointment of the President and the members of the SCPC.

2.3. The SCPC Secretariat

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The SCPC Secretariat is an expert office that performs the administrative tasks within the competence of the Commission.

The employees of the Secretariat have the status of administrative officers managed by a Secretary-General elected by the SCPC by a majority vote.

Based on the performed functional analysis and assessment of the required organizational setup and human resources for the fulfillment of its legal competences, in August 2020, the SCPC adopted the Internal Rules and Regulations of the SCPC Secretariat and the Rules for Systematization of Work Positions in the SCPC Secretariat. They are publicly available on the SCPC website.

Under the internal organization and systematization acts, the employees of the Secretariat are organized in the following organizational forms:

1. Secretary-General
2. State Adviser on Preventive Anti-Corruption Policies
3. State Adviser on the implementation of measures and activities for prevention of corruption and conflict of interest
4. STRATEGIC PLANNING AND INTEGRITY SECTOR with two units:
 - Unit for Strategic Planning, Cooperation, Projects, Analytics and Education;
 - Unit for Anti-Corruption Review of Legislation
5. SECTOR FOR PREVENTION OF CORRUPTION, with the following units:
 - Unit for Prevention of Corruption;
 - Unit for Monitoring the Financing of Political Parties, Election Campaigns and Corruption in Public Procurement.
6. SECTOR FOR PREVENTING CONFLICTS OF INTEREST, MONITORING THE ASSETS STATUS AND INTERESTS AND LOBBYING, with the following units:
 - Unit for Prevention of Conflict of Interests and Lobbying;
 - Unit for Monitoring the Assets Status and Interests.
7. SECTOR FOR IT SUPPORT, GENERAL AFFAIRS, SESSIONS AND PUBLIC RELATIONS, with the following units:
 - Unit for IT Support and General Affairs;
 - Unit for Sessions and Public Relations.

As stand-alone organizational units that are directly accountable to the Secretary-General, the following are established:

- Unit for Financial Affairs and
- Unit for Human Resources Management.

Table 2 shows the human resources structure of the SCPC in terms of the planned number of employees and the current state of occupancy by job, level of education, gender and ethnicity.

Table 2: Human resources structure in the SCPC

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Type of administrative officers	Planned	Number of employees	High education	Secondary education	Men	Women	Macedonians	Albanians	Vlachs	Serbs	Others
Secretary-General	1	1	1			1	1				
State Advisers	2	2	2			2	2				
Managing Administrative Officer	15	7	7		1	6	6				1
Expert Administrative Officer	42	22	22		11	11	13	7	1	1	
Auxiliary Expert Administrative Officer	4	2		2	1	1	1	1			
Total	64	34	32	2	13	21	23	8	1	1	1

Of the administrative officers with completed higher education, 12 employees hold the title of Master of Science, while one is a Doctor of Science.

In 2021, the number of employees increased, so that out of the 64 work positions provided for by the systematization, 34 i.e. 53% were filled, which represents improvement in the human resources situation compared to 2020 when the percentage of filled positions was 38% (60 systematized work positions and 23 filled).

The improvement in the human resources situation is due to the filling of the managerial positions through the process of promotion, new hires and takeover of administrative servants. Namely:

- In March 2021, six administrative officers with multiple years of working experience in the institution and professional expertise were promoted to managerial positions in the SCPC following promotion from within process. The promotion of the existing staff to higher or managerial positions is aimed at effective, efficient and quality management of the day-to-day operations and functioning of the institution.
- Acting in accordance with the provisions of the Law on Takeover of Administrative Officers employed through the K-5 program at the Ministry of Political System and Inter-Community Relations ("Official Gazette of the Republic of North Macedonia" no.302/20) and the Plan for Takeover of Unallocated Administrative Officers employed through the K-5 program adopted at the 40th session of the Government of the Republic of North Macedonia held on 19.01.2021, in March 2021 SCPC took over four administrative officers from the Ministry of Political System and Inter-Community Relations. With the previously adopted Rulebook on Supplementing the Rulebook on Systematization of Work Positions in the Secretariat of the State Commission for Prevention of Corruption, the number of systematized work positions in the Secretariat of the State Commission increased from 60 to 64;
- According to the Annual Employment Plan of the State Commission for Prevention of Corruption for 2021, in June 2021, out of the planned eight, seven administrative officers were employed (six new employments and one existing employee transferred to a higher level position);
- In the second half of 2021, two administrative officers with an employment contract without a public announcement were employed at managerial positions in the Secretariat through permanent takeover.

On 01.07.2021, the employment contract of one administrative officer in the SCPS Secretariat expired due to the person reaching the age of entitlement to old-age pension.

Although the situation with the number of employees in the Secretariat has improved, the fact that only 53% of the work positions are filled contributes to the existence of "bottlenecks" in certain sectors, prolongs the deadline for decision-making and reduces the efficiency of the SCPS operations.

Strengthening the capacities in the SCPC is of utmost importance for ensuring smooth work processes, completion of tasks and competences, as well as for the overall institutional functioning. This is of particular importance for the SCPC due to the fact that the latest European Commission progress report on the Republic of North Macedonia for 2021 finds that some progress has been made in the fight against corruption, highlighting in particular the proactivity of the State Commission, and recommends "that efforts to improve its functioning should continue, in particular by allocating additional funds for employing professional staff."

The SCPC will continue working in 2022 also on strengthening the human resources as one of the basic objectives for its institutional strengthening.

3. Realized Activities Arising from the Legal Competences of the SCPC

3.1. National Strategy for Prevention of Corruption and Conflict of Interest

The process of adoption of the National Strategy started in September 2019 based on corruption risks analysis and a methodology for preparation of the national strategy in an inclusive process involving a number of state bodies, institutions, associations, foundations, the private sector and media. Following the public presentation and adoption, the SCPC submitted, on 17 January 2020, the National Strategy to the Assembly of the Republic of North Macedonia for adoption.

Because of the announced early parliamentary elections - 2020, which, due to the state of emergency caused by the COVID-19 pandemic, were postponed and held on 25.07.2020, the National Strategy was not adopted by the Assembly of the Republic of North Macedonia. For the reason that a number of activities were to start in 2020, due to the emergent circumstances and the slowing down of all processes in the country, the SCPC assessed that before resubmitting the National Strategy to the Assembly of the Republic of North Macedonia for adoption, it was necessary to update it, both in terms of the timelines for its implementation and in terms of the planned activities. After having updated and harmonized the measures, activities and deadlines in consultation with all institutions in charge of the implementation of the measures, at a session held on 11.12.2020, the SCPC adopted the revised National Strategy for Prevention of Corruption and Conflict of Interests together with an Action Plan 2021-2025, which the Assembly of the Republic of North Macedonia adopted at the 32nd session held on 18 April 2021.

For more effective monitoring of the degree of implementation of the activities from the National Strategy 2021-2025, with the support of the EU IPA 2 Project "Promoting Transparency and Accountability of Public Administration in North Macedonia", in the second half of 2021 a software solution – WEB application was developed, which allows coordinators to submit periodic on-line reports on the degree of implementation of the activities for which their institution is responsible in the implementation process. For the implementation of the activities, the SCPC requested and the institutions nominated coordinators in charge of timely submission of data and information on the manner of realization of the assigned activities and their insertion in the software. In November 2021, the coordinators were trained on how to use the WEB application and on the process of submitting reports.

In the period from 15 to 31 December, the evaluation process for the degree of implementation of the activities for 2021 was opened through the Web application, during which the coordinators submitted reports relating to the activities within their competence. Based on the reports submitted by

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the institutions, the degree of implementation of the measures and activities envisaged for 2021 is shown in the Table 3 below.

Table 3: Implementation of the activities envisaged for 2021

No.	Areas/Sectors	Number of proposes			Planned period for realization of activities					Number of activities in 2021		
		Issues	Measures	Activities	2021	2022	2023	2024	2025	Realized	Unrealized	Ongoing
1	Public procurement	2	2	4	3	0	1	0	0	1	2	0
2	Employment	3	8	13	8	4	0	0	0	1	5	2
3	Political system	6	7	8	6	2	0	0	0	1	1	4
4	Judiciary	3	7	14	9	5	0	0	0	7	0	2
5	Law-Enforcement authorities	7	13	21	14	7	2	0	0	2	9	3
6	Health	5	18	26	12	13	1	0	0	1	9	2
7	Education	8	18	34	27	4	0	0	0	6	10	11
8	Labor and social policy	1	5	10	3	5	2	0	0	0	2	1
9	Urbanisam and spacial planning	1	1	1	0	1	0	0	0	0	0	0
10	Environment	1	1	2	0	2	0	0	0	0	0	0
11	Agriculture	5	9	16	11	5	0	0	0	0	10	1
12	Sport	2	6	15	7	7	1	0	0	0	6	1
13	Economy and business	4	8	13	8	5	0	0	0	1	5	2
14	PE and JSC	3	3	6	0	2	2	2	0	0	0	0
15	Media and civil society	3	5	8	3	5	0	0	0	2	0	1
	TOTAL	54	111	191	111	67	9	2	0	22	59	30

Figure 1 shows the status of implementation of the recommendations planned to be realized under the National Strategy for 2021.

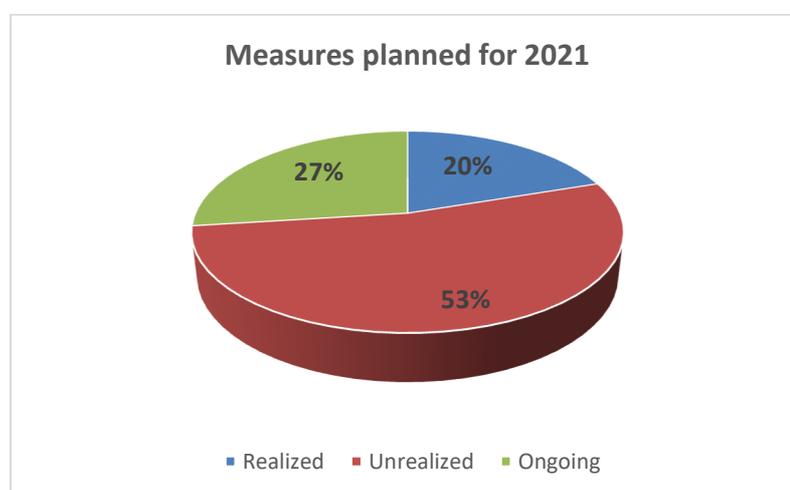


Figure 1

The data speak of a small degree of implementation of the planned activities. But taken into account that in order to overcome the identified problems, most of the activities provide for amendments to the legislation, the reports submitted by the institutions regarding the measures they have undertaken state that there have been changes in the legal solutions, either as amendments or as new legal solutions, and the same have been submitted to the Assembly for review and adoption.

Due to the slowed down functioning of the Assembly of the Republic of North Macedonia, i.e. the delay in the fulfillment of its responsibilities, many of these proposed amendments to the laws are in parliamentary procedure and it is uncertain when and whether they will be adopted.

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The implementation of the measures envisaged by the National Strategy to prevent and combat corruption in the Republic of North Macedonia is only possible with the full functioning of all institutions and the fulfillment of their obligations.

In the period January – February 2022, the SCPC carried out an evaluation of the reports submitted by the competent institutions on the degree of implementation of the National Strategy, based on which an annual report was prepared which, in accordance with Article 18 of the LPCCI, was to be submitted to the Assembly of the Republic of North Macedonia by 31 March.

If the conducted evaluation, analyses and insights indicate the need for changes and amendments, the SCPC will take a decision to amend the National Strategy.

Action on Cases

The competences of the SCPC in terms of verifying and establishing situations related to suspected corrupt behavior, conflict of interest, prevention of corruption in politics, non-reporting of assets and interests, verification of declarations of assets, etc. are based on reports from legal or natural persons, anonymous or known, heard rumor or own initiative, but also on annual plans.

In 2021 also, a number of reports were submitted to SCPC on all grounds shown in Table 4:

Table 4: Cases based on reports received, own initiative and decisions taken

Area of action	Corruption		Conflict of interest		Assets status		Financing of election campaigns		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Reports received	583	406	89	80	-	32	48	32	720	550
Own initiative	16	12	17	6	45	83	6	1	84	/02
Number of decisions taken	390	378	152	157	92	38	41	33	675	606

The data for 2021 indicate that, as in 2020, the highest number of the filed reports contain allegations of suspected corrupt behavior of official persons (Chart 2). Moreover, the SCPC issued 85 opinions on filed reports pursuant to Article 72 paragraph 3 of the LPCCI, i.e. issuing opinions in cases of potential conflict of interest.

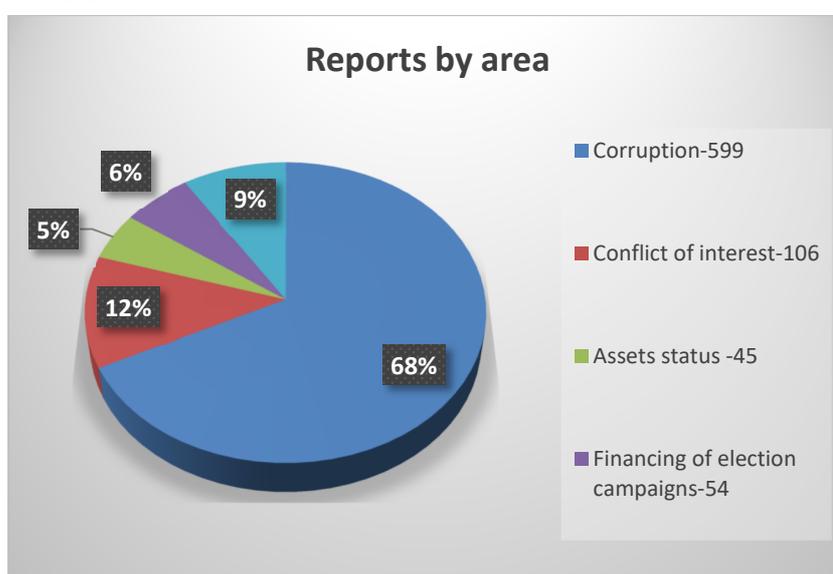


Figure 2

During 2021, the SCPC held a total of 13 on-line sessions at which broadcasters and other electronic media were allowed direct access.

Article 22 of the LPCCI: Sessions of the Commission:

- (1) The State Commission takes the decisions within its competence at sessions chaired by the President of the State Commission, and by a majority vote of the total composition of the State Commission.
- (3) The sessions of the State Commission are public.
- (4) Notwithstanding paragraph (4) of this Article, the public may be excluded from cases containing classified information and data that are protected by law.

At the sessions, 675 decisions were taken, broken down by area of competence of the SCPC in Figure 3.

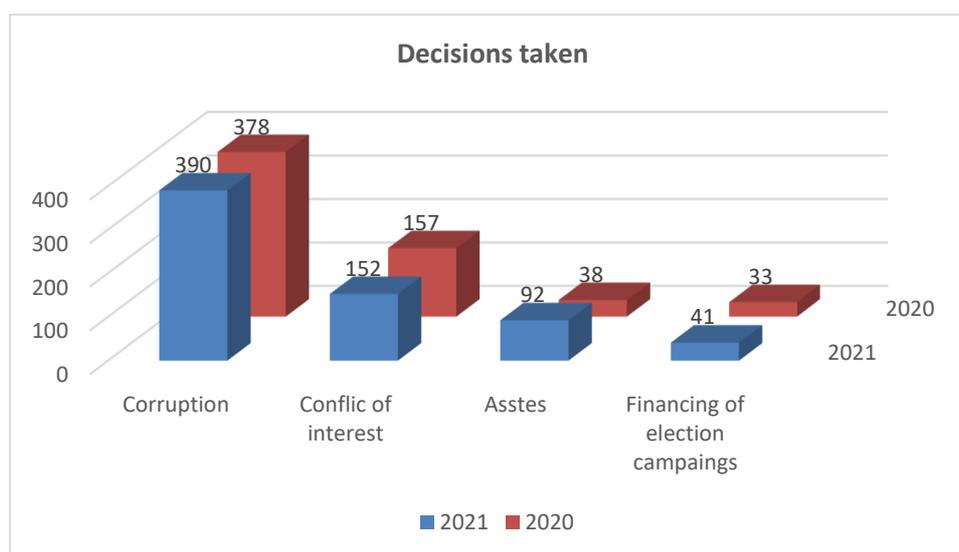


Figure 3: Decisions taken by area of competence

Article 17 of the LPCCI: SCPC has the following competences:

- item 4: instigates initiatives before competent authorities to start proceedings for determining liability of official persons;
- item 5: instigates initiatives for criminal prosecution in cases in which it acts

Within its specified competences, and arising from action taken on cases, the SCPC also instigated initiatives for proceedings before other competent authorities. The status of the submitted initiatives and institutions' actions upon the same is shown in Table 5.

Table 5

It must be noted that after several initiatives filed to the Basic PPO and the Government, although no appropriate actions have been taken, the issues have been resolved due to other circumstances. Namely, due to the death of an official person, the Basic Public Prosecutor's Office stopped an investigation arising from an initiative filed by the SCPS. For established situations of conflict of interest for which the SCPC filed initiatives for dismissal of the persons responsible, the Government did not take specific measures, but the issues was resolved because the above mentioned persons' mandate expired in the meantime and they were not re-elected.

For the SCPC decisions with regard to which affected parties filed lawsuits before the Administrative Court, the SCPC acted in accordance with the provided indications.

3.2. Taking action on Cases of Suspected Corruption

Corruption is misuses of office, public authorization, official duty or position for the purpose of gaining benefit, directly or through an intermediary, for oneself or for another

Starting from the definition laid down in the Law on Corruption, the State Commission has a special role in preventing and combating corruption by implementing its competences in terms of detecting the occurrences and cases of corruption, their proper processing by means of application of the available preventive and repressive legal mechanisms, in order to improve the normative environment in the country, to strengthen the institutional cooperation, to increase public awareness of the importance of the prevention and combating of corruption and its recognition, and to involve all actors in society in overcoming this social scourge.

The SCPC opens and takes action on cases of suspected corruption at its own initiative and based on information received from the media (heard rumor) or reports from citizens, legal entities and civil society organizations. In accordance with Article 23 of the LPCCI, in order to fully establish the factual situation, the SCPC requests data and information from competent institutions, legal and natural persons, whereby the responsible person in the competent institution or an authorized person thereof is required to take all measures and activities for provision of the requested information within 15 days from the date of receipt of the SCPC's request. The legal provisions that stipulate high fines for responsible persons in institutions, or for persons authorized by them, for failure to submit or for untimely submission of the requested documentation¹, allowed the SCPC to acquire relevant and supporting documentation for establishing the factual situation in a timely manner, confirming the merits or rejecting the allegations contained in the reports and taking specific actions, i.e. instigating initiatives for action to competent authorities or issuing recommendations and indications to the competent state institutions.

In 2021, as in the previous years, the SCPC received a number of reports of suspected corruption or illicit actions of official and responsible persons in the public sector. An overview of all received reports is shown in Table 6.

¹Article 100 "A fine in the amount of 200 to 400 euros in denar counter value shall be imposed on the responsible person in the competent institution or on by him authorized person who will not take all measures and actions for submission of the requested information by the State Commission and will not submit the same to the Commission within 15 days from the date of receipt of the request"

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Table 6: Overview of reports received and cases formed

Cases formed	Number of recorded cases		
	2021	2020	2019
Own initiative	16	12	23
Reports by citizens	583	406	687
Total:	599	418	710

Regarding the action taken on these reports, the SCPC took decisions on 390 cases shown in Table 7.

Table 7: Overview of action taken on cases

Action taken by the SCPC	2021	2020
Number of cases resolved	404	378
Conclusions <i>on merging of cases (same allegations); referred to action in another organizational unit</i>	14	-
Decisions taken	390	378
○ <i>Rejected reports – no competence or insufficient elements for action</i>	162	116
○ <i>The report is referred to other competent authorities</i>	6	6
○ <i>Stopped proceedings – allegations not confirmed</i>	222	256
Cases on which specific measures have been taken	12	13
Initiatives submitted to Basic PPO	7	2
- <i>Accepted initiatives</i>	-	-
- <i>Rejected initiatives</i>	-	1
- <i>Proceedings are ongoing</i>	7	1
Initiative to competent institutions for determining liability of managerial and official persons	5	11
➤ <i>Accepted initiatives</i>	1	4
➤ <i>Rejected Initiatives</i>	2	4
➤ <i>Action by institutions in progress</i>	2	3
Other initiatives arising from other cases		
- <i>Evaluation of initiatives</i>	1	2
Recommendations for taking specific measures submitted to institutions	3	3
Indications provided	2	-

Decisions to reject reports due to non-competence of the SCPC are mostly related to reports regarding court decisions issued by both the lower and higher courts. In such cases, the allegations most often have to do with dissatisfaction with the decisions issued: a fine, remarks on the conduct of the process itself for proceedings still pending before other higher courts without indications of corrupt practices. The SCPC has no competence to assess whether court proceedings are conducted in accordance with the substantive and procedural laws and whether the court decision was made on the basis of material evidence. Some of these reports are submitted by the SCPC to the Judicial Council of the Republic of North Macedonia in cases of suspected judicial misconduct.

The number of decisions to stop proceedings – 222 are the result of the action taken by SCPC on reports for which the appropriate institutions have provided the necessary evidence to establish the factual situation against the allegations. After analysis of the documents collected, the SCPC stopped

its proceedings in relation to some of the reports due to unconfirmed allegations. For the remaining reports, the SCPC was in no position to take measures to stop the practice, sanction the responsible persons, or initiate proceedings before the competent courts primarily due to the provisions of the substantive laws. Corruptive practices, similarly to previous years, were recognized in the areas of employment in the public sector, urbanism and spatial planning: construction of buildings against detailed urban plans that were not consolidated with the general urban plans, non-implementation of measures for demolition of illegally constructed buildings, lack of criteria in the allocation of certain budget funds, disposal of state property.

During 2021, the SCPC had excellent cooperation with all inspection services, and depending on their competence, the SCPC requested and the inspectorates performed inspections and submitted minutes on their findings following specific reports. Based on these minutes, the SCPC made decisions on a number of reports. However, the minutes also noted situations in which the Commission was non-competent to intervene due to the gaps in the substantive laws.

Initiatives submitted to the Basic Public Prosecutor's Office

With a view to acting in line with its competence to initiate criminal proceedings based on provided evidence of grounds for a suspected crime, the SCPC submitted initiatives to the competent public prosecutor's offices for seven of its cases. The grounds for submitting these initiatives, the implemented activities and the response of the competent prosecutor's offices are shown in **Appendix 1** to this Report.

Initiatives submitted to the competent institutions for determining liability of managerial staff and official persons

The SCPC submitted initiatives to the competent authorities for initiation of proceedings for determining liability of official persons based on secured evidence in five of its cases. The grounds for submitting these initiatives, the implemented activities and the response of the competent institutions are shown in **Appendix 2** to this Report.

Other initiatives arising from cases

Regarding the case of the alleged misconduct of the Director of the Agency for Audio and Audiovisual Media Services during the establishment of SIZ - Committee for Audience Measurement in the Republic of Macedonia, the SCPC submitted to the Constitutional Court of the Republic of North Macedonia an initiative for evaluation of the constitutionality and legality of the Guidelines on the Methods of Audience Measurement for the program services of broadcasters in the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" no. 198/2014 and 219/2015). After examining the Guidelines on the Methods of Audience Measurement for the program services of broadcasters in the Republic of Macedonia, the SCPC found that it violated the provisions of Article 8 paragraph 1 indent 3 and indent 7, Article 51 and Article 55 of the Constitution of the Republic of North Macedonia, as well as Articles 4, 5, 6, 37 paragraphs 5 and Article 39 paragraph 2 indent 9 of the Law on Audio and Audiovisual Media Services ("Official Gazette of the Republic of Macedonia" no. 184/13, 13/14, 44/14, 101/14, 132/14, 142/16, 132/17, 168/18, 248/18 and 27/19 and "Official Gazette of the Republic of North Macedonia" no. 42/20 and 77/21).

The SCPC submitted an initiative for evaluating the constitutionality with a special proposal for issuing an interim measure to the Constitutional Court of the Republic of North Macedonia for the Proposal of the Law on Determining Public Interest and Nominating a Strategic Partner for the Implementation of the Project for Construction of the Infrastructure Corridor 8, in respect of which the Constitutional Court did not initiate a proceeding for evaluating the constitutionality of this proposal.

Recommendations and indications provided

Acting on three specific cases, the SCPC identified situations that might pose a risk of corruption, violation of the principles of good governance, the rule of law and the personal and institutional integrity and the reputation of institutions in the exercise of public authority. In order to secure the public trust in the performance of public functions and in the work of the public institutions, i.e. to ensure impartial and honest conduct of official and responsible persons in institutions, the SCPC gave recommendations and indications to the competent institutions to take specific action in order to overcome the identified situations:

A recommendation was made to the Ministry of Information Society and Administration of the Republic of North Macedonia for abolition of the so-called "balancer" in the employment of civil servants and administrative officers, because the SCPC located a legal gap in the "balancer" in terms of the absence of a legal mechanism for sanctioning the obvious abuses in the expression of nationality by potential new employees.

Acting on a case formed at SPCP own initiative of suspected misuse in the process of issuing and using vouchers by national sports federations, sports clubs, athletes and other legal entities, as well as of suspected illegal actions taken by persons involved in the procedure for allocation of vouchers in sports, the SCPC made recommendations for overcoming the identified risks and irregularities to:

- The State Audit Office, including a request for a financial audit of the Agency for Youth and Sports and an extended audit of the national sports federations that had received the largest amount of funds in vouchers;
- The Agency for Youth and Sports: to prescribe the form and content of the Reports on the National Sports Federations and Legal Entities; the form and content of the report of the Agency for Youth and Sports on the use of vouchers and other funds used for sport financing, which will be submitted to the Government and the Ministry of Finance; from within the Agency's staff, to authorize civil servants holding a license to carry out inspection/supervision in relation to the implementation of the legal solutions for allocation of vouchers;
- The Ministry of Justice and the Agency for Youth and Sports: to review the system of financing by means of vouchers in order to find a legal solution that will strengthen the criteria for ranking beneficiaries of funds and to allocate funds based on an agreement with the Agency and a work plan and program presented by beneficiaries; to carry out appropriate inspection supervision over the operations of the Central Commission for evaluation of the proposal-list for the last two years; to review the legal solution regarding the election of members of the Central Commission for evaluation of the proposal-list.

An indication was provided to the Ombudsman of the Republic of North Macedonia on the fulfillment of the obligations arising from the Law on Whistleblowers with regard to protected internal reporting to appoint a person for receipt of reports from whistleblowers in this institution, as well as on the fulfillment of other legal obligations arising from the findings from the inspection supervision performed by the labor and administrative inspectorate.

3.3. Taking Action on Cases of Conflict of Interest

Article 72 of the LPCCI

- (1) *Every official person shall be obliged, in the performance of his/her duties, to take care of a potential conflict of interest and to take measures to avoid it.*
- (2) *In case of a suspected conflict of interest, the official person shall be obliged to take all necessary measures to prevent the influence of his/her private interest or the private interest of another person on the exercise of his authorizations and duties and to notify his/her superior thereof.*

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The increased public sensibility to this issue has contributed to an increased number of reports of all forms of conflict of the public and private interest, which is most pronounced in public sector employment in the form of nepotism, cronyism, clientelism, political and party influence. Table 8 gives an overview of received reports with allegations of existence of conflicts of interest in the last three years.

Table 8: Reports received and cases recorded

Cases formed	Number of recorded cases		
	2021	2020	2019
Own initiative	17	6	66
Reports by citizens	89	80	364
Total:	106	86	430

Regarding action taken on reports of conflicts of interest, the SCPC has taken decisions on 152 cases shown in Table 9.

Table 9: Action taken regarding conflict of interest

Action taken by the SCPC	2021	2020
Cases with allegations of conflict of interest	106	86
Decisions taken	152	157
Established conflict of interest	-	8
- Action taken on the SCPC recommendations for removal of conflicts of interest	-	6
- Action of persons is ongoing	-	2
Submitted initiatives for liability of official persons due to the existence of a conflict of interest	2	7
- Accepted initiatives	1	4
- Action by institutions is ongoing	1	3
Submitted initiatives for dismissal of official persons due to the existence of a conflict of interest	-	2
- Accepted initiatives	-	1
- Action by institutions is ongoing	-	1
Indications provided to other institutions for action based on confirmed allegations of a conflict of interest	-	6
Submitted initiatives for criminal proceedings against responsible official persons	1	-
- Accepted initiatives	-	-
- Rejected initiatives	1	-
Public reprimand issued	1	-
Submitted misdemeanor payment orders for non-action after established practices of conflict of interest	32	20
Submitted request for misdemeanor proceedings for default on payment orders	4	5
Submitted opinion requests	85	47

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The continuous indications of the SCPC that official persons in the performance of their duties must take care of conflicts of interest and avoid such situations are the reason for the increased number of opinion requests submitted to the SCPC in 2021-85. This suggests that the perception among official persons of a potential conflict of interest in certain proceedings has increased and they have used the opportunity provided for in Article 72 paragraph 3 to submit an opinion request to the SCPC. The SCPC issued opinions on all 85 requests received.

Initiatives to initiate proceedings before competent authorities against persons due to existence of a conflict of interest

The cases handled by the SCPC in the area of conflict of interest mostly concerned the existence of a conflict between the public and private interests of an elected and appointed person participating in an employment procedure of close persons, without taking into account the prohibitions and exemption obligations provided for in Articles 72, 74 and 75 of the LPCCI. In two cases, the SCPC identified a conflict of interest and submitted initiatives to competent institutions for determining liability of reported persons. One initiative resulted in action being taken and a disciplinary procedure conducted, while no feedback has been provided on the other initiative.

An initiative was also submitted to initiate criminal proceedings against two responsible official persons - a mayor and a secretary of a municipality because as responsible persons they have taken no action and have put on hold the employment status of an employee who has been elected as a member of the municipal council. The Public Prosecutor's Office in Skopje took a decision to reject this initiative for criminal proceedings because the reported acts did not constitute crimes that were prosecuted *ex officio*.

The initiatives and institutions' actions on the same are shown in **Appendix 3**.

SCPC imposed a public reprimand measure on a president of a municipal council for his failure to act in accordance with Article 77 paragraph 1 of the Law on Prevention of Corruption and Conflict of Interest. Namely, he did not remove the situation of a conflict of interest in which he found himself i.e. he continued working simultaneously as an attorney and as president of the municipal council, which is contrary to Article 44 paragraph 1 of the Law in connection with Article 20 and Article 24 paragraph 1 of the Attorney's Law. The public reprimand was published on the SCPC website and in public media.

Verification of declarations of conflict of interest

The SPSC has an exclusive competence to record, monitor and verify declarations of assets and interests. According to the LPCCI, every elected or appointed person, responsible person in a public enterprise, public institution or other legal entity that disposes of state capital, is obligated, no later than 30 days from the date of election, nomination, appointment or employment, to submit a declaration of assets and interests to the SCPC. The declaration of interests for the person and the members of his family contains information about employment and membership in management boards, associations and foundations, legal entities established by the elected person or members of his family and other data given in a form – Declaration prescribed by the SCPC.

In 2021, the number of submitted declarations has tripled compared to 2020 which is due to the local elections held, i.e. the election of new mayors and councilors in the local self-government units.

An overview of all submitted declarations of conflict of interest is given in Table 10.

Table 10: Declarations of conflict of interest submitted

Year	2021	2020	2019
Number of submitted declarations	1411	480	849

Removing a situation of conflict of interest

In 2021, out of the 1411 declarations of interests submitted, 376 declarations were verified following a standard verification procedure, which represents 27% of the total number. The standard verification procedure found instances of violation of the prohibitions stipulated in the LPCCI, which resulted in 17 proceedings against official persons being initiated at the Commission's own initiative. The remaining declaration will be verified continuously in the course of 2022.

3.4. Monitoring the legality of the financing of election campaigns

Financing of political parties and election campaigns has always been a sphere of influence, pressure and abuse of position and function in order to gain election victory and win power. Taking into account the irregularities in the elections conducted in previous cycles manifested through influence, pressure, attempted bribery of voters, use of illegal and anonymous sources of funding, misuse of budget funds and other resources of state institutions for party and electoral purposes, the Office for Democratic Institutions and Human Rights of the Organization for Security and Cooperation in Europe (OSCE/ODIHR), for several years now has been issuing recommendations for strengthening the country's institutional capacities for effective monitoring and control over both the electoral process itself and the financing of political parties and election campaigns.

The LPCCI stipulates the following competences, activities and deadlines for action by the SCPC in relation to monitoring of political parties and election campaigns:

Article 31: *In the event of suspected illegal financing of a political party, the SCPC, at its own initiative or at the initiative of state authorities, political parties or associations and foundations that work in the area of prevention of corruption, rule of law or good governance, may take a decision to initiate a procedure for investigating the financing of a political party.*

Article 32: *In the event of suspected illegal financing of an election campaign, the SCPC, at its own initiative or upon a complaint by an election campaign organizer or accredited observers, initiates a procedure for determining the actual situation.*

Article 33: *the SCPC shall be competent to monitor the legality of the use, i.e. the disposal of the budget funds from the day of the announcement until the end of the elections.*

Article 35: *If there is a suspicion that a political party or a candidate in the elections used funds illegally or from anonymous sources, the SCPC will ask the competent authorities to check the source of funds and submit to it a detailed report on the use of the funds.*

In 2021, as in the previous two years, the SCPC monitored the financing of the election campaigns of the contestants in the Local Elections-2021.

As a continuation of the changes to the Electoral Code made immediately before calling elections, this year also changes were adopted by the Assembly of the Republic of North Macedonia.

The SCPC conducted an analysis of all changes to the Electoral Code since the adoption of the basic text published in the Official Gazette of the Republic of Macedonia No. 40/06 of 31.3.2006, until September 2021, and found that 32 interventions were made, of which: 22 amendments, four changes based on decisions of the Constitutional Court, two changes regarding extension of deadlines for holding elections and four instances of nomotechnical corrections made to certain articles. The majority of changes have been made to the provisions regulating the conduct of election campaigns, i.e. the

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provisions on the manner of advertising, financing and reporting - 14 times, and to the provisions defining the election management bodies, the manner of their work, the election of the members of SEC-12 times.

Regarding the analysis of the timing of the changes in the Electoral Code, in terms of the dates on which the elections were called and held, the findings indicate that in the last 10 years, changes were made immediately before the adoption of the decision for calling elections, regardless of the elections in question (parliamentary, presidential or local), while for the last local elections held in 2021, the changes were made 41 days after the adoption of the decision for calling elections by the President of the Assembly of the Republic of North Macedonia.

Reports issued by the OSCE/ODIHR after each electoral process regularly contain a recommendation that changes to the Electoral Code should be made at least six months before the start of the elections, in order to ensure their timely publication, and in order to allow sufficient time for all stakeholders (political parties, state authorities, institutions, broadcasters...) to analyze the obligations, organize themselves and apply the rules accordingly during the electoral process.

As regards the provisions to which the changes made immediately before calling the elections referred, the provisions of Chapter III have almost always been the ones subject to changes. Election management bodies: Articles 17 to 40 - seven times and Chapter IV. Election campaign: Articles 69-a to 87-seven times.

This practice causes insecurity and uncertainty in the election activities of stakeholders and results in public skepticism that political parties, despite their opposing political ideologies, always hold the same position and have a common interest when there is a possibility that such changes would allow for more favorable sources of financing of the election campaign, better positioning and a positive outcome of the elections.

For the changes made in the ten-year period, no public debate has been held regarding the proposed solutions.

In order to strengthen the election process, on 22 September 2021, five days before the start of the electoral campaign, the SCPC organized an on-line public debate on the topic "Local Elections 2021 - Integrity of the Electoral Process and Integrity of Contestants". Aside from the great number of participants, six political parties were also invited to the debate (SDSM, VMRO-DPMNE, The Alliance for the Albanians and Alternative, DPA, Levica and several independent candidates). Representatives of three parties attended via internet connection, but none of them showed interest in participating in the debate.

Following the announcement of the decision to call the Local Elections 2021, the SCPC undertook activities aimed at organizing its minimum resources (human and technical) in order to establish effective monitoring of the legality of the financing of the election campaign:

- Published a Communication on its website explaining the legal restrictions for all state authorities and institutions during the electoral process;
- Updated the register of vehicles of state authorities, local self-government bodies, public enterprises or other legal entities disposing of state capital;
- Published the form: report of suspected illegalities and violations in the electoral process;
- Established cooperation with institutions aimed at faster exchange and verification of data and information related to the financing of the election campaign (Ministry of Labor and Social Policy of the Republic of North Macedonia, Employment Agency, Public Revenue Office, KIBS, SAO);
- With financial support from IFES for field observation of the activities of political parties, 17 observers were engaged, covering about 40 municipalities, including three analysts to select, link, analyze and process data from observers and reports submitted by election campaign participants.

The volume of activities of the SCPC during these elections was increased due to the fact that with Article 33 of the Law on Amendment of the Electoral Code (Official Gazette of the Republic of North

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Macedonia" No. 42/20), Article 83 of the same law concerning changes to the method of financing of the election campaign was amended. Namely, for the first time, in these elections it was allowed for the election campaign be also financed with the funds that the political parties receive from the Budget of the Republic of North Macedonia and are intended for their regular activities. The SCPC carried out additional activities to verify and confirm the amounts used by political parties to finance their election activities. As a result of these inquiries and checks, the SCPC has established the following:

- the parliamentary parties and coalitions led by them finance their election campaign with budgetary funds, i.e. with the funds allocated for paid political advertising and with the funds received from the Budget of the Republic of North Macedonia intended for the parties' regular activities;
- donations from legal and natural persons are the predominant sources of financing of independent candidates, as well as of parties that do not receive sufficient funds from the Budget of the Republic of North Macedonia.

Figure 4 shows the income structure of election campaign participants who have won mayoral and/or councilor seats depending on their sources.

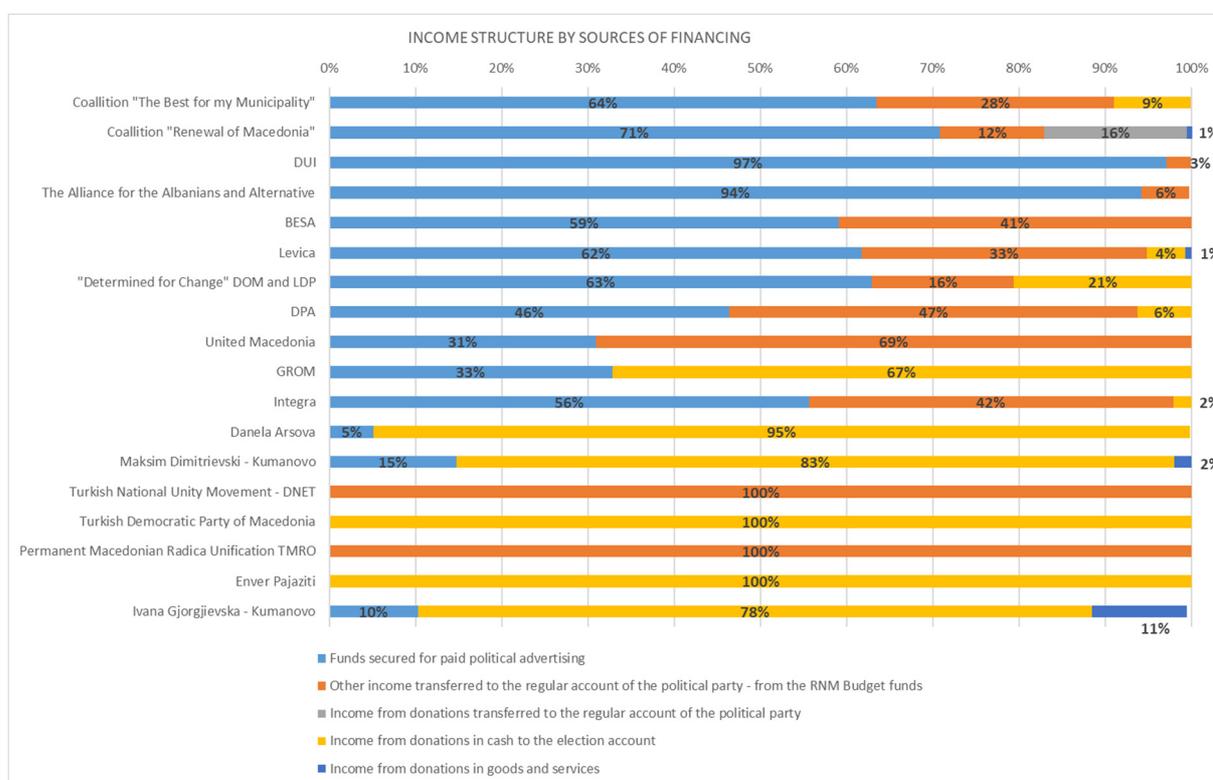


Chart 4

In order to verify the amount of funds secured for financing the election campaign depending on their sources, the SCPC had an obligation to provide information and data on:

- The amount of the received donations and data for legal and natural persons - donors to the account for regular activities for 2020 and 2021, in accordance with the register of donations;
- The funds that the Ministry of Justice has transferred to the accounts for regular activities of political parties, in accordance with Articles 9 and 10 of the Law on Financing of Political Parties;² and
- Data on income and expenditures from the annual financial reports for 2020.

²Official Gazette of the Republic of Macedonia no. 76/2004, 86/2008, 161/2008, 96/2009, 148/2011, 142/2012, 23/2013 and 140/2018 and the "Official Gazette of the Republic of North Macedonia" no. 294/2020). Decision of the Constitutional Court of the Republic of Macedonia U. no. 174/2005 of 8.3.2006, published in the "Official Gazette of the Republic of Macedonia" no. 36/2006.

The SCPC conducted verification of these data by searching the websites of the political parties and examining their annual financial reports, which, in accordance with the Law on Financing of Political Parties, must be published on their websites:

- In 2020, funds for regular activities were approved for 59 parties, and funds were disbursed to 49 parties in the amount of 211,754,305 denars, including the funds for the Political Party Research and Analytical Centers (3,426,445 euros);
- In 2021, funds for regular activities were approved for 57 political parties, and funds were disbursed to 45 parties in the amount of 200,688,157 denars, including the funds for the Political Party Research and Analytical Centers (3,247,381 euros);
- During the Local Elections-2021, 31 political parties had their own website, of which:
 - Seven had fully fulfilled their reporting obligations and had reports on received donations and annual reports published;
 - Three political parties had partially published reports;
 - 18 parties had no reports published; and
 - The website of three political parties were inactive.

These situations indicate that the political parties that fight in each elections to get more representatives in the Assembly, in municipal councils or as mayors, in order to dominate in the disposition of budget funds, policy making, law making or decision-making, are the first ones to fail to comply with the obligations they themselves make and adopt. This shows a high level of non-transparency of political parties to the public. In this way, the public is deprived of the possibility to be informed in a timely manner about the amount of funds political parties have at their disposal, the sources of funds for their activities, and most importantly, what the parties spend the citizens' money on.

The inspection of the published reports on received donations for 2020 and 2021, as well as of the deposited donations directly to the transaction account, has revealed the following information for some of the contestants:

- For an independent candidate for mayor:
 - 11 donors, unemployed persons, deposited 629,800 denars;
 - For 54 payments in the amount of 1.834.895 denars there is no data on the persons who made the payments;
 - 48 donors paid 4,224,450 denars in individual amounts which raises the suspicion that their monthly incomes do not allow for such high deposits;
- For a coalition:
 - 18 donors deposited 1,686,643 denars in individual amounts which raises the suspicion that their monthly incomes do not allow for such deposits;
 - 4 donors, unemployed persons, deposited 244,000 denars;
- One party generated revenue in the amount of 12,000 denars coming from the funds for the Political Party Research and Analytical Centers;
- In the same period, several individuals appear as donors to the regular account of a political party, but also to the election account of a candidate for mayor. The total amount of donations paid is within the legally permitted, but there is reasonable doubt about their financial ability.

Regarding these findings, the SCPC undertook additional activities to verify the credibility of the donor, i.e. whether the donor has a regular employment as a source of donations and whether the donated amounts originate from available funds of the donors and submitted a request to competent institutions for due action. On their part, we were informed that based on their investigation, some of the allegations were confirmed, some were still being verified, and after full verification of the data, an appropriate initiative would be submitted to the Public Prosecutor's Office. The funds for paid political advertising from the Budget of the Republic of North Macedonia spent during the Local Elections-2021 are shown in Table 11.

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Table 11: Allocated funds for paid political advertising in denars

Contestants in the Local Elections 2021	Broadcasters	Internet portals and print media	Total funds paid
	including VAT	including VAT	
Coalition "The Best for My Municipality"	76,263,563	8,208,341	84,471,904
DUI	56,276,583	13,840,386	70,116,969
Coalition "Determined for Change"	68,939,760	18,884,478	87,824,238
The Alliance for the Albanians and Alternative	42,336,498	13,844,611	56,181.109
Coalition "Determined for Change"	4,586,566	503,310	5,089,876
Levica	4,477,449	795,328	5,272,777
DPA	1,036,723	531,260	1,567,983
BESA MOVEMENT	4,915,996	907,999	5,823,995
Total:	258,833,138	57,515,713	316,348,851
3 % funds in accordance with Article 76-e, paragraph 5, indent 4			6,755,109

Based on the verification of the data presented by the campaign participants in their financial reports, as well as of the data from the SEC, we have determined that funds were paid to portals of an association of citizens (zase.mk), which, in accordance with the Law on Associations, are non-profit organizations. Moreover, a payment was made to the portal time.mk, which is not a medium, but a news aggregator. This is due to the fact that there is no regulation in RNM that regulates portals as media, and that there are no established criteria in the Electoral Code, in the absence of lex-specialis, for which media (ownership structure or media format) can be registered for paid political advertising in the SEC. This is a consequence of the unregulated area of advertising via portals in the Electoral Code.

Based on the analysis of the expenditures presented in the reports, we found the following:

- DUI had unpaid liabilities in the amount of 4,031,920 denars; it was stated that the expenses incurred were for advertising, propaganda and bank fees, although their action in the field was visible and observers had evidenced stage installations, use of premises for political party headquarters, advertising via Facebook in the amount of 12,065 euros, which are not listed as expenditures at all;
- Integra has unpaid liabilities in the amount of 457,699 denars;
- The candidate Danela Arsovska had spent 201,405 denars (3.265 euros) of personal funds for Facebook advertising, which are not listed in the financial reports, either as donations or as expenditures. Also, expenses in the amount of 249,502 denars listed in the fourth report are not listed as expenditures in the final report;
- Only a few participants in the campaign had reported locations of political party headquarters.

As for the advertising via Facebook, the findings based on the analysis of published advertisements during the electoral process are shown in Table 12:

Table 12: Advertising via Facebook

Political party	Paid in euros
VMRO	53,998
SDSM - all municipal committees	24,676
BESA	3,990
Alliance and Alternative	4,044
GROM	882
Arben Shaqiri	313
Danela Arsovska	3,265

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Levica	13,292
DUI	12,065
"Determined for Change"	1,846
DPA	727
United Macedonia	2,911
Integra	4,431
Maksim Dimitrievski	6.435

These data were obtained on the basis of the political affiliation of the person designated as payer for the advertisement. The Electoral Code does not regulate the manner of advertising during the election campaign in this area, although in recent years, the Facebook platform has been effectively used as a tool for mass influence over the constituents. The general impression is that the candidates for mayors in the smaller municipalities independently financed their posts, while for the candidates from SDSM and VMRO in the larger municipalities, the cost was borne by the municipal organization.

During the election period, which lasted from 06.08.2021 to 07.11.2021, the SCPC formed 54 cases based on allegations of illegal actions by responsible persons in institutions and violation of Articles 8-a and 8-b, paragraph 1 of the Electoral Code, and the provisions of Article 34 of the LCSSI, of which:

- 3 on the basis of complaints submitted by election campaign organizers;
- 6 were opened at the SCPC own initiative upon a heard rumor from the media; and
- 45 based on reports submitted by known and unknown persons.

Complaints of election campaign organizers

These complaints were submitted by political parties who reported violations of the provisions of the Electoral Code due to situations arising from gaps in the provisions themselves which, then again, they also use to their advantage. The complaints concerned:

- Allegations of using more airtime in broadcasting media for paid political advertising of an independent candidate for mayor, although the provisions of Article 75-f, paragraph 12, indent 4 for allocation of airtime for paid political advertising stipulates "that no more than 3% of the advertising space may be given to political parties that are not represented in the Assembly of the Republic of Macedonia or to candidates". This is supported by the fact that three days before the start of the election campaign, the Agency for Audio Visual and Media Services adopted the Guidelines for Paid Political Advertising for the Local Elections 2021 No. 01-3487/1 of 24.9.2021, item 5 of which says: "*List submitters who publicly declare support of candidates from a group of voters for the municipalities and for the City of Skopje, and who do not have their own candidates, can reallocate part of their bought airtime for paid political advertising to these candidates, by clearly indicating that they are the party ordering the advertising and not the candidates they support.*" The identified legal vacuum in the Electoral Code regarding the lack of regulation of the allocation of part of the bought time for paid political advertising by a participant in an election campaign to an independent candidate after publicly declared support, due to unclear legal grounds, as well as imprecisely defined discretionary power to enact bylaws, is a precedent in the manner of regulation of paid political advertising by the AAAMS through the adopted Guidelines. The Electoral Code does not prescribe regulation of this issue with a special act, and, moreover, the Law on Audio and Audiovisual Media Services³ does not grant such a right to AAAMS. Thus, situations and risks of corruption are legally generated.

³Law on Audio and Audiovisual Media Services ("Official Gazette of the Republic of Macedonia" no. 184/2013, 13/2014, 44/2014, 101/2014, 132/2014, 142/2016, 132/2017, 168/2018, 248/2018 and 27/2019 and "Official Gazette of the Republic of North Macedonia" no. 42/2020 and 77/2021);

(1) During an election campaign, broadcasters are obliged to comply with the election regulations of the Republic of Macedonia.

- Allegations of billboard advertising on more locations than stipulated in Article 78-a, paragraph 4 of the Electoral Code for the allocation of locations for billboard advertising, which provides for the same principle of distribution among parliamentary parties and candidates as previously explained. The decision in paragraph 7, which states: "*If a political party, coalition or independent candidate does not use up the total percentage for lease of advertising panels and billboards or extracted locations, the other political parties and independent candidates have the right to lease the same*", without specifying whether the unused locations can be used only among the incumbent parties, only among the opposition parties, or only among the other candidates. Also, there are no bylaws that prescribe clearer criteria and the manner of such distribution.
- Allegations that the Government of the Republic of North Macedonia, at the 111th session held on 13.10.2021, by adopting 160 decisions on giving consent to an agreement for granting financial support to 160 legal entities on the basis of the Law on Financial Support of Investments, carried out electoral manipulation, abuse of office and electoral bribery. The SCPC found that no payments were made against those decisions during the election period, so there was no violation of Article 8-a of the Electoral Code.

The SCPC notes that due to the insufficient, i.e. imprecise regulation of the distribution of advertising space in broadcasting media and on billboards, the legal provisions alone pose a risk of corruption and blackmail among the political partners for mutual concessions, promising incentives, distribution of positions and the like, which starts the circle of political corruption. The SCPC took decisions to reject the reports.

The SCPC action at own initiative

During the electoral process, the SCPC regularly monitored the media and social media posts and publications concerning decision-making by state authorities and institutions, the activities and actions of high-level officials and party figures during the electoral activities of their parties, in which there was an identified risk of abuse of office or a possibility of corrupt behavior. Based on the monitoring of such publications after a heard rumor, SCPC formed six cases at its own initiative. Following the action taken and the documentation secured:

- In one of the cases, the SCPC submitted an Initiative to the President of the Government of the Republic of North Macedonia and a member of the Government responsible for the implementation of the Code of Ethics for the members of Government and holders of public office appointed by the Government to initiate a procedure for determining liability of official persons due to violation of Article 13, paragraph 2 of the said Code;
- For three cases, decisions were taken to stop the proceedings, because they did not contain elements of violation of the prohibitions provided for in Articles 8-a, 8-b, paragraph 1 of the Electoral Code and Article 34 of the LPCCI;
- For two cases, the proceedings are ongoing.

Action taken on reports filed by known and unknown persons

In the period between calling the elections and the second round of the elections, 06.08.2021 – 31.10.2021, 45 reports were filed to the SCPC from known and anonymous persons with allegations of electoral irregularities, of which:

- 18 reports with allegations of suspected employments in the electoral process;
- 10 reports with allegations of irregularities or early campaign activities;
- Five reports with allegations of commencement or performance of construction work;
- Five reports with allegations of misuse of state budget funds for the needs of election-related activities;
- Three reports with allegations of activities that may be considered bribery;

(2) The Agency shall carry out activities related to the elections in the Republic of Macedonia in accordance with the elections regulations of the Republic of Macedonia.

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- Two reports are related to problems with submitted candidacies;
- One report is related to publishing of employment advertisements; and
- One report contains vague and confusing allegations.

After having evaluated the risk of possible violations of the prohibitions provided for in Articles 8-a and 8-b of the Electoral Code, as well as Article 34 of the LPCCI, the SCPC proceeded to verify the allegations and establish the actual situation, whereupon:

1. 34 decisions were taken, of which:
 - 14 decisions to reject reports due to:
 - Non-competence of the SCPC: five decisions;
 - Vague allegations: two decisions; and
 - Allegation did not indicate a violation of Article 8-a, 8-b, paragraph 1 of the Electoral Code: seven decisions;
 - 20 decisions to stop the proceedings:
 - Two decisions to file initiatives to a higher authority for determining liability of an official person due to violations of the EC;
 - One decision to file an initiative for criminal proceedings against a candidate for mayor due to termination of employment of another person;
 - One decision not to take further measures due to a change in the factual situation – resignation of an official; and
 - Allegations did not indicate violation of Article 8-a, 8-b, paragraph 1 of the Electoral Code: 16 decisions.
2. Action on three reports is taken under Article 23 of the LPCCI due to the existence of other elements that indicate a violation of the LPCCI; and
3. The proceedings are ongoing on eight reports.

All decisions taken are published on the SCPC website.

Pursuant to Article 36 of the Law, in February 2022, the SCPC submitted to the Assembly of the Republic of North Macedonia a Special Report on the identified abuses in the financing of the election campaign for the Local Elections-2021. The report is available on the SCPC website⁴.

In addition to the above noted situations, the Report contains analyses, identified weaknesses and corruption risks arising from ambiguities or gaps in the legislation that might influence the electoral process, set out in Articles 8-a, Media Presentation - Article 75-f, Advertising via Panels and Billboards - Article 78-a, Financing of Elections - Article 83, Reporting during the Election Campaign - Articles 84-b and 85, competent institutions and penal provisions. Recommendations were given to overcome the identified situations, among which:

- the provisions of Chapter VI. Election Campaign, Articles 69-a to 87 should be removed from the Electoral Code and incorporated into the Law on Financing of Political Parties.
- redefinition of the prohibitions of Article 8-a, as well as possibility for their delimitation depending on the elections (presidential, parliamentary, local)
- Nomination of the SCPC as an institution with allocated resources responsible for supervision of the regular and electoral activities of political parties with legal mechanisms for ongoing monitoring and mechanisms for issuing sanctions and penalties.

3.5. Recording and monitoring assets status

Article 17 of the LPCCI: Competences of SCPC

- (10) Record and monitor the assets status and interests in a procedure in accordance with this Law;
- (11) Prescribe a form of declarations of assets and interests;
- (12) Verify the data from the declarations of assets and interests;
- (13) Cooperate with other state authorities in providing the necessary information;

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These competences should be realized by collecting, recording and analyzing the data from the form – Declaration of Assets and Conflict of Interest, which should be electronically accessible and submitted. The deadline for adoption of the new form – Declaration of Assets and Conflict of Interest, is 60 days from the date of constitution of the SCPC, i.e. 08.04.2019 (Article 119 of the LPCCI). Until then, the old acts will remain in force⁵.

Although the form - Declaration of Assets and Conflict of Interest was prescribed by the SCPC within the legal deadline, in the absence of an application software for its electronic submission, it remained unfunctional throughout 2021. The problems related to securing the necessary funds for development of a software solution, the inability to carry out a procedure for selecting an economic operator for the development of a licensed software solution through a public procurement process without restricting the competition, were the reasons why the SCPC requested that the development of the software be supported by donors. Recognizing the proactive role of the SCPC in the fight against corruption and knowing its limited resources, in October 2021, the European Commission provided the necessary funds and selected an IT company that started developing this software solution. Full implementation of this software is expected to begin in 2023.

Due to the stated situations and circumstances, selected and appointed persons still submit data on assets in the forms prescribed by the old legal solutions. Notaries and enforcement agents do not yet submit data on their assets and interests primarily because in accordance with the transitional provisions of the LPCCI, this obligation should be fulfilled in accordance with the new prescribed form.

In 2021, a total of 2006 asset forms were submitted to the SCPC. They are shown in Table 13.

Table 13: Overview of declarations submitted

Grounds for submission of forms	2021	2020	2019
Asset declarations following election/nomination	908	607	1004
Asset declarations following termination of office	600	439	479
Forms for changes in assets status	498	473	524
Total	2006	1519	2007

The increase in the number of submitted forms in 2021 compared to 2020 is due to the high number of newly elected persons and persons whose function has ceased as a result of the regular local elections in 2021.

The SCPC continuously processes the newly submitted declarations of assets and updates the data on changes in the assets status, so, in 2021, data from declarations of assets for 7758 elected and nominated persons were published on its website (www.dksk.org.mk).

3.6. Verification of the data from the declarations of assets and interests

The State Commission has authority to verify the authenticity of the data from the declaration of assets and interests in cases when it acts on a specific case (Article 92 of the LPCCI), as well as on the basis of an annual plan for monitoring assets and conflicts of interest (Article 19 of the LPCCI). In January 2021, an Annual Plan for monitoring of assets and conflicts of interest was adopted, which provided for verification of data on assets and conflicts of interest from the following categories of officials:

- 14 mayors of municipalities in the Republic of North Macedonia and the Mayor of the City of Skopje;

⁵Article 119 paragraph 2 of the LPCCI: Until the adoption of the bylaws determined by this Law, the existing bylaws adopted in accordance with the provisions of the Law on Prevention of Corruption ("Official Gazette of the Republic of Macedonia" No. 28/2002, 46/2004, 126/2006, 10/2008, 161/2008, 145/10, 97/15 and 148/15) and the Law on Prevention of Conflict of Interest ("Official Gazette of the Republic of Macedonia" No. 70/2007, 114/2009, 6/12 and 153/15) shall apply.

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- 13 judges from all courts on the territory of the Republic of North Macedonia, the President of the Administrative Court and the President of the Higher Administrative Court and
- 15 members of the Government of the Republic of North Macedonia.

Proceedings for the above cases are ongoing.

In order to carry out the planned checks, the SCPC secures information and data from the Agency for Real Estate Cadaster, the Ministry of Interior, the Central Securities Depository, the Public Revenue Office and the Central Register of the Republic of North Macedonia. If needed, the SCPC secures information and data from financial institutions in the Republic of North Macedonia. When securing information and data, except in the case of the Central Registry of the Republic of North Macedonia and from the Agency for Real Estate Cadaster in the distribution system of which the SCPC has direct electronic access, data from other institutions are collected in printed form, which slows down the process of verification of data from submitted declarations of assets and makes it more difficult.

In 2021, the SCPC started systematic checks to determine whether elected and appointed persons acted in accordance with the legal obligations and whether they submitted, within 30 days of the day of their appointment, i.e. dismissal, a declaration of assets and interests. The results of the actions taken by the SCPC in the period from 01.01.2021 to 31.12.2021 are shown in Table 14.

Table 14: Overview of performed checks of declarations of assets and interests submitted by official persons

Grounds for action	2021			2020		
	Own initiative	Filed reports	Total	Own initiative	Filed reports	Total
Failure to submit/untimely submission of declarations of assets/forms of change in assets status - Article 82 or 85	753	29	782	35	12	47
Verification of data from declarations of assets– Article 92	8	22	30	6	20	26
Annual plan for monitoring assets and interests for 2021	45	-	45	42	/	42
Total:	806	51	857	83	32	115

Following the administrative verification of some of the submitted declarations, the SCPC:

- issued 86 misdemeanor payment orders, 85 of which relate to failure to submit or untimely submission of declarations in accordance with Article 82 of the LPCCI, and 1 misdemeanor payment order issued for failure to report an increase in assets, in accordance with Article 85 of the Law,
- In the same period, 29 requests for misdemeanor proceedings were submitted to the Misdemeanor Commission of the SCPC for unpaid fines.

For 91 cases, decisions were taken to stop the proceedings due to unidentified differences between the data reported in the declaration and the data provided by other institutions. One case was submitted to the Public Prosecutor's Office for due action under suspicion of undeclared property. For the remaining cases, the data verification process is ongoing.

3.7. Register of elected and appointed persons

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The SCPC maintains a Register of elected and appointed persons as a single database for elected or appointed persons, responsible persons in a public enterprises, public institutions or other legal entities disposing of state capital, notaries, enforcement agents, administrative officers of category A determined by law or persons employed in the cabinets of the President of the Republic of North Macedonia, the President of the Assembly of the Republic of North Macedonia, the Vice-Presidents of the Assembly of the Republic of North Macedonia, the President of the Government of the Republic of North Macedonia, the Deputy Prime Ministers of the Government of the Republic of North Macedonia, the Ministers and the Secretary General of the Government of the Republic of North Macedonia as special advisors in the processes of selection, appointment, nomination, i.e. employment (Article 89 of the LPCCI).

The register is updated on a daily basis with data that authorized persons from institutions with competence to perform elections and appointments submit to SCPC within 15 days from the election, appointment, or termination of office.

Since the establishment of the register⁶ until 31 December 2021, data for 10,811 current and former elected and appointed persons were entered in the register. This is not the exact number of elected and appointed persons due to the fact that many institutions responsible for appointments and dismissals do not fulfill their reporting obligation to the SCPC. For this reason, the SCPC does not have real and accurate data on the number of elected and appointed persons, whether they are still actively performing their function or whether their mandate has ceased, whether they have been re-elected, etc.

Keeping the register of elected and appointed persons updated is of huge importance for the SCPC in the exercise of its other competences related to the recording and monitoring of assets and interests and the verification of data from the declarations of interests.

3.8. Conducting misdemeanor proceedings

Under the Law on Prevention of Corruption and Conflict of Interest, the SCPC has increased and strengthened competence in the prevention of corruption and conflict of interest, but also mechanisms for sanctioning elected, appointed and official persons in cases when they act contrary to the legal provisions. In accordance with Article 114, for established violations of the provisions of the LPCCI, misdemeanor proceedings are also conducted and misdemeanor sanctions are imposed by the Misdemeanor Commission of the SCPC, which is elected from among authorized official persons in the Secretariat with the appropriate degree and type of professional training and necessary work experience, of which at least one is a law graduate with a bar exam.

Misdemeanor proceedings are conducted in accordance with the Law on Misdemeanors. Before a request for a misdemeanor proceedings is submitted, a settlement procedure is conducted with issuance of a misdemeanor payment order. Authorized official persons keep records of the issued misdemeanor payment orders and the outcome of the proceedings. The form and content of the misdemeanor payment order is prescribed by the State Commission. Table 15 shows data on the activities of the Misdemeanor Commission in 2021.

Table 15: Proceedings of the Misdemeanor Commission in 2021

Grounds for misdemeanor proceedings	31.12.2021	31.12.2020
Failure to submit/untimely submission of a declaration of assets and failure to report an increase in assets pursuant to Articles 82 and 85 of the LPCCI	87	80
Untimely submission of requested documents; Cumulation of functions; Failure to report a conflict of interest	35	16

⁶The register was established in 2016.

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Total payment orders issued	122	96
Fines paid	82	44
Fines collected in the Budget of the Republic of North Macedonia in denars	1,035,334	472,005
Misdemeanor proceedings initiated	44	22
- Sanction imposed - fine	24	3
- Sanction imposed - reprimand	1	-
- Exemption from liability	10	-
- Repeated request for initiation of a settlement procedure	7	3
- Termination of misdemeanor proceedings at the request of the SCPC	1	-
- Rejected request	1	4
- Complaints filed to the Secondary Commission	-	3
- Lawsuits filed to the Administrative Court	4	-

Based on the decisions adopted by the Misdemeanor Commission for imposing a misdemeanor sanction-fine, fines were imposed in the total amount of 520,610 denars.

3.9. Anti-Corruption Review of Legislation

The anti-corruption review of legislation - ARL as a key tool for prevention of corruption is applied in a number of countries. ARL is a new competence of SCPC established by the LPCCI and recognized as a strong preventive measure. In the context of this statutory competence, the SCPC expresses its opinion, in a special procedure and with special engagement, obligation and expertise, on all draft texts of laws in preparation which are submitted to the SCPC for an opinion, thus contributing to the timely interception and prevention of all possible points of vulnerability and risk of corruption and conflict of interest in the legal norms.

The importance of the ARL is recognized and embedded in Article 68 of the Rules of Procedure of the Government of the Republic of Macedonia⁷:

*" Before submitting materials to the Government for consideration, determination or adoption, the ministries and other bodies of the state administration shall first submit for an opinion to the competent, appropriate and interested bodies of the state administration and other state bodies depending on the nature of the material under consideration, and **mandatorily to: ... The State Commission for Prevention of Corruption**, all proposals for laws subject to regulation impact evaluation. **Materials on which no opinion has been procured will not be reviewed at a session of the working bodies and the Government.**"*

The review is performed based on the Methodology for Anti-Corruption Review of Legislation adopted by the SCPC in 2016, which was revised and upgraded in 2020 in cooperation with Transparency International Macedonia. The purpose of the Methodology is to ensure immediate, effective and efficient implementation of this competence through:

⁷Official Gazette of the Republic of Macedonia no. 38/01, 98/02, 9/03, 47/03, 64/03, 67/03, 51/06, 5/07, 15/07, 26/07, 30/07, 58/07, 105 / 07/07, 116/07, 129/07, 157/07, 29/08, 51/08, 86/08, 114/08, 42/09, 62/09, 141/09, 162/09, 40/10, 83/10, 166/10, 172/10, 95/11, 151/11, 170/11, 67/13, 145/14, 62/15, 41/16 and 153/16)

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- defining the process of anti-corruption review of legislation and the results of the implementation process;
- determination of the scope or subject of the anti-corruption review;
- defining the risks of corruption and conflict of interest;
- refining the content of the Report;
- organization and management of the process and
- defining the role and tasks of each of the participants in the process.

In 2021, for faster recognition and identification of provisions containing risks of corruption or conflict of interest, a software solution for ARL was developed and installed which is expected to accelerate or facilitate the process of anti-corruption review of the legislation.

Within its competences, acting on requests submitted by competent authorities, but also at its own initiative, in 2011 SCPC started an anti-corruption review of the following laws:

- Law on Health Protection - specifically Articles 155-b and 163;
- Law on Child Protection- specifically of work position categories and procedures for promotion in kindergartens;
- Law on Judicial Council;
- Law on the Resolving of the Dispute between the Government of the Republic of North Macedonia and Makpetrol AD Skopje by way of agreement;
- The Law on Road Transport, i.e. certain provisions of Article 64, Article 66 and Article 66-a and certain provisions of the Regulations for Technical Inspection of Vehicles and the Regulations on the form and content of the request for authorization for carrying out technical inspection of vehicles, the necessary supporting documents and the costs on the procedure;
- The Law on Labor Relations (Article 36 and Article 121);
- The Law on Games of Chance and Entertainment Games, specifically the provisions regulating payments in cash;
- The Audit Law and the bylaws arising therefrom, and
- provisions of the Law on Judicial Service and the bylaws regulating the employment of judicial officers.

Also, at the request of competent institutions, the SPSC issued opinions on:

- Proposal of the Law on Amending the Law on Public Enterprises;
- Proposal of the Law on Amending and Supplementing the Law on Internal Affairs;
- Proposal of the Law on Amending the Law on Police;
- Notice of the Proposal of the Law on Audit, indicating a number of weaknesses in the draft text and
- The proposed provisions regarding the Electronic Records of Vehicles of the Proposal of the Law on the Management, Use and Disposal of State and Municipal Assets, for which the SCPC indicated that it had not been consulted in the preparation of the specific proposed amendments to the law.

In the period September - October 2021, the SCPC made remarks and held work meetings with MISA to review the remarks made on the new proposed solutions for:

- The Law on Senior Management Service,
- The Law on Public Sector Employees and
- The Law on Administrative Officers.

3.10. *Analyses on corruption risks in different sectors*

Under Article 17 paragraph 1 indent 17 of the LPCCI, the SCPC has the competence to prepare analyses of corruption risks in different sectors. The SCPC started implementing this competence, with its limited resources, in 2019, with the support of several international organizations and institutions, through which several experts were engaged in order to determine the risks of corruption elements and the existence of conflict of interest in the legislation in several areas. The effects of their engagement began to show results towards the end of 2020 and during 2021.

In the area of employment, within the project "Vulnerability of legislation with regard to corruption, assessment of employment practices and procedures with a special focus on nepotism, cronyism and clientelism" implemented by Transparency International - Macedonia, an analysis of 31 laws and bylaws was carried out. In October 2021, a final report "Vulnerability assessment of corruption in employment policies and procedures, with a special focus on nepotism, cronyism and clientelism" was published on the website of the SCPC and⁸ submitted to the Government of the Republic of North Macedonia as the body responsible for coordination of the activities of the institutions in charge of the implementation of the given recommendations, measures and activities. The given recommendations were aimed at changes in certain legal solutions.

Four quarterly reports stemmed from the monitoring of the implementation of the recommendations from the report on corruption vulnerability assessment in the public sector employment procedures. All four reports, including the last one for the period July – September 2021, are published on the SCPC website.

Table 16 outlines the implementation of the given recommendations.

⁸<https://dksk.mk/wp-content/uploads/2020/12/%D0%A4% D0% B8% D0% BD% D0%B0%D0% BB% D0% B5% D0% BD-%D0% B8% D0%B7% D0% B2% D0% B5%D1%88%D1%82% D0% B0% D1%98.pdf>

Landscape for table no.

of the Minister in charge of the state administration body responsible for environmental affairs, who is in position to define them more closely and in greater detail;

- the existence of large freedom of the Minister in terms of establishing the manner of conducting procedures, the requests form and the manner of issuing permits, the fees charged, and in general regulating the complete procedures laid down in the law, as well as making decisions in the procedures, which is essentially the main risk of corruption and conflict of interest detected in this law;
- insufficiently precise provisions concerning the obligations of other state bodies and local self-government units, as well as the criteria and standards they need to adhere to in the implementation of infrastructure projects, especially those related to urban planning, as well as the construction of power generation plants;
- the need to strengthen inspection and other forms of supervision of law enforcement for effective application of the law and protection and promotion of the environment;
- the need to clearly specify the cases in which affected parties may file a lawsuit.

In cooperation with the Ministry of Environment and Spatial Planning, amendments to the legislation on environmental protection are proposed in order to improve the national legal framework and prevent corruption.

Some of the above detected practices were already recognized as risks of corruption and conflicts of interest which the SCPC covered in the National Strategy and for which it proposed measures, activities and deadlines for their overcoming.

3.11. *Educational and awareness-raising activities on corruption and conflict of interest*

Pursuant to Article 17, paragraph 1, indent 19 of the LPCCI, the SCPC has the competence to undertake educational and awareness-raising activities on corruption and conflict of interests. In 2021, through campaigns and public debates, the SCPC raised the level of awareness among the public about the existence of weak or insufficient integrity among official persons and the public sector institutions in making decisions that are of great importance to all of us, as citizens.

Project: "Anti-Corruption Education for High School Students"

The project "*Anti-Corruption Education for High School Students*", launched in 2019, was completed in the first half of 2021. Despite the social distancing and distance learning, the project has succeeded in educating and safely including more than 600 high school students across the country in the subject of fight against corruption. The pilot lectures generated a positive impact on improving students' general knowledge on anti-corruption and building personal integrity. Students also participated in a survey to measure their knowledge and perceptions of corruption, before and after the pilot lectures, and the findings of the survey were submitted to the Ministry of Education and Science as an initiative to introduce anti-corruption content at all levels of formal education, which received positive reactions from the Ministry.

The project was implemented by the civil society organization "Institute for Democracy – IDSCS", the Ministry of Education and Science and the Bureau for Development of Education.

In June 2021, a process of *training-based education for public integrity was launched for the public office holders in the local self-government units* on their obligations for implementation of the public integrity system and the application of the Law on Protection of Whistleblowers in their institutions. In order to effectively implement the integrity system, the SCPC started by appointing an Integrity Officer. By the end of 2021, 60 municipalities had nominated integrity officers and signed the Integrity Policy, which, as an essential statement-like document, represents a guiding principle for improving the institutional integrity at municipal level.

The learning process is a continuous process that should be realized in the longer term. To this end, in 2021, the SCPC developed an "Integrity Policy for State Authorities and Public Sector institutions", in order to be able to better plan the education on public integrity and to direct it to the central government institutions, in parallel with the local self-government units. The documents produced in this regard are published on the SCPC website¹¹.

In June 2021, as part of the activities within the IPA II project "Promoting Transparency and Accountability of Public Administration", the SCPC organized a series of online trainings to raise the level of application of the Law on Protection of Whistleblowers. These trainings contributed to strengthening the awareness and perception about the importance of protected reporting as one of the most important mechanisms in the fight against corruption. The trainings were divided into several sessions: trainings for persons authorized to receive reports from whistleblowers (for internal and external protected reporting), as well as special trainings for the public administration in order to enhance their knowledge.

The process of assessment of corruption and conflict of interest risks is an important prerequisite for fulfilling the elements of the integrity system. Within the project activities for strengthening the integrity system, the SCPC developed a "Methodology for Institutional Corruption Risk Assessment" aimed at helping institutions identify and assess the risks of corruption and evaluate and monitor them on regular basis. A training for the SCPS employees was conducted, and a training for the employees of other institutions will follow in the future, since the knowledge to be obtained through this process of education is crucial for the quality implementation of the integrity system.

Organization of public debates

As a response to the reactions of the public, the media, civil society organizations specialized in specific areas regarding practices recognized as the reason for endangerment or violation of constitutionally guaranteed rights that ensure inviolability of the right to personal property, the right to clean air, the right to a fair trial, which citizens find more and more difficult to exercise due to the poor legal solutions and the linkages between politics and business, in 2021 the SCPC organized several public debates:

- Public debate on "Legalization of illegally constructed buildings", held on 25 May 2021;
- Public debate on "Research and surveys of the state of the judiciary", held on 15 July 2021;
- Public debate "Local elections 2021 – Integrity of the electoral process and integrity of the contestants", held on 22 September 2021;
- Public debate – "The State of the Environment– Waste Management", held on 04 November 2021;

In December, the SCPC worked on organizing two more public debates on the legislation in the areas of higher education and urban planning, which took place in December 2022.

Renown experts in the field, university professors, ministers and directors of institutions with competences in the area, civil associations, journalists and other interested parties were invited and took active participation in the public debates. The debates resulted in conclusions that have been submitted to the line ministries as critical points to consider and overcome when creating new or amending existing legal solutions.

¹¹<https://dksk.mk/%D0%BF%D0%BE%D0%BB%D0%B8%D1%82%D0%B8%D0%BA%D0%B0-%D0%BD%D0%B0-%D0%B8%D0%BD%D1%82%D0%B5%D0%B3%D0%80%D0%B8%D1%82%D0%B5%D1%82%D0%B7%D0%B0-%D0%B4%D1%80%D0%B6%D0%B0%D0%B2%D0%BD%D0%B8%D1%82%D0%B5%D0%BE/>

Integrity Campaign

Campaigns are a good tool for reaching a specific target group and sending clear messages, while at the same time informing the general public.

The Integrity Campaign is another activity implemented by the SCPC under the IPA 2 project "Promoting Transparency and Accountability of Public Administration". The communication strategy developed in 2020 for the implementation of the Integrity Campaign covers the following target groups:

- The general public - persons of all ethnic groups, religions, nationalities, sex, age, education, employed and unemployed, in other words, communication that can be widespread and understandable to everyone;
- Media representatives - journalists, editors and media owners, with special attention to investigative journalists and media;
- Students and youth - students in primary schools, secondary schools, with special emphasis on university students as future policy makers, future businessmen, future experts, scientists, artists and future active actors in society;
- Public decision-makers and policy makers, as well as public sector employees in: the Government, ministries, government institutions, state companies, agencies, institutions, the local self-government - municipalities, companies owned by municipalities, as well as courts. The communication activities will indirectly apply to civil servants;
- Civil Sector: Non-governmental institutions - especially those dealing with anti-corruption, transparency and human rights, i.e. civil society organizations, organizations that distribute funds through various national and international programs.

Within the campaign, a series of activities were carried out that produced direct results:

- Regular posting of messages on social media about the importance of integrity and ethics in order to educate general audiences and the general public.
- Introducing the youngest to the importance of personal integrity and whistleblowing through an interactive game organized in the Skopje Zoo, titled "A Weekend of the 'Sparrow' in the Skopje Zoo", while informative flyers on whistleblowing were distributed among the parents present with information where to report abuse or corruption.
- Promotion of the values of the Code of Administrative Officers, in the form of statements of universal values for the regulation of the performance of public duties, flexible enough to be applied in all policy domains, institutional environments and individual responsibilities. As part of the integrity system, the SCPC prepared special thematic material for this activity.
- Organizing a public debate on the subject "Integrity in Higher Education – Encouraging Fight against Corruption".

3.12. Application of the Law on Protection of Whistleblowers – LPW

Respecting the principles of legality, transparency, accountability and responsibility, in line with the provisions of Article 15 paragraph (2) of the Law on Protection of Whistleblowers¹², the SCPC presented within this Report, for the third consecutive year, the Annual Report on the reports received from whistleblowers in 2021 as an integral part of the Annual Report on the work of the SCPC for 2021.

The Law on Protection of Whistleblowers (hereinafter referred to as the LPW) introduced the system of protection in order to encourage reporting, i.e. to establish a system of reporting or detecting a reasonable suspicion or knowledge that a punishable, unethical or other illegal or inadmissible act that harms or endangers the public interest has been committed, is being committed or is likely to be committed.

¹²Official Gazette of the Republic of Macedonia No. 196/2015, 35/18

This Report illustrates the activities undertaken in relation to the implementation of the LPW and the bylaws by the SCPC and other public sector institutions since the beginning of the application of the LPW until 31 December 2021.

Legislation:

The Law on Protection of Whistleblowers was adopted on 9.11.2015 and came into force on 18.03.2016. To implement the law¹³, bylaws were adopted which regulated the manner of action related to the protected internal and external reporting in the public and private sector institutions. The by-laws arising from the Law came into effect concurrently with the Law on 18.03.2016.

The SCPC action in the implementation of the LPW

Acting in accordance with the competences set out in the LPW and in the bylaws arising from it, the SCPC undertook specific actions to establish a system of whistleblower protection, so that as of April 2016, an authorized person was appointed for receipt of whistleblower reports for protected internal and protected external reporting in accordance with the prescribed requirements. An internal procedure on the form and manner of receipt of whistleblower reports for protected internal and protected external reporting was adopted and is published on the SCPC website.

Since the entrance into force of the LPW and the bylaws arising from it, Annual Reports on whistleblower reports received for the years 2016, 2019 and 2020 were submitted to the Assembly of the Republic of North Macedonia. The same are published on the SCPC website (the last two reports are contained in the Annual Report on the work of the SCPC). For 2017 and 2018, no Annual Reports were submitted to the Assembly of the Republic of North Macedonia due to the dysfunctionality of the SCPC.

Register of authorized persons for receipt of whistleblowers reports

Under the Law on Protection of Whistleblowers, in particular Articles 4 and 5, institutions and legal persons from the private sector are obliged to appoint authorized persons for receipt of whistleblower reports for protected internal reporting, which in turn have an obligation to submit semi-annual reports on whistleblower reports to the SCPC.

Article 15 of the Law on Protection of Whistleblowers:

"The authorized, i.e. the managerial persons of institutions, i.e. the legal persons in the public sector who are reported to in accordance with Articles 4 and 5 of this Law, are obliged to submit semi-annual reports on whistleblower reports to the State Commission for Prevention of Corruption."

Starting from 18 March 2016, public and private sector institutions shall submit to the SCPC notifications of appointment of authorized persons for receipt of whistleblower reports in those institutions with their contact details. In accordance with the obligations laid down in Article 17 paragraph 1 indent 21 of the LPCCI, and based on the data received from the institutions, the SCPC has established a Register of authorized persons for receipt of whistleblower reports, which is regularly updated. Table 16 shows the number of institutions that acted in accordance with the LPW.

Table 16: Number of Institutions and Authorized Persons under the LPW

¹³Rules for protected internal reporting in public sector institutions; Rules for protected external reporting and Rules for guidelines for adoption of internal acts for protected internal reporting in legal entities in the private sector.

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Year	Number of institutions	Number of institutions with authorized persons	Number of authorized persons	in %
2020	1324	113	115	8.5
2021	1324	178	179	13.44%

In March 2021, the Government of the Republic of North Macedonia adopted the Anti-Corruption Plan -"Action 21", in item 9 of which - Appointment of an authorized person for receipt of whistleblower reports, all state government bodies were obligated, institutions that do not have the status of a state government body were instructed, and local self-government units were recommended to appoint an authorized person for receipt of whistleblower reports in order to establish protected internal reporting under the Law on Protection of Whistleblowers and to publish the information on their websites.

The insight in the websites of the institutions shows that most of them acted on the guidelines of the Government and established a system of protected internal reporting¹⁴, but did not fulfill the obligation for reporting to the SCPC, i.e. did not submit a notification of appointment of an authorized person with his/her contact details, as a result of which the Register of authorized persons, which is regularly updated in the SCPC, contains data on a small number of institutions, which is also evident from Table 16.

Reporting on whistleblower reports received

The public sector institutions have an obligation to submit semi-annual reports on received whistleblower reports, which should contain general statistics and data on formed cases per received reports, in accordance with Article 15 of the LPW. Although the obligation to submit semi-annual reports does not apply to private sector entities, it is noteworthy that a number of them submit semi-annual reports at their own initiative. Table 17 shows the number of reports submitted to the SCPC by year.

Table 17: Semi-annual reports submitted to the SCPC

Year	Period	Public Sector Institutions	Legal persons from the private sector	Total	Institutions that have received reports	Submitted reports
2020	01.01-30.06	54	6	60	5	10
	01.07-31.12	66	7	73	3	11
2021	01.01-30.06	75	8	83	4	25
	01.07-31.12	75	7	82	3	19

The comparison of the data for the submitted reports with the data from the Register indicate that although the majority of the institutions have established a system of protected internal reporting, they have not fulfilled their obligation to submit a semi-annual report to the SCPC for the reason that they have not received reports from whistleblowers.

It is necessary to note that in 2020 and 2021, several institutions continuously reported that they received whistleblower reports through the channel of protected internal reporting, which speaks to the fact that citizens are encouraged and they report their knowledge/suspicious of illegal conduct to the institutions, which is a step forward in accepting and using this instrument as a solid way of collecting information and responding adequately to the reported irregularities by the institutions. This achieves the objective of the instrument itself - protected reporting, i.e. ensuring systemic protection of whistleblowers who are encouraged to report irregularities in the operation of institutions.

¹⁴An authorized person for receipt of whistleblower reports has been appointed, contact details on authorized persons for receipt of whistleblower reports have been published, internal procedures for protected internal reporting have been published

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The small number of semi-annual reports submitted in 2021 indicates that the institutions are not sufficiently committed to fulfilling their obligations laid down in the LPW and the bylaws arising from it.

Analysis of the semi-annual reports received

In the semi-annual reports submitted in the first half of 2021, four (4) institutions reported that the authorized persons in those institutions received a total of 25 reports from whistleblowers on which action and measures were taken in accordance with the Law on Protection of Whistleblowers and the by-laws.

In the second half of 2021, three (3) institutions reported that they received 19 reports from whistleblowers on which they took action in accordance with the Law.

Compared to previous years, the data from 2021 indicate that there is a slight improvement in the application of the LPW in terms of protected internal reporting. Starting from the fact that the LPW identifies two main channels of protected reporting: protected internal reporting (in all public sector institutions) and protected external reporting (Ministry of Interior, competent public prosecutor's office, the SCPC, Ministry of Interior, Ombudsman), the increase in the number of submitted reports through the internal reporting channel shows that there is increased confidence among citizens to use this opportunity for reporting suspicions of illegal practices or irregularities in the operation of public institutions, which is a small step forward in the implementation of the LPW.

The institutions that have received whistleblower reports within the internal reporting process have reported that they have taken action in accordance with the Law, carried out specific activities aimed at verifying the allegations in the reports and took specific measures in accordance with the Law.

SCPC action on whistleblower reports received in 2021

The increased public trust in the work of the SCPC has contributed to increasing the public interest in the manner of reporting warranted by the SCPC.

The person authorized for receipt of whistleblower reports within the SCPC, as well as from the SCPC members, presented in various ways, including through direct communication at different gatherings, workshops, conferences or through statements in the media, numerous information about the action taken by the SCPC on such reports. This resulted in an increase in the number of whistleblowers (confidential or anonymous) in the last three years (2019-2021) who submitting to the SCPC a significant number of reports alleging suspicion or knowledge of illicit, punishable, unethical or unlawful practices in the institutions in which they are or were employed in the past or of which they learnt from other sources (provision of services or another type of business cooperation). The increased level of reporting to the SCPC is also due to the well-founded fear of the possibility of harmful consequences that whistleblowers or their family members might suffer in cases of internal reporting, as well as the skepticism that action will be taken on their reports within the institutions where they currently work or worked in the past.

Content of the reports received

In 2021, 9 reports were submitted to the SCPC containing allegations of suspected illicit, illegal and unethical actions by responsible or by other official persons in the institutions where they work. All whistleblower reports to the SCPC were submitted through the protected external reporting channel, i.e. they contain allegations of knowledge or suspicions of illegal acts committed by responsible or official persons in other public sector institutions, which is a result of the trust the public has gained in the SCPC.

Form and manner of receipt of reports

Under the Rulebook on protected external reporting in public sector institutions, the whistleblower can perform protected external reporting orally or in writing to an authorized person. The analysis of reports received from whistleblowers showed that of the 9 written reports received,

- eight were submitted by post and
- one report was submitted via e-mail.

Whistleblower Anonymity/ Confidentiality Data

The LPW defines the whistleblower as a person who performs, in good faith, protected reporting, and who is not under obligation to prove the good faith and the accuracy of what he is reporting. The whistleblower shall be granted protection in accordance with Law and shall be guaranteed confidentiality.

Regarding the anonymity or confidentiality data, of the 9 reports received, five reports were submitted by confidential whistleblowers (their identity is known to the authorized person for receipt of whistleblower reports), while four were submitted by anonymous whistleblowers.

Category of persons appearing in the capacity of whistleblowers

In line with the established categorization of persons who can appear as whistleblowers in accordance with Article 2 paragraph (3) of the LPW:

- four whistleblowers were persons who were employed in the institution, i.e. the legal entity on which they reported,
- one whistleblower was a service user at the institution on which he/she reported and
- four whistleblowers were anonymous and their category cannot be determined in accordance with Article 2 paragraph (3) of the LPW.

Actions taken

According to the LPW, the institutions where protected external reporting can be carried out are obliged within their competences to act on the report, to protect the personal data of the whistleblower, i.e. the data that can reveal the identity of the whistleblower who reports anonymously or confidentially, and to inform the whistleblower about the measures taken without delay, at the latest within 15 days from the date of receipt of the report.

Acting in accordance with its competences, the authorized person for protected external reporting in the SCPC formed nine (9) cases, performed an assessment of the content of each of the reports and adopted conclusions for verification of the allegations contained therein as well as for determining the actual situation. As part of the process, he/she submitted a total of 12 requests to other institutions for:

- due action: verification/control/supervision of financial operations/application of legislation in the reported public institution;
- collection of data and information to various institutions: the Ministry of Interior, the State Labor Inspectorate, the State Administrative Inspectorate and others.

During the phase of collection and exchange of data and relevant documentation regarding the submitted whistleblower reports, close institutional cooperation between authorized persons in the SCPC and other institutions was achieved, which is of great importance for the successful implementation of the LPW in practice and for ensuring systemic protection of whistleblowers. In several cases it was determined that the allegations in the reports covered the legal competence of two or more institutions, which is the reason why authorized persons for receipt of whistleblower reports from two institutions acted concurrently in order to properly establish the factual situation. Such action resulted in taking concrete measures and proposals in order to overcome the weaknesses and irregularities identified in the reported cases.

Moreover, during the phase of administrative verification of the allegations contained in the whistleblowers' reports, the authorized person for receipt of reports was in constant communication with the confidential whistleblowers, who were regularly informed of the course of action on their reports, as well as of the outcome of such action.

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Status of cases and effects of actions taken

Table 18 shows the effects of the SCPC's action in relation to the cases formed following whistleblower reports until 31 December 2021.

Table 18: The SCPC actions on whistleblower reports

Activity description	Actions taken in 2021	Actions taken in 2020	Actions taken in 2019
Number of reports received;	9	6	19
Number of reports resulting in cases being opened	9	6	19
Actions taken by the SCPC			
Reports submitted to other institutions of protected external reporting in accordance with the LPW for further action		1	
Decisions taken	9	17	
- Unconfirmed allegations	5	12	
- No legal grounds for action by the SCPC		4	
- Factual situation changed	4		
- At the request of the person filing the report, the case was submitted for regular action by the SCPC		1	
The SCPC action is ongoing	8	5	
SUBMITTED INITIATIVES			
Initiatives to a competent authority to determine liability of an official person and Initiative to the Public Prosecutor's Office of RNM		1	
Indication with guidelines for taking measures and actions to a responsible person in the institution; the SCPC's action on the case is ongoing		1	

** Reports submitted in 2019, on which action was taken in 2020*

In 2021, after having verified the allegations and established the factual situation in five (5) cases, the SCPC found that the allegations were not confirmed and decided that there were no elements for further action in the specific cases, of which whistleblowers were also notified, while the verification of the allegations in four (4) cases established a change in the factual situation which rendered any action by the SCPC unnecessary.

3.13. Taking action on requests for access to public information

The Constitution of the Republic of Macedonia guarantees the free access to information and the freedom to receive and impart information as one of the fundamental civil and political freedoms and rights.

Starting from the principle of publicity set out in the LPCCI, and taking into account that the publicity and openness in the operation ensure transparency of the measures and activities undertaken by the SCPC, cases on submitted requests for free access to public information are handled in the most professional manner.

In 2021, 31 requests for access to public information were submitted to the SCPC and were processed within the deadline prescribed by the Law. Of the total 31 submitted requests for access to public information, 30 requests were answered positively, and one request was rejected. The rejected request has not been appealed to the competent authority.

3.14. Implementation of the GRECO recommendations under the competence of the SCPC

The fifth Greco evaluation round¹⁵ concerns preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies. In the Report on North Macedonia adopted in 2019, 23 recommendations were made most of which apply to persons and institutions from the executive government and the Ministry of Interior, i.e. the Public Security Bureau, but also to the SCPC, as in previous Greco evaluations, as an institution that should ensure fulfillment of specific recommendations.

In order to fulfill the **recommendation number VI** of the Report – *"The rules on ad-hoc disclosure and management of situations of conflicts of interest should be complemented with practical guidance and practical measures for their implementation, such as dedicated training, counselling and awareness-raising for persons entrusted with top executive functions"*, the SCPC developed a "Practical Guide on the rules on ad-hoc detection and management of situations of conflicts of interest for the members of the Government of the Republic of North Macedonia", which was presented to the Prime Minister and the Ministers in December 2020 at an on-line workshop. In addition, the SCPC organized and held six consultations on the topic of conflict of interest for the Prime Minister, the Deputy Prime Minister in charge of the fight against corruption, the Minister of Justice, the Minister of Transport and Communications (and all their advisers) and directors of companies formed by the Government.

In its report, Greco welcomes the preparation of the Practical Guide with clear guidelines for those entrusted with top executive functions on how to identify conflicts of interest, how to reduce their occurrence, how to seek advice on an ethical dilemma and where to report actual conflicts. Greco underlines its expectation that the Guide will be presented to all members of the Government and that awareness-raising initiatives such as training and counselling, including for all members of the Government, will be organized for all persons entrusted with top executive functions. Greco concludes that the recommendation VI has been partially implemented.

Regarding **recommendation number X** (i) *"sufficient operational independence of the police vis-à-vis the Ministry of the Interior be provided and ensured in practice, and (ii) pertinent measures be taken in order to ensure individual police officers' duty to comply with the existing rules on integrity and impartiality in order to carry out their functions in a politically neutral manner in practice (e.g. through awareness, training, sanctions etc.)"* and **recommendation number XIV** (i) *"revising the Code of Police Ethics in broad consultation with a wide circle of stakeholders including police staff at all levels, their representatives and civil society, with a view to consolidate the existing provisions and offer comprehensive practical guidance on ethical matters inter alia on integrity, conflicts of interest, gifts and corruption prevention"*, although the implementation of these recommendations fall within the purview of the Ministry of Interior, the SCPC is still fully involved in organizing and conducting trainings due to the SCPC's commitment to ensure continuity of such trainings and workshops in order to constantly strengthen the awareness of integrity and ethical conduct of the persons concerned.

Greco concludes that recommendation X has not been implemented, and recommendation XIV has been partially implemented.

¹⁵The Group of States Against Corruption established in 1999 by the Council of Europe

4. ASSESSMENT OF THE CORRUPTION SITUATION AND THE FIGHT AGAINST CORRUPTION IN THE COUNTRY

Reports, evaluations and surveys of international and domestic organizations, bodies, committees are relevant documents for evaluation of the corruption situation in the Republic of North Macedonia.

The primary document is certainly the European Commission's Progress Report on RNM for 2021, which states that North Macedonia has some level of preparation i.e., is moderately prepared to start accession negotiations with the European Union. While some progress has been made by consolidating the track record on investigating, prosecuting and trying of high-level corruption cases, corruption is still widespread across many areas and a more proactive approach is needed by all actors involved in preventing and combating corruption.

As regards the SCPC, the Report states that the Commission is particularly proactive in preventing corruption due to a number of open cases, including those involving high-level officials from across the political spectrum. The adoption of the National Strategy for Prevention of Corruption and Conflict of Interest 2021-2025 and the Action Plan by the Assembly of the Republic of North Macedonia is recognized as consolidating the country's commitment to prevent corruption and to sanction corrupt behavior. The support of the SCPC by the Government of the Republic of North Macedonia by providing the necessary conditions and funds for the work of the Commission has been positively evaluated, but recommendations for improving its functioning by allocating extra funding for the recruitment of expert staff remain.

Transparency International's report on the Corruption Perceptions Index for 2021 notes progress in the fight against corruption. According to the published list evaluating the country's progress in the fight against corruption, North Macedonia ranks 87th with 39 index points, compared to the 111th place last year, with 35 index points. The research covers 180 countries around the world, and the corruption perceptions index is measured on a scale of 0 to 100, with 100 being the highest score and denoting the lowest level of corruption.

As stated in the Report, the improved score of the RNM is due to the fact that *"The country has taken steps to prosecute high-level officials for corruption and strengthen independent supervisory institutions (the SCPC). Moreover, the government also adopted an agenda and an action plan against corruption - developed in consultations with the civil society - that contain specific measures on the fight against organized crime, electoral reform and reform of the judicial system, as well as combating nepotism, cronyism and influence in public employment practices.*

The SCPC issued a number of recommendations for improving the public sector employment procedures, eliminating nepotism, clientelism and cronyism, including for the appointment of directors and members of supervisory and management boards. These recommendations have not yet been incorporated in the relevant legislation, and the cooperation of some state institutions in providing data or in following the Commission's recommendations in individual cases is not sufficient.

However, despite the visible progress, the slow implementation or the absence thereof of certain recommendations made in the European Commission's Report contribute to the creation of a negative perception of the fight against corruption. Namely, the non-implementation of the recommendations continues to create situations that stir the most severe public reaction, and are a result of:

- lack of trust among the political parties in the Assembly of RNM and the weak democratic culture and practices in the Assembly;
- delaying the application of the Public Administration Reform Strategy and the Public Financial Management Reform Program;
- the slow implementation of the Strategy on the Reform of the Judicial System, the reform of the Judicial Council and the Council of Public Prosecutors;

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- the absence of an objective employment system based on merit and objective criteria due to the prolonged revision of the Law on Administrative Officers, the Law on Public Sector Employees and the non-adoption of a new Law on Senior Management Service;
- the application of contradictory rules in the Law on Internal Affairs, which allow for the exclusion of employees from the provisions of the Law on Administrative Officers;
- fixed-term and service contracts continue to be used for employment of pre-selected persons in the public sector bypassing the criteria set out in the Law on Administrative Officers;
- filling a number of high-level management positions with persons with the status "acting" for a prolonged period of time;
- the poor responsiveness of the institutions to the protection of the right to property due to the chaos in the area of urbanism, construction and environmental pollution;
- the reluctance of the persons conducting public procurement to use the mechanisms stipulated in the Law on Public Procurement in a manner that would ensure higher competition and cost efficiency in spending budget funds.

All of the above indicate that the corruption situation is serious and that further steps are necessary to strengthen the material, technical and human capacities of the competent institutions, including their independence and proactivity in their operation.

5. Activities to improve the quality of operation

5.1. Provision of working conditions for the SCPC

In 2021, the SCPC finally resolved the issue of securing premises for its operation. With a decision for termination and granting permanent use of real estate to SCPC No. 40-2357/1 of 16.02.2021 of the Government of the Republic of North Macedonia, SCPC acquired the right to use real estate on the street "Presveta Bogorodica" no. 3" with an area of 2429m². As the premises were planned and intended for another institution – (Faculty of Dramatic Arts), the SCPC needed to do some adapting and refurbishing of the premises and, after works were finished, in June 2021, the SCPC started its operation in the new offices.

With these activities, the SCPC realized one of its three strategic goals: improving the spatial conditions for the functioning of the institution.

After having moved to the new premises, the SCPC fully took over and put into operation the computer equipment secured in 2019 through the European Commission IPA fund for the needs of the SCPC, which is shown as an increase in the Material Assets in the Balance Sheet for 2021.

5.2. Education of the SCPC employees

Due to the increase in the number of employees in the Secretariat, but also due to the improvement of the management structure, and in order to increase efficiency in operations, in 2021, the SCPC employees were provided with appropriate trainings:

- Training on institutional corruption risk assessment;
- Workshop on the topic "Communication aimed at solutions" ;
- Regional training for multiple users on whistleblower protection - within the Regional Project of the RAI Secretariat "Breaking the Silence: Enhancing the Whistleblowing Policies and Culture in Western Balkans and Moldova", organized by the RAI Secretariat - online training;
- International training on the concept of integrity, sector integrity and corruption risk assessment - online training;
- Training on the Importance of Audit Reports in the Fight against Corruption, and training on Good Practices of Audit Report Analysis and the Role in Good Governance and the Fight against Corruption, project: "Strengthening Institutions' Capacities in the Fight against Corruption", organized by Transparency International - online;
- Training on "Introduction to the system for protection of EU financial interests in the Republic of North Macedonia";
- Training on systematization and modifying systematization of work positions in the public sector institutions, organized for the members of the Network of Organizational Units for Human Resources Management;
- Training on Conflict of Interest and the Law on Protection of Whistleblowers, project "Strengthening Institutional Capacities in the Fight Against Corruption" organized by Transparency International – Macedonia;
- Summer School for Junior Anti-Corruption Practitioners, organized by the RAI Secretariat;
- Training-Team Building of the SCPC employees within the Project: "Promoting Transparency and Accountability in Public Administration", organized by ProTRACCO, held in Ohrid;
- Round table on the situation with public procurements in the country.

5.3. Software Solutions

Within the activities of the Council of Europe to support a number of state institutions as regards the rule of law and the reform of public administration through IPA projects, more software solutions have been developed for the needs of the SCPC that will ensure better communication of the SCPC with

other institutions and improve its effectiveness. Some of these solutions started to be used in 2021, and the rest are expected to be fully operational in 2022.

➤ **Software Solution – Monitoring the National Strategy for Prevention of Corruption and Conflict of Interest 2021-2025**

Using the positive experience with software monitoring of state programs from previous years, the above mentioned web application was developed for the needs of the SCPC to monitor the implementation of the activities laid down in the National Strategy. The purpose of this application is to obtain information and data, by way of timely submission of reports by authorities and institutions in charge of the implementation of specific measure and activities, on the manner, the extent and the time frame of implementation of planned activities. To this end, the institutions have nominated persons responsible for communication with the SCPC. The SCPC conducted a training for the persons responsible for communication and provided them with access to the system. Based on this information, the software solution will generate periodic reports on the degree of implementation of the National Strategy as a whole, data on the degree of implementation by areas and sectors, as well as data on the implementation of activities for each institution separately.

The analysis and evaluation of the degree of implementation of the measures and activities planned for 2021 is under way, after which the SCPC will prepare an Annual Report on the implementation of the National Strategy.

➤ **Software Solution – Anti-Corruption Review of Legislation**

Considering the need for an additional tool to support the process of anti-corruption review of the legislation, at the request of the SCPC, an electronic tool was developed within the IPA 2 project to detect keywords pointing to possible corruption risks in the text of the laws under review.

The tool is operational, but to ensure its full functionality and greater efficiency of the activity, it is necessary that it is connected the Government of the Republic of North Macedonia as soon as possible to enable the State Commission for Prevention of Corruption to issue opinions on all law proposals in a timely manner.

➤ **Software Solution - Anti-Corruption Mobile Application**

Another tool developed within the IPA 2 project, as part of the integrity campaign, was a mobile application aimed at informing citizens about the SCPC activities and which can be used as tool for conducting opinion polls and surveys on current developments in the field of anti-corruption.

Although developed, the tool is not yet functional as it needs additional updates.

➤ **Software Solution – Whistleblower Protection**

At the request of the SCPC, a software solution was developed within the IPA 2 project for automated processing of the institutions' response in cases of protected external reporting. The software allows communication between the whistleblower and the authorized person for external reporting in the SCPC with full protection of the reporting person (without physical communication). The software solution is also offered to the institutions that according to the Law on Protection of Whistleblowers are competent for external reporting: the Inspection Council (including all inspectorates), the Ministry of Interior, the PPO, the Ombudsman. Some of them have already signed a Memorandum of Cooperation and agreed to download and install the software solution¹⁶. Additionally, this software solution will be upgraded with a registry of persons for internal reporting.

¹⁶Inspection Council, Ombudsman, State Inspectorate for Local Self-Government, State Sanitary and Health Inspectorate, Cultural Heritage Protection Office, State Labor Inspectorate, State Archives, Food and Veterinary Agency, Office of Radiological Security

The software solution was promoted at the event/press conference for the announcement of the integrity campaign.

➤ **Software Solution – Document Management System and Performance Monitoring System –DMS & PMS**

In order to enhance the operation of SCPC in 2021, a software solution - document management system - electronic system for monitoring the movement of cases within the institution started to be developed. This software solution was installed and trainings for the employees on its use have been conducted. It will become fully operational after the end of the test period which started on 01.01.2022.

This software solution was upgraded with a system for monitoring the performance of each department and sector, by automatically providing data from each of them and monitoring throughout specific periods and in specific reports based on the needs and requirements. This part of the software solution is also in a test period and will soon become fully functional.

➤ **Software Solution - Communication Portal**

In order to promote transparency in its operation as a strategic social approach and the foundation of good governance, the SCPC is working on the development of a software solution - communication approach (portal), aimed at providing timely and accurate information to all institutions, in order to enable their timely action or cooperate on topics related to the prevention and fight against corruption.

The benefits to the SCPC of the functioning of this portal are:

- timely and direct communication with all institutions at both central and local level through nominated persons – coordinators,
- timely informing of all institutions about the activities of the SCPC,
- conducting surveys on specific areas,
- conducting on-line trainings,
- publication of views within the competence of the SCPC ,
- holding meetings.

It is expected that this software solution will become operational by the end of March 2022.

➤ **Software solution - Register of elected and appointed persons, electronic submission of declarations of assets and interests, their publication, a system for collecting data from other institutions, their processing, module for document management and maintenance of the overall system**

With the adoption of the Law on Prevention of Corruption and Conflict of Interest ("Official Gazette of the Republic of Macedonia" no.12/2019 of 19.01.2019), in order to exercise its competences, and in accordance with Article 25 of the Law, the SCPC has access to data held by other authorities and institutions by way of data exchange through web services and data media. Based on this provision of the Law, the SCPC has electronic access and can use data from the registers kept by the institutions, without compensation from 22 institutions as established by the Law. Also, in accordance with Article 82 paragraph 5 of the same Law, a declaration of assets and interests should be submitted electronically and the data made public.

After the unsuccessful attempts to implement this software in 2019 and 2020, the SCPC secured EU support through the IPA 2 project - Transparency and Responsibility of Public Administration and in November 2021 started its implementation. It is expected that the software solution will be fully operational in November 2022.

6. Cooperation with other institutions

One of the priorities of the State Commission for Prevention of Corruption is to maintain proactive cooperation at national and international level.

The need for establishing international cooperation is also imposed by modern technological development, where prevention and fight against corruption becomes a sine qua non condition, due to the spread of corruption that knows no boundaries.

The pursuit of greater success in the fight against corruption, the application of new standards and tools in the process of prevention of corruption, is somewhat dependent on the extent of established international cooperation. The success of the received international support also depends on the future development of the state bodies in order to ensure smooth and continuous action and prevention in the process of anti-corruption policies, as well as the future development of capacities and the way in which corruption is tackled and prevented.

The cooperation with civil society and international organizations with focus on supporting the fight against corruption has successfully continued on an even larger scale in 2021. The established practice of on-line communication with partners from civil society organizations and international institutions imposed by the recommendations for protection from the COVID-19 pandemic, did not reduce the number of projects that had delivered final results or started to be implemented in 2021.

6.1. Cooperation with civil society organizations

Platform of Civil Society Organizations Against Corruption

The Platform of Civil Society Organizations Against Corruption, established by 16 civil society organizations¹⁷, has made an unselfish contribution and support to the work of the SCPC in fulfilling the responsibilities established by the Law on Prevention of Corruption and Conflict of Interest and the Law on Protection of Whistleblowers. With financial support from various sources, the following projects related to the operation of the SCPC were implemented:

Transparency International Macedonia – TIM

With the financial support of CEP-USAID, Transparency International Macedonia implemented the project "*Supporting the Capacities and the Work of the State Commission for Prevention of Corruption*" by conducting three multidisciplinary trainings, mentorship for the SCPC employees for review of legislation, mentorship for the SCPC employees for analysis of bank accounts and statements: financial aspects and checks, strengthening the capacities of the SCPC by developing a conflict of interest guide for the SCPC and developing a standard procedure for more effective cooperation between the SAO and the SCPC and exchange of information.

Association for Democratic Initiatives and Coalition of Civil Associations "All for a Fair Trial"

Project: Monitoring and Improving Institutional Capacity in Dealing with Organized Crime and Corruption

¹⁷Association for Democratic Initiatives, Institute for Democracy Societas Civilis Skopje, the Centre for Civil Society Research, Coalition for a Fair Trial, Macedonian Centre for International Cooperation, BRIDGE, Metamorphosis, Ohrid Institute, Transparency International Macedonia, Transparency Macedonia, Open Society – Macedonia Foundation, CSD Forum, Centre for Civil Communications, Centre for Research and Policy Making, EUROTINK – Centre for European Strategies, the Helsinki Committee for Human Rights, SCOOP – Centre for Investigative Journalism

The long-standing cooperation with the OSCE Mission in Skopje continued in 2021 as a result of the signed Memorandum of Understanding between the OSCE and the SCPC for the implementation of joint activities for the period 2020-2022:

- **Enhancing the transparency of the SCPC:** adaptation of the appearance and content of the SCPC website; consultancy services provided for selection of topics and their publication on the website as well as PR provided for press clipping services; translation of selected anti-corruption documents which will ensure that the material is properly structured and presented on the SCPC website.
- **Strengthening the integrity at the level of local self-government units - LSGUs:** together with the integrity persons in LSGUs, the following documents were prepared: "Integrity Policy at Local Level" and "Guidelines for the Application of the Integrity Policy of the Local Self-Government Units". 61 municipalities signed the integrity policy and provided a person for integrity. The signed Policies and Integrity Persons are published on the SCPC website.
- **Public Opinion Survey on Women's Perception of the Existence of Gender Forms of Corruption in the Republic of North Macedonia:** Based on the findings of the document on the Gender Aspects of Corruption in the Republic of North Macedonia from 2020, an analysis of international and domestic legislation was provided and in cooperation with the LSGUs, the respective state institutions and civil society organizations proposed provisions for amending and supplementing the national legislation.
- **Recruiting a National Legal Expert for anti-corruption review** of existing laws regulating environmental protection in order to identify specific gaps in national legislation that create room for corruption with the specific sphere.

Council of Europe

Within the framework of the established cooperation with the project against economic crime, which is being implemented by the Council of Europe, as part of the Horizontal Facility for the Western Balkans and Turkey (launched in 2019), the initiative of the SCPC for drafting and enacting a completely new Law on Origin of Assets was launched in 2021. For the purposes of this activity, a study was prepared for the adoption of such a law by two experts of the Council of Europe, which showed that there is a need for making changes in some already existing laws, as well as for introducing non-conviction based confiscation /civil confiscation.

Preparation of the draft law takes place in several stages: in addition to the study, a working group with high-level representatives from all relevant institutions has been established. A draft version has already been prepared and will be shared with the NGO and private sector, as well as the academic community in the coming period.

In the second half of 2021, within the same project, training was organized for the employees of the Department for Monitoring of Assets and Interests of the SCPC. At the on-the-spot training, the Council of Europe expert and the SCPC employees discussed topics of interest to the Department such as identifying indicators of money laundering and corruption, bank statements, financial statements, specific banking products that can be abused for corruption and money laundering. The employees of the Department together with the Council of Europe expert worked on real cases opened by the SCPC, where the employees were guided through the process of identifying corruption.

On the eve of the month dedicated to the Fight against Corruption (December), the SCPC, in cooperation with the Ministry of Justice, organized a round table on "Standards for Preventive Anti-Corruption Bodies, Policies and Practices under the United Nations Convention against Corruption (Articles 5 and 6)" within the same project. The round table was attended by representatives of domestic institutions and civil society organizations from the field of prevention of corruption, as well as representatives of foreign and international delegations and organizations, where the obligations arising from Article 5 and Article 6 of the United Nations Convention against Corruption, harmonization of legislation and good practices and challenges in the implementation of the standards for preventive anti-corruption bodies and policies were presented.

Project: IPA II - Support to public administration reform

Building a system of integrity of employees in the public administration

Guided by its legal competence under the Law on Prevention of Corruption and Conflict of Interest, the SCPC has the key role in building the system of integrity of employees in the public administration and continuously works on its implementation and promotion. Namely, the SCPC has been working for several years on the development of:

- **Individual Integrity**
- **Institutional integrity**
- **Sectoral integrity.**

through the implementation of the measures and activities envisaged by the National Strategy for Prevention of Corruption and Conflict of Interest with the Action Plan 2021-2025.

In the second half of 2021, the SCPC adopted the Integrity Policy, together with Guidelines for the application of the integrity policy for state bodies and public sector institutions, including additional ones for the local self-government tailored to the specifics of its competences. In order to successfully introduce and implement the integrity system, the SCPC has also developed a Methodology for monitoring the application of the integrity system. A software solution for monitoring the integrity system is under development. The next step is piloting the integrity system in five institutions, and based on the conducted training and mentorship, data will be extracted for further development and processing in the area of implementation and monitoring of the integrity system.

The integrity system rests on elements that represent integrity standards:

- The protection of the public interest and the prevention of conflicts of interest;
- Respecting the code of ethics that is relevant to the position of the official person;
- Human resources management based on a system of merit and qualifications;
- Purposeful, rational and effective management of public resources;
- Transparency and access to public information;
- Protected whistleblower reporting and
- Quality management

For the sake of easier understanding and implementation of the integrity system in the institutions, guides, instructions and forms (templates) have already been developed for some of these elements, and for some they are still in preparation. Within these documents, "Guidelines for the Preparation of Institutional Codes of Ethics" have been developed due to the need for each institution to have its own Code of Ethics, adopted by the management structures, because it provides the framework of conduct for the employees of an institution, bearing in mind the different situations they can find themselves in (in cases of offering bribes, gifts of higher value than permitted, abuse of office, etc.).

In 2021, Guidelines for the preparation of an internal act for the use of official vehicles and travelling on official business were developed.

In 2021, the development of guides for the Guidelines for the preparation of an internal act for management of conflicts of interest and guidelines for regulating the handling of gifts, advantages and hospitality began. A separate manual for Integrity Persons is also in preparation aimed at ensuring successful implementation of their obligations: monitoring compliance with regulations, awareness-raising and education, information and cooperation with the SCPC.

Strengthening the technical capacities of the SCPC

The effectiveness of the SCPC in many cases depends on the mutual communication and cooperation with state authorities and institutions for timely obtaining of necessary documents and evidence. The SCPC has been facing a shortage of appropriate software solutions for years, which reduces the efficiency in the SCPC operation. To this end, several software solutions were developed and implemented within this project during 2021 for the needs of the SCPC:

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- Document Management and Activity Monitoring - Document Management System and Performance Monitoring System DMS&PMS<
- Communication portal;
- Integrity system;
- E-Learning
- Protection of Whistleblowers;
- Monitoring the implementation of the National Strategy;
- Anti-Corruption Legislation Review;
- Mobile Application – Anti-Corruption;
- Register of elected and appointed persons, electronic submission of declarations of assets and interests, their publication, a system for collecting data from other institutions, their processing, module for document management and maintenance of the overall system (the software is expected to be fully operational by November 2022).

The performance of each individual software solution is described in Item 5.3. of this Report.

IPA - Reorganization of the State Administration

Component 2– Framework Improvement of Discretionary Powers

At the end of 2021, the implementation of Component 2 – Framework Improvement of Discretionary Powers within this project was finalized. The aim of the activities was to optimize the overall institutional framework, improve the work of the public services and strengthen the ethics, integrity, transparency and accountability of the public administration. The project provided an analysis of:

- the legislation that regulates the issuance of different types of permits, licenses that have an impact on the environment;
- the legislation that ensures individual rights and responsibilities of citizens (taxes, property law relations)
- the legislation covering employment in specific areas.

The implementation of the recommendations from the analysis conducted by the competent institutions in coordination with the Government of the Republic of North Macedonia is expected to start in 2021. The monitoring of the implementation will be performed by the SCPC.

IPA 2020 – "EU Support for the Rule of Law"–

Component 3 - Anti-Corruption

In 2021, a new five-year IPA 2020 project (January 2021 – January 2026) "EU support for the rule of law" was launched with four components dedicated to enhancing the operation of several institutions. The SCPC is the primary beneficiary of the results of Component 3 aimed at providing strategic and methodological support to the SCPC, strengthening its independence, effectiveness and efficiency in accordance with the mandate granted by law.

The objectives to be achieved by this project relate to:

- Support in the preparation of bylaws arising from the Law on Lobbying (adopted in June 2021) and establishment of an electronic register of lobbyists. During 2021, a plan was developed to raise awareness about lobbying; draft bylaws were developed and published on the SCPC website, as well as draft internal acts on lobbying. Also, together with the SCPC, piloting of the above-mentioned activities with selected institutions at central and local level was launched;
- Improving control and strengthening verification of declarations of assets submitted by elected and appointed persons;
- Creation and implementation of a web platform that will ensure transparency of political parties and election campaign participants regarding the financing of both their regular activities and

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election campaigns. It is expected to provide a solid database and information to the public and to the SCPC in order to fulfill the competences in the field of prevention of corruption in politics;

- Creation and implementation of an E-tracker - a system for monitoring, linking and public disclosure of assets, interests and data on used funds from the Budget of the Republic of North Macedonia by elected and appointed persons or official persons in the entities that dispose of state capital.
- Sponsorships of master's studies at the International Anti-Corruption Academy (IACA) in Luxembourg, Austria for the professional development of employees in various state and independent institutions on topics related to the fight against corruption and building integrity. In September 2021, four students were selected - employees of the State Commission for Prevention of Corruption, the State Audit Office, the Financial Police and the Ombudsman.

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7. Budget, annual statement of accounts and financing

The funds for the operation of the SCPC are secured from the Budget of the Republic of North Macedonia through the budget account number 020036004663719 which operates through the Treasury System at the Ministry of Finance as a beneficiary of the first line budget.

Table 19 shows the funds from the Budget of the Republic of North Macedonia planned for the needs of the SCPC during 2020 and 2021.

Table 19: The SCPC budget

Item	2021			2020		
	Budget	Realization	Budget realization in %	Budget	Realization	Budget realization in %
40 - Salaries and benefits	30,339,000	28,008,681	92.3	25,461,000	24,771,136	97.3
42 - Goods and services	12,100,000	5,846,385	48.3	7,770,000	6,120,513	78.8
46 - Transfers	360,000	56,876	15.8	18,000	15,000	83.3
48 - Capital expenditures	3,718,000	1,997,540	53.7	500,000	237,102	47.4
Total:	46,517,000	35,909,482	77.2	33,749,000	31,143,751	92.3

The reduced amount of planned funds in 2021 compared to 2020 is due to the consequences of the Covid-19 crisis, the relocation of the funds to other beneficiaries with the budget rebalancing for 2021, as well as the restriction of procurement.

Table 20 shows the planned expenditures during 2021 by purpose and individual spending from the expenditure items.

Table 20: Planned and realized expenditures of the SCPC

Expenditures	2021		2020	
	Budget	Realized	Budget	Realized
Basic salaries	21,885,000	19,889,282	18,451,000	17,791,763
Social security contributions	8,094,000	7,822,399	7,010,000	6,979,373
Allowances	360,000	297,000	0	0
Travel and per diem expenses	500,000	388,016	800,000	680,543
Utilities, heating, communication and transport	3,500,000	2,320,454	2,270,000	2,159,578
Materials and small inventory	800,000	553,797	940,000	446,375
Repairs and ongoing maintenance	3,800,000	782,056	800,000	405,947
Contract services	3,000,000	1,630,656	2,400,000	2,386,808
Other current expenditures	500,000	171,406	560,000	41,262
Various transfers	360,000	56,876	18,000	15,000
Purchase of equipment and machinery	238,839	133,839	0	0

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Building structures	0	0	0	0
Other building structures	3,268,781	1,693,781	400,000	211,496
Purchase of furniture	210,000	169,920	0	0
Investment and nonfinancial assets	380	0	100,000	25,606
TOTAL:	46,517,000	35,909,482	33,749,000	31,143,751

For the most part, the planned funds are earmarked for the payment of salaries and taxes and salary contributions for 34 civil servants and seven elected members of the Commission.

Funds have been spent on the day-to-day functioning of the SCPC, i.e. for payment of: travel expenses for the Commission members, utilities, heating, communication and transport, postal services, telephone, internet, translation services, copying, printing and publishing, real estate insurance, recruitment of one external person for maintenance of the IT equipment and software available to the SCPC, recruitment of two external persons for use of external expertise in accordance with Article 28 of the Law on Prevention of Corruption and Conflict of Interest, etc.

In December 2020, a public procurement plan was adopted, which underwent three changes during 2021 because of the decrease in funds due to the Covid-19 crisis, but also due to the need to reconstruct the premises used by the SCPC. Of the planned 20 purchases, eleven procedures were carried out in 2021, amounting to a total of 2,683,307 denars including VAT, while the other nine purchases were not materialized. Most of the planned funds for public procurement, 11,000,000 denars intended for the procurement of a software solution – "Register of elected and appointed persons, electronic submission of declarations of assets and interests, their publication, a system for collecting data from other institutions, their processing, a module for document management and maintenance of the overall system" remained unused and were returned to the Budget of the Republic of North Macedonia for other purposes, for the reason that for the implementation of this software, the SCPC managed to secure financial support from the European Commission through the IPA-2 project. The development of the software solution is ongoing.

8. Conclusions

During 2021, some of the special working conditions and restrictive measures for operation and movement prescribed by the Government of the Republic of North Macedonia remained in force as an ordinary course of operation of all entities, both from the public and private sectors, including the SCPC due to the Corona-19 pandemic, which affected the work dynamics of the SCPC.

The SCPC was allocated decent office premises, put the donated computer equipment fully into operation, increased the number of employees, improved the management structure in the Secretariat, and with funds from donors began to develop software solutions necessary for the achievement of the assigned competences. Some of these software solutions have been put into use and the rest will become operational in 2022.

2021 did not bring significant changes in the legislation and did not reduce the abuse of legal solutions due to the imprecise or unclear provisions, as a result of which influence by party, kinship and friendly relations remained dominant in the sphere of employment in the public sector.

Abuse of functions and discretionary powers continues to be present in issuing of various permits, approvals, contracts, creating conditions for favoring companies, etc. Unlawful construction on state and private land enabled by the provisions of the laws in the field of urbanism, construction, environment, non-action of inspection services and their clientelism towards the centers of political power and business elites leaves no room for citizens to defend, even before the courts, their constitutionally guaranteed rights to equal opportunities in employment, the right to protection of property, the right to a clean environment.

Reports in the field of corruption received by the SCPC in 2021 are mostly related to the above practices, including reports on the conduct of judges and public prosecutors.

The transparent operation of the SCPC, the continuous indication to the importance of integrity both at individual and institutional level and the promotion of several projects in this area contributed to an increased awareness of the importance of integrity as a first step in preventing conflicts of interest and consequently corruption. The conducted trainings for the employees of several state institutions and the campaigns implemented in the same area contributed to raising the awareness among the official persons of the potential conflict of interest, which resulted in 85 opinion requests submitted to the SCPC.

The Local Elections organized in 2021 once again highlighted the practice of making changes to the Electoral Code shortly before the elections. In this way, the latest changes from September 2021 allowed for more funds from the Budget of the Republic of North Macedonia to be secured and paid out for paid political advertising to electronic media and Internet portals, while the chaos with billboard advertising and advertising via internet portals remains unregulated and a leaves room for political corruption.

The SCPC regularly updates and publishes the data on the assets status of the persons who have an obligation to submit a declaration of assets and conflicts of interest, and in accordance with the annual plans, performs verification within its capacities.

The SCPC's cooperation with civil society organizations is constantly being strengthened and enhanced, and the support that the SCPC receives from international bodies and organizations is fully materialized for conducting campaigns, provision of trainings for employees and, most importantly, provision of the necessary software solutions for the ongoing realization of its competences.

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The members of the SCPC assess that in 2021, despite all challenges at both state and institutional level, the State Commission continued to effectively perform its responsibilities within its capacities.

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9. Attachments

Initiative for criminal proceedings in corruption cases	Attachment 1
Initiatives before competent authorities to initiate proceedings for determining liability of official persons	Attachment 2
Submitted initiatives for dismissal of official persons due to the existence of a conflict of interest	Attachment 3
Annual statement of accounts for 2020	Attachment 4