



ANNUAL REPORT ON IMPLEMENTATION OF THE NATIONAL STRATEGY FOR  
PREVENTION OF CORRUPTION AND CONFLICT OF INTERESTS 2021-2025  
for the period 01.01.2022 to 31.12.2022

Skopje, March 2023

## **Content**

|   |           |
|---|-----------|
| <b>INTRODUCTION .....</b>   | <b>3</b>  |
| <b>1. EXECUTIVE SUMMARY.....</b>  | <b>5</b>  |
| <b>2. HORIZONTAL AREA PUBLIC PROCUREMENT.....</b>   | <b>15</b> |
| <b>3. HORIZONTAL AREA EMPLOYMENT .....</b>  | <b>18</b> |
| <b>4. SECTOR POLITICAL SYSTEM .....</b>   | <b>24</b> |
| <b>5. JUDICIARY SECTOR.....</b>   | <b>28</b> |
| <b>6. SECTOR LAW ENFORCEMENT AUTHORITIES.....</b>   | <b>33</b> |
| <b>7. HEALTHCARE SECTOR.....</b>  | <b>40</b> |
| <b>8. EDUCATION SECTOR.....</b>   | <b>48</b> |
| <b>9. LABOR AND SOCIAL POLICY SECTOR .....</b>  | <b>56</b> |
| <b>10. SECTOR URBAN AND SPATIAL PLANNING.....</b>   | <b>59</b> |
| <b>11. SECTOR ENVIRONMENT .....</b>   | <b>60</b> |
| <b>12. SECTOR AGRICULTURE .....</b>   | <b>62</b> |
| <b>13. SPORTS SECTOR.....</b>   | <b>67</b> |
| <b>14. ECONOMY AND BUSINESS SECTOR.....</b>   | <b>71</b> |
| <b>15. SECTOR PUBLIC ENTERPRISES AND JOINT-STOCK COMPANIES OWNED BY<br/>THE STATE AND THE LOCAL SELF-GOVERNMENT UNITS .....</b> | <b>76</b> |
| <b>16. MEDIA AND CIVIL SOCIETY SECTOR .....</b>   | <b>79</b> |

## List of Abbreviations

| Abbreviation      | Full name  |
|-------------------|--|
| <b>AFAPI</b>      | Agency for Free Access to Public Information                                       |
| <b>AFSAD</b>      | Agency for Financial Support in Agriculture and Rural Development                  |
| <b>AJM</b>        | Association of Journalists of Macedonia  |
| <b>AJP</b>        | Academy of Judges and Prosecutors  |
| <b>APP</b>        | Association of Public Prosecutors  |
| <b>AQHE</b>       | Agency for Quality in Higher Education   |
| <b>ARC</b>        | Agency for Real Estate Cadastre  |
| <b>AYS</b>        | Agency for Youth and Sports  |
| <b>BDE</b>        | Bureau for Development of Education  |
| <b>CA</b>         | Customs Administration   |
| <b>CMEM</b>       | Council of Media Ethics in Macedonia   |
| <b>FID</b>        | Financial Intelligence Directorate   |
| <b>FPD</b>        | Financial Police Directorate   |
| <b>Government</b> | Government of the Republic of North Macedonia                                      |
| <b>HIF</b>        | Health Insurance Fund  |
| <b>LSU</b>        | Local Self-government Units  |
| <b>MAFWE</b>      | Ministry of Agriculture, Forestry and Water Management                             |
| <b>MALMED</b>     | Agency for Medicines and Medical Devices   |
| <b>ME</b>         | Ministry of Economy  |
| <b>MES</b>        | Ministry of Education and Science  |
| <b>MF</b>         | Ministry of Finance  |
| <b>MH</b>         | Ministry of Health   |
| <b>MISA</b>       | Ministry of Information Society and Administration                                 |
| <b>MJ</b>         | Ministry of Justice  |
| <b>MLSP</b>       | Ministry of Labor and Social Policy  |
| <b>MoIA</b>       | Ministry of Internal Affairs   |
| <b>Parliament</b> | Parliament of the Republic of North Macedonia                                      |
| <b>PDIF</b>       | Pension and Disability Insurance Fund of the Republic of North Macedonia           |
| <b>PPB</b>        | Public Procurement Bureau  |
| <b>PPRNM</b>      | Public Prosecutor's Office of the Republic of North Macedonia                      |
| <b>SCPC</b>       | State Commission for Prevention of Corruption                                      |
| <b>SEI</b>        | State Education Inspectorate   |
| <b>SIA</b>        | State Inspectorate of Agriculture  |
| <b>SAI</b>        | State Administrative Inspectorate  |
| <b>Strategy</b>   | National Strategy for Prevention of Corruption and Conflict of Interests 2021-2025 |

## INTRODUCTION

### Context

In January 2019, the Parliament of the Republic of North Macedonia enacted the current Law on Prevention of Corruption and Conflict of Interests, the main purpose of which is to regulate the measures and activities for:

- prevention of corruption in the exercise of power, public authority, official duty and politics,
- prevention of conflicts of interests, and
- prevention of corruption in the conduct of public affairs of legal entities related to the exercise of public powers.

Responsible institution for the implementation of the measures and activities related to the prevention of corruption and conflict of interests is the State Commission for Prevention of Corruption, which is guaranteed full autonomy and independence in the conduct of affairs within its jurisdiction. Within its competences, the SCPC adopts a five-year National Strategy for Prevention of Corruption and Conflict of Interest, and a corresponding Action Plan for its implementation. The National Strategy is submitted to the Parliament of the Republic of North Macedonia (hereinafter: the Parliament) for enactment.

On December 10, 2020, the SCPC adopted the National Strategy for Prevention of Corruption (hereinafter: Strategy) for the period 2021-2025, which builds upon an analysis of the risks of corruption and was drafted based on a broad, inclusive and transparent consultation process with participation of representatives of the public and private sectors, media, civil society associations and foundations, experts and representatives of relevant international organizations. The Strategy was enacted by the Parliament in April 2021. Integral part of the Strategy constitutes the Action Plan which elaborates in detail the identified measures by activities and indicators.

The issues and measures in the Strategy are systematized in 2 horizontal areas and 13 vulnerable sectors, as follows:

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

Pursuant to Article 18 paragraph (6) of the Law on Prevention of Corruption and Conflict of Interests, the SCPC is mandated to monitor the implementation of the measures contained in the Strategy, to draft

annual reports and final report on the implementation of the national strategy and to submit them to the Parliament by 31 March of the current year for the previous year.

Given that the Strategy refers to the period 2021-2025, this is the second Annual Report on implementation of the measures of the National Strategy for Prevention of Corruption. The first Annual Report for 2021 has been submitted to the Parliament within the statutory deadline and is available on the SCPC website<sup>1</sup>.

This Report reflects the structure of the Strategy, i.e. there are 16 sections, including summary, two sections concerning the two horizontal areas and 13 sections concerning each of the sectors covered by the Strategy. In each of these sections, the findings regarding the implementation of the measures and activities outlined in the Action Plan are presented, including with statistical data on implemented measures and activities, as well as qualitative analysis of the implemented activities, with recommendations to address existing issues.

## Methodology

This annual report is prepared on the basis of information received from the relevant institutions. In order to effectively monitor the degree of implementation of the activities contained in the National Strategy 2021-2025, a software solution – web application has been developed, where the nominated persons - the coordinators, periodically submit reports on the degree of implementation of activities of their respective institution.

The SCPC conducted analysis and evaluation of the data submitted by the institutions, and in the period January - February 2023 established the status of the activities which are subject to evaluation in this timeframe (implemented, in progress or not implemented).

### **Subject to this evaluation are:**

- **activities whose term of implementation in the Action Plan is 2022;**
- **activities whose term of implementation is set for 2021, and which in the previous evaluation had the status "in progress" or "not implemented", and**
- **continuous activities.**

Furthermore, for the activities for which no information has been received by the respective institutions and in order to obtain accurate data about the degree of implementation of the measures and activities of the Strategy's Action Plan, the SCPC made additional analysis of available data and documents on the websites of the respective institutions, as well as analysis of the relevant laws and regulations.

The degree of implementation of the activities refers to the activities of the responsible institution. Namely, the implementation of most of the activities is contingent upon the cooperation between several institutions; however the activity is primarily associated with the institution designated as responsible in the Action Plan.

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<sup>1</sup> <https://dksk.mk/wp-content/uploads/2022/03/Godisen-izvestaj-za-sproveduvanje-na-NS-vo-2021.pdf>

## 1. EXECUTIVE SUMMARY

The National Strategy for Prevention of Corruption and Conflict of Interests 2021-2025 identifies 54 issues and proposes 111 measures and 191 activities to address these issues. The table below shows an overview of the relevant issues, measures, and activities:

| No.          | Area/sector                         | Issues    | Measures   | Activities |
|--------------|-------------------------------------|-----------|------------|------------|
| 1.           | Public Procurement                  | 2         | 2          | 4          |
| 2.           | Employment                          | 3         | 8          | 13         |
| 3.           | Political system                    | 6         | 7          | 8          |
| 4.           | Judiciary                           | 3         | 7          | 14         |
| 5.           | Law Enforcement Authorities         | 7         | 13         | 21         |
| 6.           | Health                              | 5         | 18         | 26         |
| 7.           | Education                           | 8         | 18         | 34         |
| 8.           | Labor and Social Policy             | 1         | 5          | 10         |
| 9.           | Urban and spatial planning          | 1         | 1          | 1          |
| 10.          | Environment                         | 1         | 1          | 2          |
| 11.          | Agriculture                         | 5         | 9          | 16         |
| 12.          | Sport                               | 2         | 6          | 15         |
| 13.          | Economy and Business                | 4         | 8          | 13         |
| 14.          | Public enterprises and JS Companies | 3         | 3          | 6          |
| 15.          | Media and Civil Society             | 3         | 5          | 8          |
| <b>Total</b> |                                     | <b>54</b> | <b>111</b> | <b>191</b> |

Figure 1: Table of total number of issues, measures, and activities by area/sector

The table shows that the number of issues, measures, and activities in the various sectors depends primarily on the risk of corruption in each of the areas/sectors, as well as on the involvement and contribution made during the development of the Strategy by institutions within the respective areas/sectors.

Issues by areas/sectors:

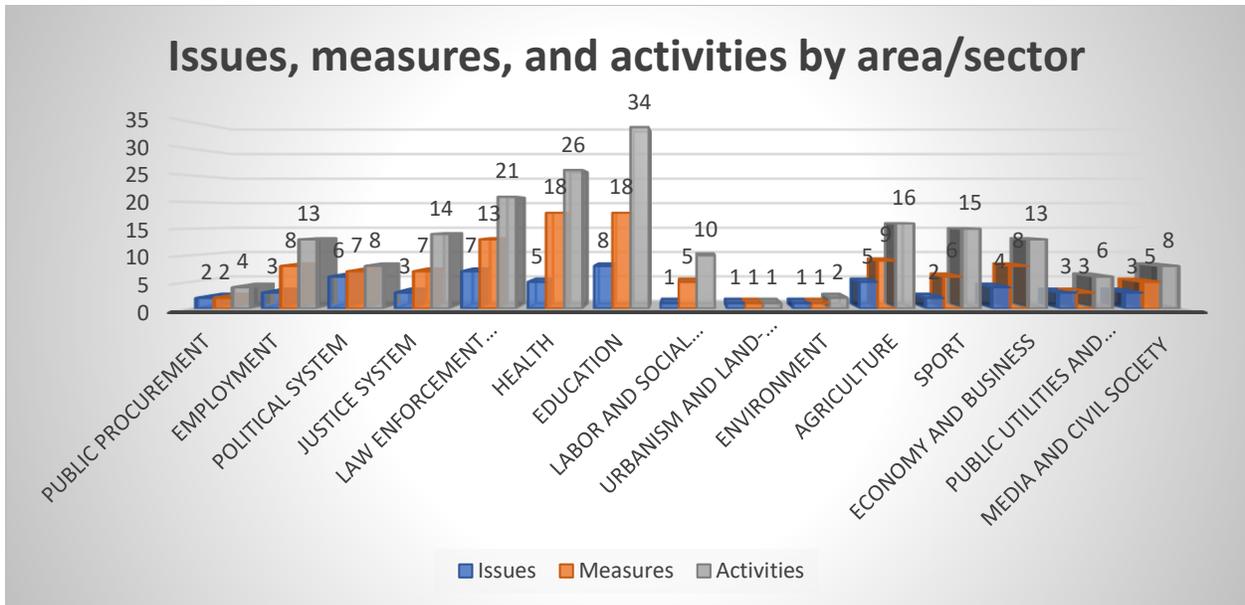


Figure 2: Number of issues, measures, and activities by area/sector

The education, health, and law enforcement sectors account for around 40% of all measures and activities.

The distribution of activities by year is as follows:

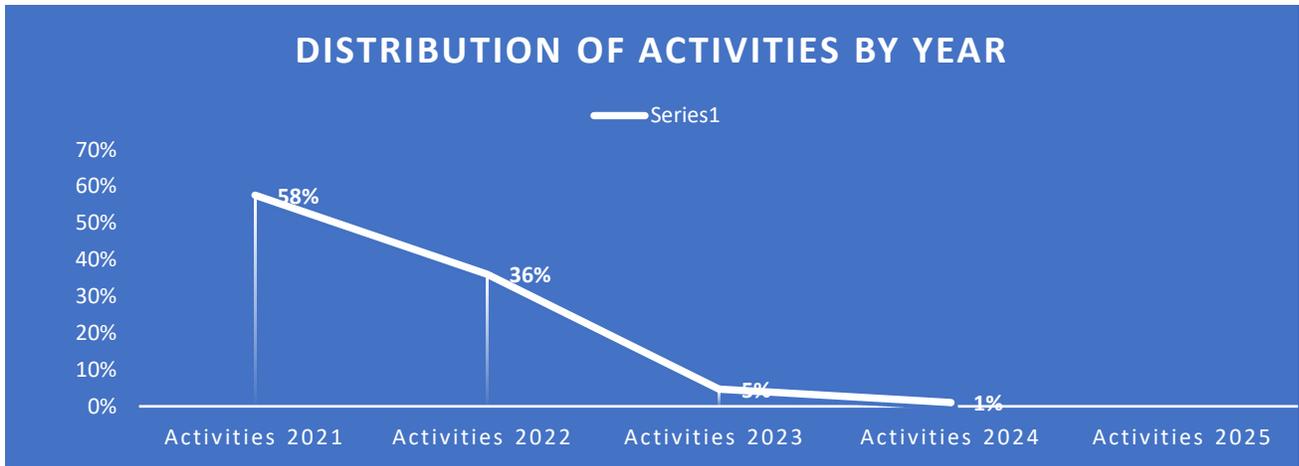


Figure 3: Percentage distribution of activities by year

The first year of implementation of the Strategy – 2021 – includes the highest number of planned activities. Namely, 110 activities (58%) are planned for 2021, 70 activities (36%) are planned for 2022, 9 activities (5%) are planned for 2023, 2 activities (1%) are planned for 2024, and no activities are planned for 2025. This is the absolute distribution of activities by year. Furthermore, 27 activities in the Action Plan for the Strategy should be implemented continuously throughout the 2021-2025 period, where six of those continuous activities are planned for 2022 and onwards, and one continuous activity commences implementation in 2024.

This means that a total of 318 activities should be implemented in the period 2021-2025<sup>2</sup>. It should be noted that, in developing the Strategy, the timeframes for implementation were proposed by the institutions/participants from the respective sectors themselves.

The table below shows the **number of activities planned for implementation in 2022**:

| Area/sector                         | Total activities by area/sector | Activities for 2022 | Activities carried over from 2021 |
|-------------------------------------|---------------------------------|---------------------|-----------------------------------|
| Public Procurement                  | 2                               | 0                   | 2                                 |
| Employment                          | 12                              | 5                   | 7                                 |
| Political system                    | 7                               | 2                   | 5                                 |
| Judiciary                           | 10                              | 5                   | 5                                 |
| Law Enforcement Authorities         | 19                              | 6                   | 13                                |
| Health                              | 24                              | 13                  | 11                                |
| Education                           | 28                              | 8                   | 20                                |
| Labor and Social Policy             | 8                               | 5                   | 3                                 |
| Urban and Spatial Planning          | 1                               | 1                   | 0                                 |
| Environment                         | 2                               | 2                   | 0                                 |
| Agriculture                         | 16                              | 5                   | 11                                |
| Sport                               | 14                              | 7                   | 7                                 |
| Economy and Business                | 13                              | 4                   | 9                                 |
| Public Enterprises and JS Companies | 2                               | 2                   | 0                                 |
| Media and Civil Society             | 7                               | 5                   | 2                                 |
| <b>Total</b>                        | <b>165</b>                      | <b>70</b>           | <b>95</b>                         |

Figure 4: Table of number of activities planned for 2022, number of activities carried over from previous years, and total number of activities for 2022, by area/sector

The table shows that 165 activities were planned to be implemented in 2022, of which 70 are envisaged in the Action Plan for the Strategy for 2022, and 95 activities which have not been implemented or are in progress have been carried over from 2021, as well as continuous activities. Of the 95 activities carried over from 2021, 27 are continuous.

**The status of implementation of activities in 2022 by area/sector** is as follows:

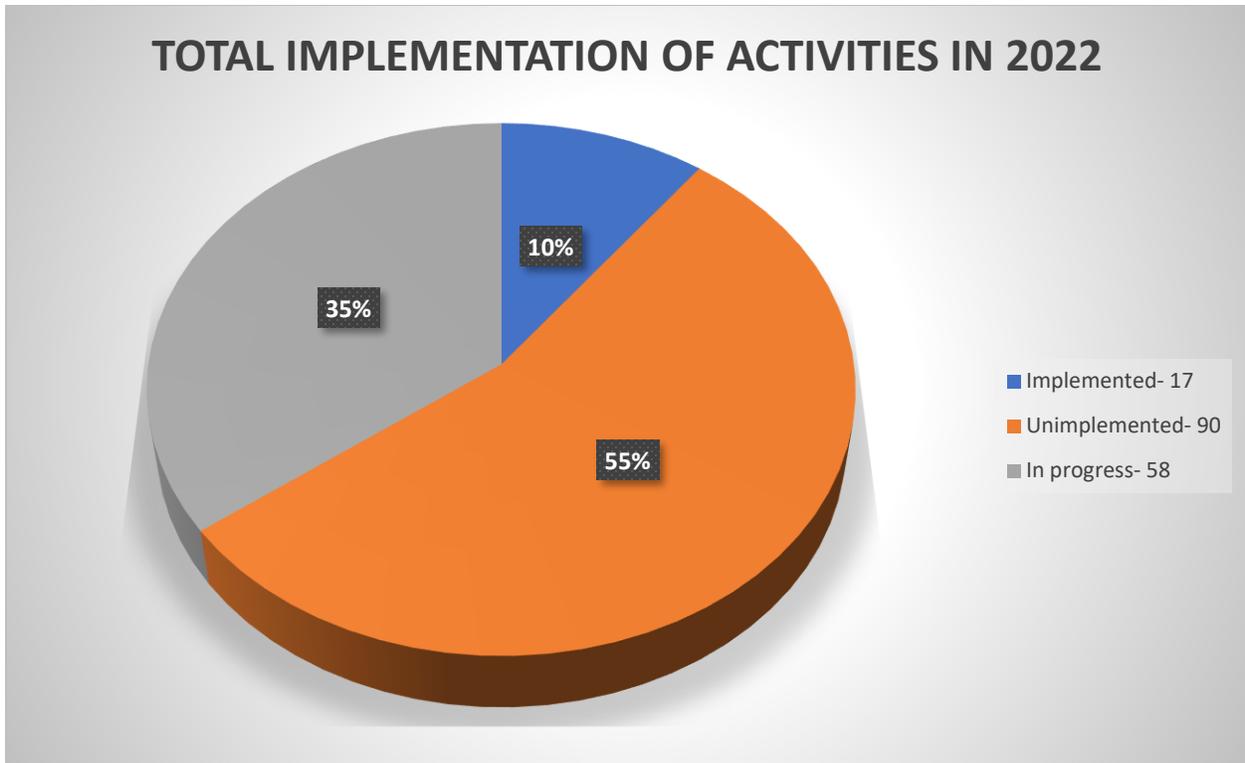
<sup>2</sup> 83 activities for year 2021 + 27 continuous activities from 2021 \*5 years+ 64 activities for 2022 + 6 continuous activities from 2022 \*4 years + 9 activities for 2023 + 1 activity for 2024 + 1 continuous activity 4 for 2024 \* 2 years

| Area/sector                         | Implemented activities | Unimplemented activities | Activities in progress |
|-------------------------------------|------------------------|--------------------------|------------------------|
| Public Procurement                  | 0                      | 0                        | 2                      |
| Employment                          | 0                      | 7                        | 5                      |
| Political System                    | 1                      | 2                        | 5                      |
| Judiciary                           | 5                      | 3                        | 1                      |
| Law Enforcement Authorities         | 3                      | 11                       | 6                      |
| Health                              | 1                      | 16                       | 6                      |
| Education                           | 5                      | 12                       | 11                     |
| Labor and Social Policy             | 0                      | 3                        | 5                      |
| Urban and Spatial Planning          | 0                      | 0                        | 1                      |
| Environment                         | 0                      | 1                        | 1                      |
| Agriculture                         | 0                      | 14                       | 2                      |
| Sport                               | 0                      | 9                        | 5                      |
| Economy and Business                | 1                      | 8                        | 3                      |
| Public Enterprises and JS Companies | 0                      | 2                        | 0                      |
| Media and Civil Society             | 1                      | 2                        | 5                      |
| <b>Total</b>                        | <b>17</b>              | <b>90</b>                | <b>58</b>              |

Figure 5: Table of planned, implemented, and not implemented activities, as well as activities in progress in 2022, by areas/sectors

The received reports and completed verifications showed that out of a total of 165 activities planned for 2022, **17 have been implemented**, **90 have not been implemented**, and **58 activities are in progress**.

A chart of activities that were implemented, not implemented, and in-progress in 2022 is provided below:



**Figure 6: Chart of number and percentage of implemented, not implemented, and in-progress activities in 2022**

It is clear from the chart that activities that were not implemented account for the largest percentage – 55%, activities in progress account for 35%, and fully implemented activities account for only 10%.

The following is a chart of the status of activities by area:

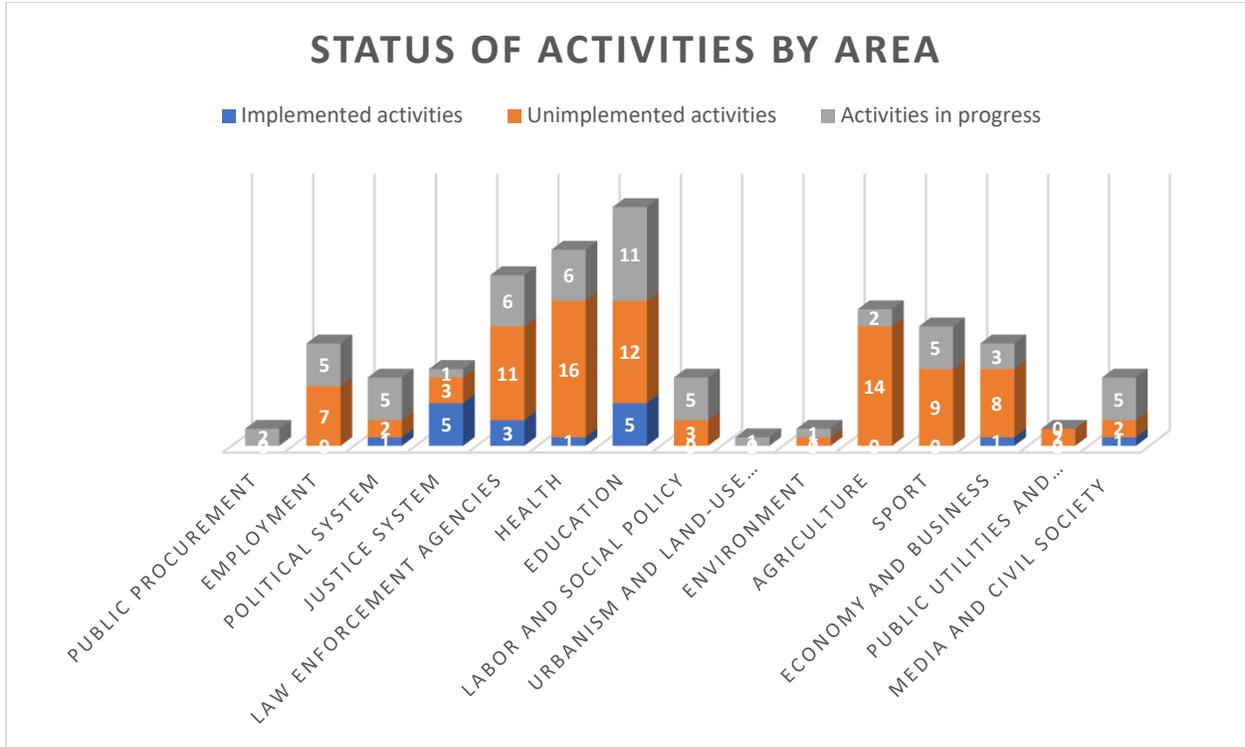


Figure 7: Chart showing the number of implemented, not implemented, and in-progress activities in 2022, by area/sector

A comparison table of implemented activities in 2021 in 2022 by area/sector is provided below:

| Area/sector                 | Implemented activities 2022 | Implemented activities 2021 |
|-----------------------------|-----------------------------|-----------------------------|
| Public Procurement          | 0                           | 1                           |
| Employment                  | 0                           | 1                           |
| Political System            | 1                           | 1                           |
| Judiciary                   | 5                           | 7                           |
| Law Enforcement Authorities | 3                           | 2                           |
| Health                      | 1                           | 1                           |
| Education                   | 5                           | 6                           |
| Labor and Social Policy     | 0                           | 0                           |
| Urban and Spatial Planning  | 0                           | 0                           |
| Environment                 | 0                           | 0                           |
| Agriculture                 | 0                           | 0                           |
| Sport                       | 0                           | 0                           |
| Economy and Business        | 1                           | 1                           |
| Public Enterprises and JS   | 0                           | 0                           |

|                                |           |           |
|--------------------------------|-----------|-----------|
| <b>Companies</b>               |           |           |
| <b>Media and Civil Society</b> | <b>1</b>  | <b>2</b>  |
| <b>Total</b>                   | <b>17</b> | <b>22</b> |

Figure 8: Table showing number of implemented activities in 2021 and 2022, by area/sector

The chart shows that there are no significant increases in the number of implemented activities in any of the areas/sectors. The fact that not a single activity has been implemented for two consecutive years in five of the sectors is a cause for concern.

A comparison chart of implemented activities in 2021 and 2022 by area/sector is provided below:

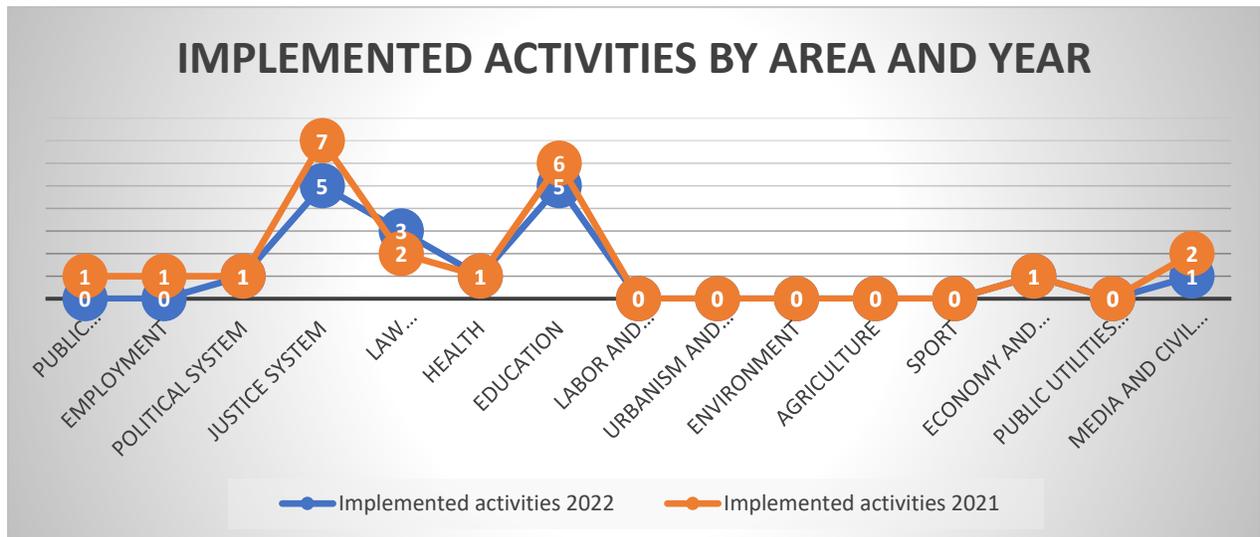


Figure 9: Table showing the number of implemented activities in 2021 and 2022, by area/sector

Comparative table of activities that have not been implemented in 2021 and 2022 by area/sector is provided below:

| Area/sector                        | Unimplemented activities 2022 | Unimplemented activities 2021 |
|------------------------------------|-------------------------------|-------------------------------|
| <b>Public Procurement</b>          | <b>0</b>                      | <b>2</b>                      |
| <b>Employment</b>                  | <b>7</b>                      | <b>5</b>                      |
| <b>Political System</b>            | <b>2</b>                      | <b>1</b>                      |
| <b>Judiciary</b>                   | <b>3</b>                      | <b>0</b>                      |
| <b>Law Enforcement Authorities</b> | <b>11</b>                     | <b>9</b>                      |
| <b>Health</b>                      | <b>16</b>                     | <b>9</b>                      |
| <b>Education</b>                   | <b>12</b>                     | <b>10</b>                     |
| <b>Labor and Social Policy</b>     | <b>3</b>                      | <b>2</b>                      |

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Urban and Spatial Planning          | 0         | 0         |
| Environment                         | 1         | 0         |
| Agriculture                         | 14        | 10        |
| Sport                               | 9         | 6         |
| Economy and Business                | 8         | 5         |
| Public Enterprises and JS Companies | 2         | 0         |
| Media and Civil Society             | 2         | 0         |
| <b>Total</b>                        | <b>90</b> | <b>59</b> |

Figure 9: Table of activities not implemented in 2021 and 2022, by area/sector

The table shows that, except for public procurement and urban planning, the number of activities that have not been implemented is on the rise in almost all areas/sectors, and this is particularly the case in the health sector (by seven) and agriculture (by four). Nonetheless, in comparison to 2021, the increase in the number of activities that remain not implemented is not too drastic.

Comparative chart of pending activities in 2021 and 2022 by area/sector is provided below:

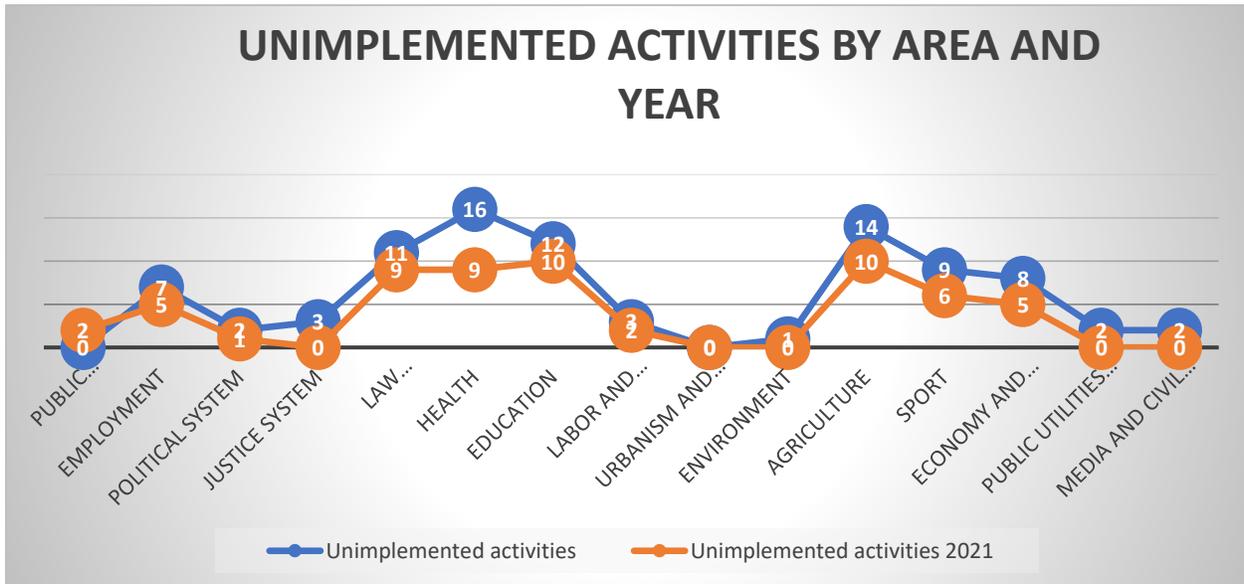


Figure 10: Chart of pending activities in 2021 and 2022, by area/sector

Comparative table of activities in progress in 2021 and 2022 by area/sector is provided below:

| Area/sector        | Activities in progress in 2022 | Activities in progress in 2021 |
|--------------------|--------------------------------|--------------------------------|
| Public procurement | 2                              | 0                              |

|                                     |           |           |
|-------------------------------------|-----------|-----------|
| Employment                          | 5         | 2         |
| Political system                    | 5         | 4         |
| Justice system                      | 2         | 2         |
| Law enforcement authorities         | 6         | 3         |
| Health                              | 6         | 2         |
| Education                           | 10        | 11        |
| Labor and Social Policy             | 5         | 1         |
| Urban and Spatial Planning          | 1         | 0         |
| Environment                         | 1         | 0         |
| Agriculture                         | 2         | 1         |
| Sport                               | 5         | 1         |
| Economy and Business                | 3         | 2         |
| Public Enterprises and JS Companies | 0         | 0         |
| Media and Civil Society             | 5         | 1         |
| <b>Total</b>                        | <b>58</b> | <b>30</b> |

Figure 11: Table of number of activities in progress in 2021 and 2022, by area/sector

The table shows significant increase in the number of activities in the health, labor and social policy, sport, media, and civil society sectors, where the number of activities in progress has increased by four. The other areas/sectors have seen no significant changes. The fact that there is no area/sector where the number of activities in progress has declined is a favorable indicator.

**Comparative chart of activities in progress in 2021 and 2022** by area/sector is provided below:

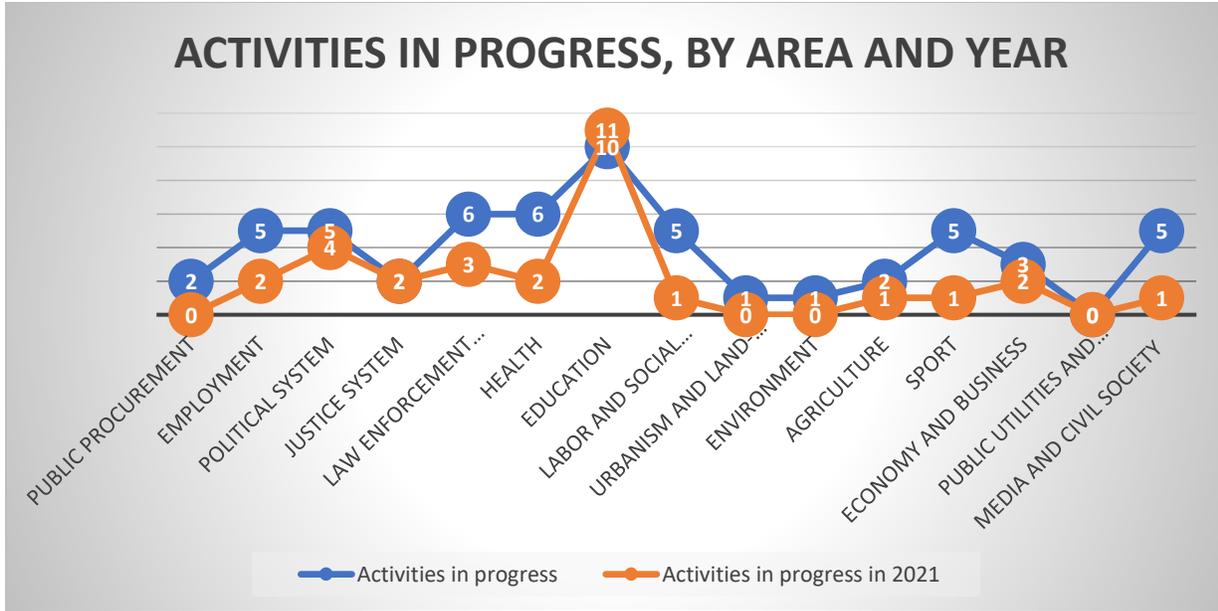


Figure 12: Chart of activities in progress in 2021 and 2022 by area/sector

In view of the overall implementation of activities envisaged with the Strategy over the past two years, and maintaining the approach towards identifying deficiencies in its implementation, the SCPC is reiterating the general recommendations provided in the Annual Report on the Implementation of Activities under the Strategy for 2021, as follows:

- It is imperative to establish a strong mechanism for control and institutional accountability for implementation of the measures.
- Activities of the Parliament should be intensified to ensure stronger accountability, responsibility, and transparency by public officials in the executive branch who are in charge of implementing activities under the Strategy (committee hearings, discussions in supervisory bodies, etc.).
- Institutions in charge of activities under the Strategy should create conditions for continuous and effective system of reporting about the level of implementation of activities assigned to them, within the institution as well as towards the SCPC.
- Provision of resources for strengthening the capacities of the SCPC by establishing a department for monitoring the implementation of the Strategy, to ensure continuous communication with institutions and to maintain the role of a proactive agent advancing the implementation of activities through quarterly collection of data from institutions and organizing regular meetings for different sectors.
- Amend the Strategy, pursuant to the LPCCI, to update and adapt measures and activities (implementation timeframes, indicators, institution in charge, etc.); incorporate proposals from parliamentary bodies made at the time of adopting the Strategy; define the additionally identified priority issues related to inspection services and control of property owned by the state or local governments.

Further to the recommendations listed above, the SCPC offered additional recommendations in horizontal areas and sectors, where deemed necessary.

## 2. HORIZONTAL AREA PUBLIC PROCUREMENT

### Description of the horizontal area

Priority issues in the horizontal area of public procurement:

- 1) Lack of staff with relevant qualifications and knowledge of the standards for defining technical specifications as well as criteria for assessing the ability of economic operators, and
- 2) Lack of transparency of the institutions and low degree of integrity of the staff dealing with public procurement.

Relevant institutions for implementation of the measures and activities to address the issues in the field of public procurement are:

- 1) Bureau for Public Procurement (hereinafter: BPP),
- 2) Ministry of Finance (hereinafter: MF), and
- 3) Agency for Protection of the Right to Free Access to Public Information (hereinafter: AFAI).

### Degree of implementation of activities in the area

In the horizontal area of public procurement, two measures and four activities are envisaged to address the two priority issues.

Based on the obtained data and conducted analyses, the implementation status of the activities set out by the Action Plan of the 2022 Strategy for this area is as follows:

| Issue 1. Lack of staff with relevant qualifications and knowledge of the standards for defining technical specifications as well as criteria for assessing the ability of economic operators |   |                         |                                  |                 |             |
|--|---|-------------------------|----------------------------------|-----------------|-------------|
| Measure  | Activity  | Responsible institution | Deadline for implementation      | Status 2021     | Status 2022 |
| 1. Strengthening capacities of staff compiling the tender documentation  | 1.1. Development and implementation of training for application of standards in the compilation of technical specifications and criteria for assessing ability, with the participation of the Institute for Standardization | BPP<br>IS               | Second half of 2024 - continuous | Not implemented | In progress |
| Issue 2. Insufficient transparency of institutions and low degree of integrity of the staff involved in conducting public procurement  |   |                         |                                  |                 |             |
| Measure  | Activity  | Responsible institution | Deadline for implementation      | Status 2021     | Status 2022 |
| 1: Increasing institutional integrity and transparency in public procurement   | 1.1. Amendment of the Law on Public Procurement to prescribe mandatory signing of a confidentiality statement by the staff participating in the preparation of the  | MF<br>BPP               | First half of 2023               | Not due         | Not due     |

|  |  |      |                                 |                 |             |
|--|--|------|---------------------------------|-----------------|-------------|
|  | technical specification  |      |                                 |                 |             |
|  | 1.2. In order to insure protection, tender documentation models developed by BPP should mandatorily indicate the persons authorized for receipt of internal and external reports by whistleblowers, in connection with corruption in public procurement. | BPP  | Second half of 2020             | Implemented     | /           |
|  | 1.3. Strengthening the supervision with regard to publication of information concerning public procurement in accordance with Article 10 of the Law on Free Access to Public Information   | AFAI | First half of 2021 - continuous | Not implemented | In progress |

**Issue 1: Lack of staff with relevant qualifications and knowledge of the standards for defining technical specifications as well as criteria for assessing the ability of economic operators**

To implement **Measure 1: Strengthening capacities of staff compiling the tender documentation**, one activity is envisaged: *1.1. Development and implementation of training for application of standards in the compilation of technical specifications and criteria for assessing ability, with the participation of the Institute for Standardization*, to be implemented in the second half of 2021 and continuously, by the BPP. As per the 2021 Report, this activity was not implemented, with the implementation activities starting only in 2022. Therefore, this activity in 2022 will be marked with the status "**in progress**", and given that it is continuous, it will be subject to verification in the following reporting periods.

**Issue 2. Insufficient transparency of institutions and low degree of integrity of the staff involved in conducting public procurement**

For the implementation of **Measure 1: Increasing institutional integrity and transparency in public procurement**, three activities are envisaged:

- *Activity 1.1 Amendment of the Law on Public Procurement to prescribe mandatory signing of a statement of confidentiality by the persons participating in the preparation of the technical specification*, to be implemented in the **first half of 2023**, by the MF. Given that the deadline for implementation **is not due**, it will not be taken into account in this reporting period.
- *Activity 1.2. In order to insure protection, tender documentation models developed by BPP should mandatorily indicate the persons authorized for receipt of internal and external reports by whistleblowers, in connection with corruption in public procurement*. This activity **was implemented in 2021**.
- *Activity 1.3. Strengthening the supervision with regard to publication of information regarding public procurement in accordance with Article 10 of the Law on Free Access to Public Information*. The deadline for implementation of this activity is the first half of 2021 and continuously, by the AFAI, and according to the report, this activity was **not implemented** in 2021. Given that measures have been taken to implement the above activity, in this reporting period, the status of the activity is "**in progress**", and given its continuity, it will be subject to verification in the following reporting periods.

Based on the data received from the relevant institutions and the conducted verification by the SCPC, the **overall degree of implementation** of the activities since the adoption of the Strategy to date in the field of public procurement is as follows:

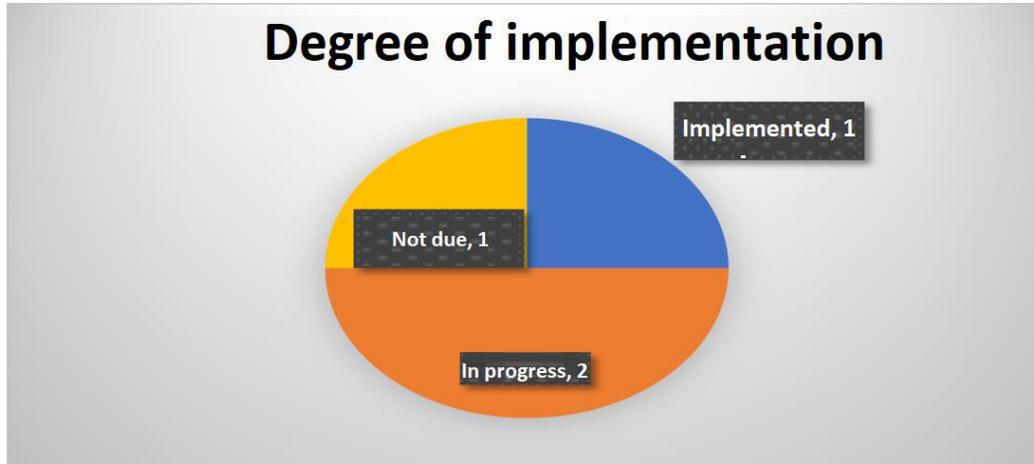


Figure 13: Overall degree of implementation in the area

Of the four activities envisaged in the Strategy for this horizontal area, one activity has been implemented (25%), two activities are ongoing (50%), and one activity is not due yet (25%).

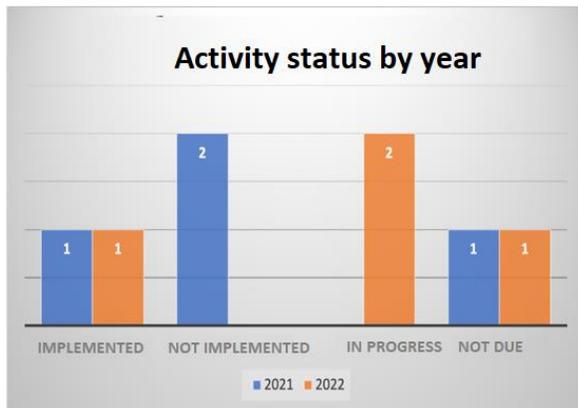


Figure 14: Activity status by evaluation period

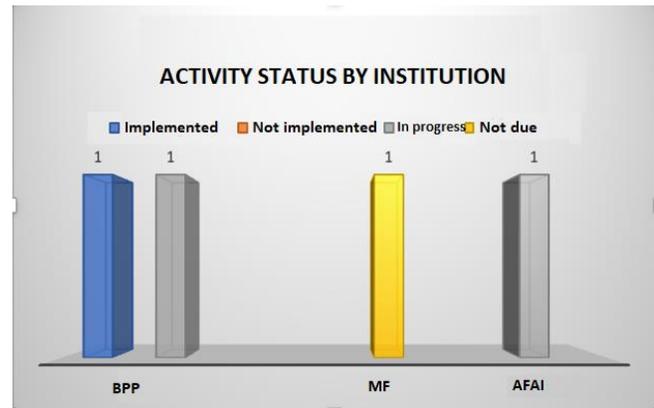


Figure 15: Overall activity status by institution

- PPB is responsible for two activities, one of which was implemented in 2021, and the other activity has a term of implementation in 2021 – continuously. In 2021 it was not implemented, whereas actions towards its implementation were taken in 2022, therefore it has the status "in progress".
- AFAI is responsible for one activity with a term of implementation in 2021 – continuously. In 2021 it was not implemented, whereas actions towards its implementation were taken in 2022, therefore it has the status "in progress", and it will be subject to evaluation in the following reporting periods.
- MF is responsible for one activity due to be implemented in 2023.

Pending in this area is the implementation of the recommendations provided in the Annual Report on implementation of the measures from NS 2021-2025, due to be implemented in 2021.

### 3. HORIZONTAL AREA EMPLOYMENT

#### Description of the horizontal area

Priority issues in the horizontal area employment are:

- 1) Lack of harmonization of employment laws, enabling various influences: party influence, nepotism, cronyism and clientelism;
- 2) Inefficient leadership, management and supervision in individual managerial bodies, agencies, public enterprises and state-owned joint-stock companies, and
- 3) The legislation has not established a clear system for evaluation of the selection criteria in the process of employment and promotion in the public sector.

Relevant institutions for the implementation of the measures and activities to address the issues in the field of employment are:

- 1) Government of the Republic of North Macedonia (hereinafter: the Government),
- 2) State Commission for Prevention of Corruption,
- 3) Ministry of Information Society and Administration (hereinafter: MISA),
- 4) Ministry of Economy (hereinafter: ME),
- 5) Ministry of Local Self-Government (hereinafter: MLS),
- 6) Ministry of Health (hereinafter: MH),
- 7) Ministry of Education and Science (hereinafter: MES),
- 8) Ministry of Labor and Social Policy (hereinafter: MLSP),
- 9) Ministry of Culture (hereinafter: MC),
- 10) Other ministries (hereinafter: ministries)
- 11) Municipalities and the City of Skopje (hereinafter: LSU), and
- 12) Agency for Protection of the Right to Free Access to Public Information (hereinafter: AFAI)

#### Degree of implementation of activities in the area

In the horizontal employment area, eight measures and 13 activities are envisaged to address the three priority issues.

Most of these activities were planned to be implemented in 2021, and the obtained data and conducted analyses show the following status:

| Issue 1: Lack of harmonization of employment laws, enabling various influences: party influence, nepotism, cronyism and clientelism                                |  |                         |                             |                        |                        |
|--|--|-------------------------|-----------------------------|------------------------|------------------------|
| Measure  | Activity   | Responsible institution | Deadline for implementation | Status 2021            | Status 2022            |
| <b>1. Cancellation of the possibility of employment through temporary employment agencies and the possibility for temporary employments to be transformed into</b> | 1.1. Amendment of the Law on Public Sector Employees to cancel the possibility for employment through temporary employment agencies and the possibility to transform temporary employments | MISA                    | Second half of 2021         | <b>Not implemented</b> | <b>Not implemented</b> |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |   |                                |                                    |                        |                        |
|---|---|--------------------------------|------------------------------------|------------------------|------------------------|
| <b>indefinite employment without regular employment procedure</b>   | into indefinite employments without regular employment procedure  |                                |                                    |                        |                        |
| <b>2. Assessing the required number of employees and their expertise in public sector entities</b>  | 2.1. Development of functional analysis in public sector entities   | MISA<br>Ministries<br>LSU      | Second half of 2021 - continuous   | <b>Not implemented</b> | <b>Not implemented</b> |
|   | 2.2. Publication of the functional analysis on the websites of the institutions   | MISA<br>Ministries<br>LSU      | Second half of 2021 - continuous   | <b>Not implemented</b> | <b>Not implemented</b> |
|   | 2.3. Analysis of the need to introduce an annual workload assessment in public sector entities  | MISA                           | Second half of 2021 - continuous   | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>3. Adequate definition of the type of education for a specific post in the acts for systematization of posts</b>   | 3.1. Amendment of the "Rulebook on the content and manner of drafting acts for internal organization and systematization of posts, as well as the content of the functional analysis of public sector institutions"                                     | MISA<br>ME<br>MLSG             | First half of 2022                 | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>4. Increasing transparency in public sector employment</b>   | 4.1 Strengthening the supervision regarding publication of the acts for organization and systematization and employment, in accordance with Article 10 of the Law on Free Access to Public Information  | AFAI                           | First half of 2021 - continuous    | <b>Not implemented</b> | <b>In progress</b>     |
| <b>Issue 2: Inefficient leadership, management and supervision in individual managerial bodies, agencies, public enterprises and state-owned joint-stock companies.</b> |   |                                |                                    |                        |                        |
| <b>Measure</b>  | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| <b>1. To optimize the number of members in the supervisory and management boards in PE and JS companies</b>   | 1.1. Setting up criteria (competences, income/expenses, number of employees) in the Law on Public Enterprises and the Law on Trade Companies in terms of optimization of the number of members in management bodies - supervisory and management boards | ME<br>MISA<br>LSU              | Second half of 2021                | <b>In progress</b>     | <b>In progress</b>     |
|   | 1.2. Harmonization of the statutes of PE and JS companies in accordance with the amendments in the laws   | Government<br>LSU              | Second half of 2022                | <b>Not due</b>         | <b>In progress</b>     |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |   |                                       |                                    |                    |                        |
|---|---|---------------------------------------|------------------------------------|--------------------|------------------------|
| <b>2. Introduction of criteria for the type of education and competences required in the process of selection and appointment of directors and members of management and supervisory boards</b> | 2.1. Amending and supplementing the Law on Public Enterprises and the Law on Trade Companies towards:<br>- prescribing a legal obligation, with the Statute to prescribe the necessary type of education for managerial posts and for members of management bodies;<br>- prescribing a procedure for timely appointment of the required number of members of supervisory and management boards;<br>- prescribing misdemeanor penalties for the founder for untimely appointment of members or illegal election of a managerial person | ME<br>MISA                            | Second half of 2021                | <b>In progress</b> | <b>In progress</b>     |
|   | 2.2. Harmonization of statutes and internal acts with amendments in the Law on Trade Companies and the Law on Public Enterprises by administrative bodies, PE and AD  | Government<br>LSU                     | Second half of 2022                | <b>Not due</b>     | <b>In progress</b>     |
| <b>Issue 3: The legislation has not established a clear system for evaluation of the selection criteria in the process of employment and promotion in the public sector</b>                     |   |                                       |                                    |                    |                        |
| <b>Measure</b>  | <b>Activity</b>   | <b>Responsible institution</b>        | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b>     |
| <b>1. Establish a clear and transparent evaluation process of criteria for employment and promotions in health, education, culture, social protection and state-owned JS companies</b>          | 1.1 Prescribe bylaws for determining objective criteria and evaluation process for employment and promotion depending on the specific needs of each sector  | MH<br>MC<br>ME<br>MISA<br>MLSP<br>MES | First half of 2022                 | <b>Not due</b>     | <b>Not implemented</b> |
| <b>2. Limitation of the discretionary right of the responsible person in the employment process</b>   | 2.1. Analysis of the legislation that allows the discretionary right of the responsible person in employment  | SCPC                                  | First half of 2021                 | <b>Implemented</b> | /                      |
|   | 2.2. Implementation of the findings of the developed analysis   | MISA<br>MH<br>MLSP<br>MC<br>ME        | Second half of 2022                | <b>Not due</b>     | <b>Not implemented</b> |

**Issue 1: Lack of harmonization of a number of employment laws, allowing for various types of influence: party influence, nepotism, cronyism and clientelism.**

For the implementation of **Measure 1: Cancellation of the possibility of employment through temporary employment agencies and the possibility of transforming temporary employment into indefinite employment without a regular employment procedure**, one *Activity 1.1* is envisaged: *Amendment of the Law on Public Sector Employees to cancel the possibility for employment through temporary employment agencies and the possibility to transform temporary employments into indefinite employments without regular employment procedure.* The deadline for implementation of this activity

was the **second half of 2021**, and the responsible institution is MISA. The activity was not implemented in 2021, and it remains “**not implemented**” in 2022.

**Measure 2: Assessing the required number of employees and their expertise in public sector entities** is the second measure to address the first issue in the area of employment, which includes three activities: *Activity 2.1: Development of functional analysis in the public sector entities, Activity 2.2: Publication of the functional analysis on the websites of the institutions and Activity 2.3. Analysis of the need to introduce annual workload assessment in public sector entities.* Institution responsible for these activities is **MISA**. All three activities remained “**not implemented**” in 2021 and 2022, i.e., MISA has not provided any relevant data.

**Measure 3: Adequate definition of the type of education for a specific post in the acts for systematization of posts** is the third measure to address the issue related to the lack of harmonization of laws regulating employment, which allows for various types of influence: party influence, nepotism, cronyism and clientelism. One Activity has been foreseen for the implementation of this measure *Activity 3.1: Amendment of the "Rulebook on the content and manner of drafting of acts for internal organization and systematization of posts, as well as the content of the functional analysis of the public sector institutions" in order to determine the type of higher education through scientific areas, not scientific fields in accordance with the Frascati classification of scientific areas in determining the type of education in the acts for systematization.* The deadline for implementation of this activity was the **first half of 2022**, the responsible institution is **MISA**, and the activity is “**not implemented**”.

For the implementation of **Measure 4: Increasing transparency in public sector employment**, one *Activity 4.1* is envisaged: *Strengthening supervision in terms of publication of organization and systematization acts and employment, in accordance with Article 10 of the Law on Free Access to Public Information*, to be implemented in the **first half of 2021 - continuous**, and the responsible institution is AFAI. The activity was not implemented in 2021. In 2022, AFAI has undertaken activities and has monitored the websites of several institutions; therefore the status of the activity for this year is “**in progress**”.

**Issue 2: Inefficient leadership, management and supervision among management bodies, agencies, public enterprises and state-owned JS companies.**

For the implementation of **Measure 1: To optimize the number of members in the supervisory and management boards in PE and JS companies**, two activities are envisaged:

- *Activity 1.1. Setting up criteria (competences, income/expenses, number of employees) in the Law on PE and the Law on Trade Companies in terms of optimization of the number of members in the management bodies - supervisory and management boards*, due to be implemented in the **second half of 2021** by the **ME** as the responsible institution. Both in 2021 and 2022, the status of the activity is “**in progress**”, given that amendments have only been enacted to the Law on Public Enterprises and amendments to the Law on Trade Companies are yet to be enacted. According to the report submitted by the Government (for Activity 1.2. of this Measure), the Draft Law on Amending and Supplementing the Law on Trade Companies is in government procedure as of October 2022.
- *Activity 1.2: Harmonization of the statutes of PE and JS companies in accordance with the amendments in the laws*, to be implemented in the **second half of 2022**, by the **Government** as the responsible institution. The activity is “**ongoing**”, given that eight of the 15 public companies established by the government have already harmonized their statutes.

For the implementation of **Measure 2: Introduction of criteria for the type of education and competencies in the selection of directors and appointment of members of the management and supervisory boards**, two activities are envisaged:

- *Activity 2.1: Amending and supplementing the Law on Public Enterprises and the Law on Trade Companies towards:- prescribing a legal obligation, with the Statute to prescribe the necessary type of education for managerial posts and for members of the management bodies;- prescribing a procedure for timely appointment of the required number of members of supervisory and management boards;- prescribing misdemeanor penalties for the founder for untimely appointment of members or illegal election of a managerial person.* The deadline for implementation of this activity was **the second half of 2021** by the Ministry of Health as the responsible institution. The status of the activity in 2021 and 2022 is **“in progress”**, given that in 2022 amendments to the Law on Public Enterprises have been adopted, but amendments to the Law on Trade Companies have not yet been adopted. According to the submitted report by the ME, the Draft Law on Amending and Supplementing the Law on Trade Companies is in government procedure as of October 2022.
- *Activity 2.2: Harmonization of the statutes and internal acts with the amendments to the Law on Public Enterprises and the Law on Trade Companies*, with the deadline for implementation in the **second half of 2022**, the responsible institution is the Government and the status **"in progress"**.

**Issue 3: The legislation has not established a clear system for evaluation of the selection criteria in the process of employment and promotion in the public sector**

To implement **Measure 1: Establish a clear and transparent evaluation process of the criteria for employment and promotion in health, education, culture, social protection and state-owned JS companies**, *Activity 1.1* is envisaged: *Prescribe bylaws for determining objective criteria and evaluation process for employment and promotion depending on the specific needs of each sector*, the **first half of 2022**, the relevant institution are the ministries, and the status is **“not implemented”**.

For the implementation of **Measure 2: Limitation of the discretionary right of the responsible person in the employment process**, two activities have been envisaged:

- *Activity 2.1: Analysis of the legislation that allows discretionary rights of the responsible person during employment*, to be implemented in the **first half of 2021**, the relevant institution SCPC, and it was **"implemented"** within the deadline.
- *Activity 2.2: Implementation of the findings of the analysis*, which was due in the **second half of 2022** by MISA, and it is **"not implemented"**.

The SCPC checked and verified the data received from the relevant institutions and established the following status of the activities in the field of employment:

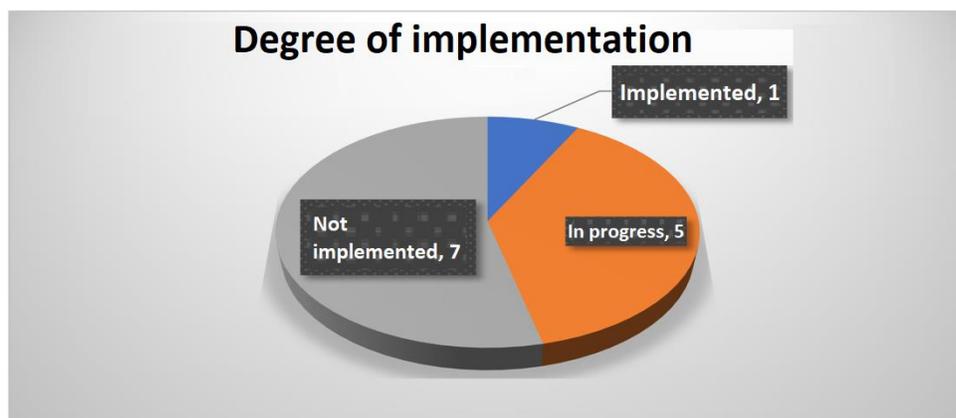


Figure 16: Overall degree of implementation in the area

Of the 13 activities envisaged in the Strategy for this horizontal area, one activity was implemented (7%), five activities are ongoing (38%), and seven activities have not been implemented within the prescribed deadline (55%).

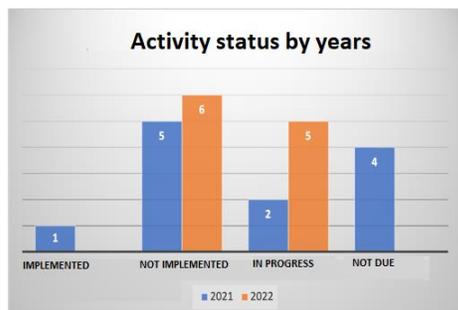


Figure 17: Activity status by evaluation period

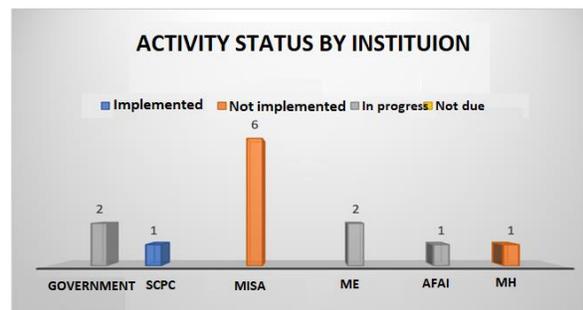


Figure 18: Overall activity status by institution

- MISA has been assigned a total of six activities, none of which have been implemented thus far, nor have reports been submitted on the status of the activities.
- The Government has been assigned two activities, both of which are in progress.
- AFAI has been assigned one activity which is in progress.
- ME has been assigned two activities which are in progress.
- MH has been assigned one activity which is not yet due.
- SCPC has been assigned only one activity for 2021 which was implemented within the prescribed deadline.

## Recommendations

Based on the analysis of the received data, in order to address the identified issues and to raise the level of implementation of the measures and activities set out in the Strategy in the horizontal area of employment, it is necessary to implement the recommendations provided in the Annual Report on implementation of the measures of NS 2021-2025, envisaged for implementation in 2021, as well as the following recommendations:

1. In the Action Plan of the Strategy, the activities *"Establishment of criteria (competences, income/expenses, number of employees) in the Law on PE and LTC regarding the optimization of the number of members in the management bodies"* and *"Amendment of the Law on Public Enterprises and the Law on Trade Companies to prescribe a legal obligation the statute to provide the necessary type of education for the managers and members of the management bodies; prescribing a procedure for timely appointment of the legally required number of members of the supervisory and management boards and prescribing misdemeanor penalties for the founder for untimely appointment of members or illegal election of a managerial person"* should be separated into two activities referring to amendment of each of the laws separately: the Law on Public Enterprises and the Law on Trade Companies. This would enable for clear assessment of the degree of implementation of each activity, given that both laws are not being simultaneously amended. Given that the amendments of the two laws have been merged into one activity, its current status is "in progress".
2. In the Action Plan, the activities *"Prescribing bylaws for determining objective criteria and evaluation process for employment and promotion depending on the specific needs of each sector separately"* and *"Implementation of the findings of the analysis for discretionary powers"* should

be divided into several activities, i.e. one for each of the ministries, to ensure more accurate monitoring of their implementation.

## 4. SECTOR POLITICAL SYSTEM

### Description of the sector

With regard to the sector political system, the Strategy identifies the following six priority issues:

- 1) Enactment of laws in shortened procedure without relevant justification;
- 2) Drafting, proposing and adopting regulations in the absence of qualitative analyses, impact assessment and consultative processes to ensure protection of the public interest;
- 3) Non-sanctioning of the refusal to submit declaration of assets and interests by persons required to do so;
- 4) Unregulated interaction between lobbyists and representatives of legislative and executive bodies, as well as local government officials;
- 5) Insufficient involvement of top-level officials in educational programs in the field of ethics and integrity;
- 6) Lack of mechanism or authority to effectively monitor the media coverage of election campaign participants through internet portals.

In order to address these issues, the Action Plan of the Strategy envisages seven measures and eight activities, to be implemented by the following institutions:

- 7) Parliament,
- 8) Government,
- 9) SCPC,
- 10) MISA, and
- 11) Ministry of Justice (hereinafter: MJ)

### Degree of implementation of activities in the sector

Six priority issues have been identified in the sector political system, as well as seven corresponding measures and eight activities to address them.

Based on the data obtained and the conducted analyses, the current status of implementation of the activities set out in the Action Plan of the Strategy for the sector political system is as follows:

| Issue 1: Enactment of laws in shortened procedure without relevant justification |                      |                         |                             |             |             |
|--|----------------------|-------------------------|-----------------------------|-------------|-------------|
| Measure  | Activity             | Responsible institution | Deadline for implementation | Status 2021 | Status 2022 |
| 1. Rules of Procedure  | 1.1 Amendment of the | Parliament of RNM       | Second half of 2021         | In progress | In progress |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |  |                         |                                  |                 |                 |
|---|--|-------------------------|----------------------------------|-----------------|-----------------|
| establishing the definition of complexity and scope of draft laws   | Rules of Procedure of the Parliament   |                         |                                  |                 |                 |
| <b>Issue 2: Drafting, proposing and adopting regulations in the absence of qualitative analyses, impact assessment and consultative processes to ensure protection of the public interest</b> |  |                         |                                  |                 |                 |
| Measure   | Activity   | Responsible institution | Deadline for implementation      | Status 2021     | Status 2022     |
| <b>1. Amendment of the Legislative Impact Assessment process, to make it mandatory</b>  | 1.1. Adoption of new Methodology for Legislative Impact Assessment by unifying assessment processes for implementation of regulation and anti-corruption review of the legislation             | MISA<br>Government      | Second half of 2021              | In progress     | Not implemented |
| <b>Issue 3: Non-sanctioning of the refusal to submit declaration of assets and interests by persons required to do so</b>   |  |                         |                                  |                 |                 |
| Measure   | Activity   | Responsible institution | Deadline for implementation      | Status 2021     | Status 2022     |
| <b>1. Definition of the state of "refusal to declare assets and interests" by persons who are required to do so by law.</b>   | 1.1. Amendment of the Law on Prevention of Corruption and Conflict of Interests (LPCCI)  | MJ                      | First half of 2022               | Not due         | In progress     |
| <b>2. Establishment of measures to determine the liability of persons who refuse to submit declaration of assets and interest</b>   | 2.1. Amendment of the LPCCI  | MJ                      | First half of 2022               | Not due         | In progress     |
| <b>Issue 4: Unregulated interaction between lobbyists and representatives of legislative and executive bodies, as well as local government officials</b>                                      |  |                         |                                  |                 |                 |
| Measure   | Activity   | Responsible institution | Deadline for implementation      | Status 2021     | Status 2022     |
| <b>1. Setting up rules to regulate interaction between lobbyists and government officials</b>   | 1.1. Enactment of new law on lobbying  | MJ                      | First half of 2021               | Implemented     | /               |
| <b>Issue 5: Insufficient involvement of top-level officials in educational programs in the field of ethics and integrity</b>  |  |                         |                                  |                 |                 |
| Measure   | Activity   | Responsible institution | Deadline for implementation      | Status          | Status          |
| <b>1. Strengthening the integrity system of the holders of the top-level executive power.</b>   | 2.1. Adoption of an awareness raising program and strengthening the integrity of top-level executive power holders   | SCPC<br>Government      | First half of 2021               | In progress     | In progress     |
|   | 2.2. Implementation of training program  | SCPC                    | Second half of 2021 - continuous | Not implemented | Not implemented |
| <b>Issue 6: Lack of mechanism or authority to effectively monitor the media coverage of election campaign participants through internet portals</b>   |  |                         |                                  |                 |                 |
| Measure   | Activity   | Responsible institution | Deadline for implementation      | Status          | Status          |
| <b>1. The fee for advertising on internet portals should not be borne by the Budget of the Republic of North Macedonia</b>  | 1.1. Amendment of the Electoral Code to exempt internet portals from reimbursement of advertising costs for election campaign participants until the adoption of a respective legal framework. | MJ                      | Second half of 2021              | Not implemented | Not implemented |

**Issue 1: Enactment of laws in shortened procedure without relevant justification.**

For the implementation of **Measure 1: Rules of Procedure establishing the definition of complexity and scope of draft laws**, one activity is envisaged *1.1: Amendment of the Rules of Procedure of the Parliament of the Republic of North Macedonia*. For the implementation of this activity, the deadline was

the **second half of 2021**, and the responsible institution is **the Parliament**. Both in **2021 and 2022**, this activity remains **“in progress”**.

**Issue 2: Drafting, proposing and adopting regulations in the absence of qualitative analyses, impact assessment and consultative processes to ensure protection of the public interest.**

For the implementation of **Measure 1: Amendment of the Legislative Impact Assessment process, to make it mandatory**, one activity is envisaged *Activity 1.1: Adoption of new Methodology for Legislative Impact Assessment by unifying assessment processes for implementation of regulation and anti-corruption review of the legislation*, due to be implemented in the **second half of 2021**, by **MISA**. Although the activity was ongoing in 2021, in 2022 it has **not been implemented**, given that the Ministry has not submitted any report, nor has there been available data that actions have been taken to develop the envisaged Methodology.

**Issue 3: Non-sanctioning of the refusal to submit declaration of assets and interests by persons required to do so.**

Implementation of **Measure 1: Definition of the state of “refusal to report assets and interests” by persons who are legally required to do so** has one *Activity 1.1: Amendments of the Law on Prevention of Corruption and Conflict of Interest*. The deadline for implementation of this activity was the **first half of 2022**, by the Ministry of Justice. This activity is in progress because a Working Group has been established by the Ministry of Justice for the preparation of Draft Law on Amending the Law on Prevention of Corruption and Conflict of Interests and several meetings have been held during 2022. However, according to the MJ's report, the activity is at a standstill. Namely, at the request of the SCPC, the procedure for the preparation of the Draft Law on Amending the Law on Prevention of Corruption and Conflict of Interest has been put on hold indefinitely.

For **Measure 2: Establishment of measures to determine the liability of persons who refuse to submit declaration of assets and interest**, one *Activity 2.1: Amendments to the Law on Prevention of Corruption and Conflict of Interests* is envisaged, with a deadline for implementation the **first half of 2022**, by the **Ministry of Justice**. This activity is **“in progress”**, however similarly to the previous activity related to amending and supplementing this law, the procedure is put on hold.

**Issue 4: Unregulated interaction between lobbyists and representatives of legislative and executive bodies, as well as local government officials;**

To address this issue, one **Measure 1** is envisaged: **Setting up rules to regulate the interaction between lobbyists and representatives of the government**, with one *Activity 1.1: Enactment of new lobbying law*. The deadline for implementation of this activity is the first half of 2021, by the MJ. The activity was **“implemented”** within the prescribed deadline.

**Issue 5: Insufficient involvement of top-level executives in educational programs in the field of ethics and integrity.**

To address this issue, one **Measure 1** is envisaged: **Strengthening the integrity system of the holders of the top-level executive power**, which includes two activities:

- *Activity 1.1: Adoption of an awareness raising program and strengthening the integrity of top-level executive power holders*, was due to be implemented in the **first half of 2021**, by the **SCPC** as the responsible institution, and the activity is **“in progress”** in 2021 and 2022. With the support of the Council of Europe during 2022, activities were carried out to strengthen the integrity system of the highest level of executive power holders. The program for raising

awareness and strengthening the integrity of top-level executive power holders is in the final stage, and should be enacted during the first quarter of 2023.

- *Activity 1.2: Implementation of a training program*, was due to be implemented in the **first half of 2021 and continuously**, by the SCPC as the responsible institution. Given that the activity is conditioned by the implementation of Activity 1.1. of this measure, it is considered "**not implemented**".

**Issue 6: Lack of mechanism or authority to effectively monitor the media coverage of election campaign participants through internet portals**, is to be addressed by one **Measure 1: The fee for advertising on the Internet portals should not be borne by the Budget of the Republic of North Macedonia**, with one corresponding *Activity 1.1: Amendment of the Electoral Code to exempt internet portals from reimbursement of advertising costs for election campaign participants until the adoption of a respective legal framework*. The deadline for implementation of this activity was the **second half of 2021**, by the MJ, and its status in 2021 and 2022 is "**not implemented**".

The SCPC checked and verified the data received from relevant institutions and determined the following status of the activities in the sector political system:

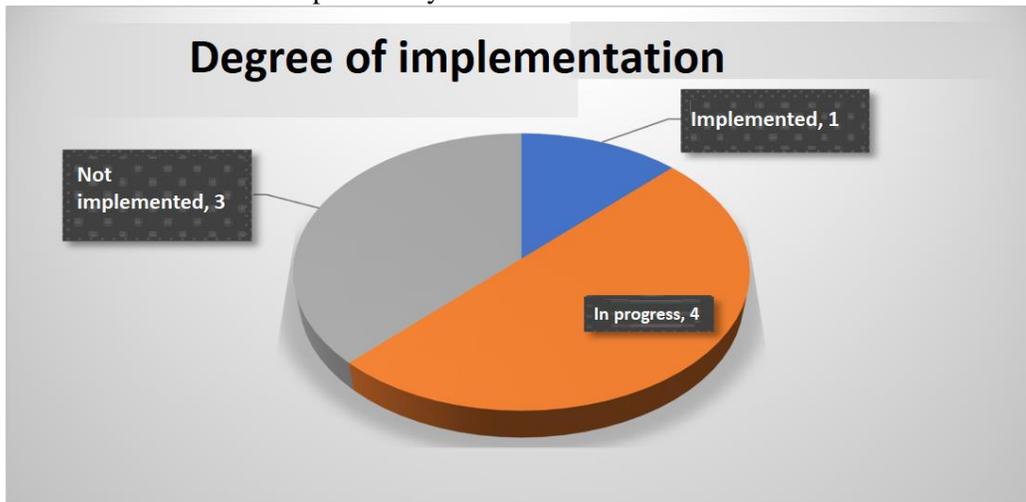


Figure 19: Overall degree of implementation in the sector

Out of the eight activities envisaged in the Strategy for the Political System Sector, one activity has been implemented (12.5%), five activities are ongoing (62.5%), and two activities have not been implemented within the prescribed deadline (25%). Two currently ongoing activities have been planned for 2022. In addition, since 2021, five activities have been carried over, two of which have not been implemented, and three are ongoing. One activity was implemented in 2021.

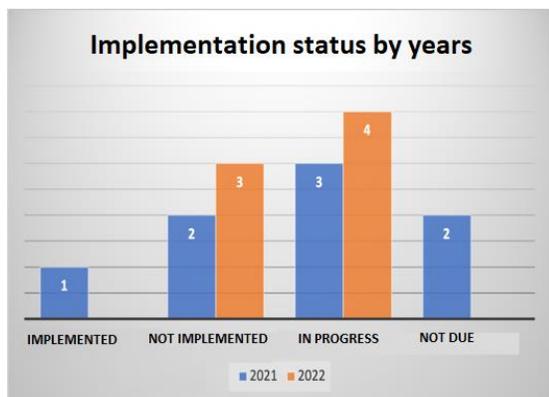


Figure 20: Activity status by evaluation period

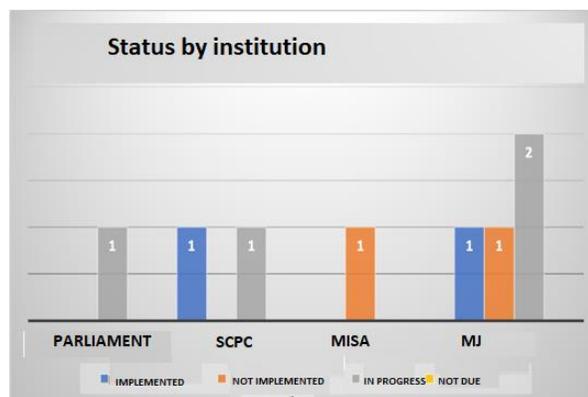


Figure 21: Overall status of activities by institution

- MISA has been assigned one activity which has not been implemented, and no report has been submitted.
- Parliament has been assigned one activity which is in progress.
- MJ has been assigned four activities, one of which is implemented, one is not implemented and two are in progress.
- SCPC has been assigned two activities, one of which is in progress and one is not implemented.

## 5. JUDICIARY SECTOR

### Description of the sector

Priority issues in the judiciary sector are:

- 1) Lack of effectiveness of the system for strengthening the integrity of the judiciary and the Public Prosecutor's Office;
- 2) Insufficient material and personnel resources, absence of automated system for allocation and tracking of cases in the Public Prosecutor's Office and insufficient transparency in the work of the Council of Public Prosecutors;
- 3) Lack of efficiency and transparency in the work of the State Attorney's Office

Relevant institutions for implementation of measures and activities to address the issues in the judiciary sector are:

- 4) MJ
- 5) MF,
- 6) Public Prosecutor's Office of the Republic of North Macedonia (hereinafter referred to as PPRNM),
- 7) State Attorney's Office (hereinafter referred to as SAO)
- 8) Academy for Judges and Public Prosecutors (hereinafter AJPP), and
- 9) Association of Public Prosecutors

## Degree of implementation of activities in the sector

In the judiciary sector, three issues have been identified to be addressed by seven measures and 14 activities as prescribed by the Action Plan of the Strategy.

SCPC checked and analyzed the received data regarding the implementation of the measures and activities in the judiciary sector and established the following state of affairs:

| <b>Issue 1: Lack of efficiency and transparency in the work of the State Attorney's Office</b>   |  |                                   |                                 |             |                 |
|--|--|-----------------------------------|---------------------------------|-------------|-----------------|
| Measure  | Activity   | Responsible institution           | Deadline for implementation     | Status 2021 | Status 2022     |
| <b>1. Additions to the Code of Public Prosecutors in terms of comments and examples</b>  | 1.1. Proposing comments and examples for the Code by the Association of Public Prosecutors         | Association of Public Prosecutors | second half of 2021             | Implemented | /               |
|  | 1.2. Adoption of the amendment to the Code of Public Prosecutors                                   | PPRNM                             | second half of 2021             | Implemented | /               |
| <b>2. Conduct mandatory training for judges and public prosecutors to ensure implementation of the codes of professional conduct</b>   | 2.1. Adoption of compulsory training programs for professional conduct of judges and prosecutors   | AJPP                              | second half of 2021             | Implemented | /               |
|  | 2.2. Conduct of trainings by the Academy for Judges and Public Prosecutors                         | AJPP                              | second half of 2021, continuous | Implemented | Implemented     |
| <b>3: Conduct assessment of the risks of corruption in the judiciary</b>   | 3.1. Establishment of an expert working group to assess the risks of corruption in the judiciary   | SCPC                              | first half of 2022              | Not due     | Implemented     |
|  | 3.2. Conduct in-depth analysis and assessment of factors that generate corruption in the judiciary | SCPC                              | second half of 2022             | Not due     | In progress     |
| <b>Issue 2: Insufficient material and personnel resources, absence of an automated system for allocation and tracking of cases in the public prosecutor's office and insufficient transparency in the work of the Council of Public Prosecutors.</b> |  |                                   |                                 |             |                 |
| Measure  | Activity   | Responsible institution           | Deadline for implementation     | Status 2021 | Status 2022     |
| <b>1. Staffing of the public prosecutor's offices in accordance with the existing systematizations of posts</b>  | 1.1. Increase of the budgetary funds of the PP for new employments                                 | MF                                | second half of 2021             | In progress | In progress     |
|  | 1.2. Conduct training sessions for new public prosecutors  | AJPP                              | 2021, Continuous                | Implemented | Implemented     |
| <b>2: Establishment of investigative centres within the public prosecutor's offices</b>  | 2.1. Provision of budgetary funds for the investigative centres                                    | MF                                | 2021, Continuous                | In progress | Implemented     |
|  | 2.2. Adoption of a decision on the establishment of investigative centres                          | PPRNM                             | 2021, Continuous                | In progress | Implemented     |
| <b>3. Establishment of an automated system for allocation and monitoring of cases in the public prosecutor's office</b>  | 3.1. Analysis of the case management process in PPRNM  | PPRNM                             | first half of 2021              | Implemented | /               |
|  | 3.2. Procurement of an automated system for allocation and tracking of cases                       | PPRNM                             | first half of 2022              | Not due     | Not implemented |
|  | 3.3. Staff training on the use of the system   | PPRNM                             | second half of 2022             | Not due     | Not implemented |
| <b>Issue 3: Lack of efficiency and transparency in the work of the State Attorney's Office</b>   |  |                                   |                                 |             |                 |

| Measure  | Activity  | Responsible institution | Deadline for implementation | Status 2021 | Measure         |
|--|---|-------------------------|-----------------------------|-------------|-----------------|
| 1. Increasing the efficiency and transparency in the work of the State Attorney's Office | 1.1. Adoption of a new Law on State Attorney's Office | MJ                      | second half of 2022         | Not due     | Not implemented |

**Issue 1: Lack of effectiveness of the system for strengthening integrity in the judiciary and the public prosecutor's office.**

To address the first issue in the judiciary sector, three measures are envisaged. The first **Measure 1: Additions to the Code of Public Prosecutors in terms of comments and examples** covers two activities: *Activity 1.1: Proposing comments and examples for the Code by the Association of Public Prosecutors*, to be implemented by the **Association of Public Prosecutors** and *Activity 1.2: Adoption of the amendment to the Code of Public Prosecutors* to be implemented by the PPRNM in **2021**. Both activities were **implemented within the prescribed deadline**.

**Measure 2: Conduct mandatory training for judges and public prosecutors to ensure implementation of the codes of professional conduct**, also covers two activities: *Activity 2.1: Adoption of programs for mandatory trainings for professional conduct of judges and prosecutors* and *Activity 2.2: Conduct of trainings by the Academy for Judges and Public Prosecutors*, both within the jurisdiction of AJPP, to be implemented by **2021** and both were **implemented within the prescribed deadline**.

For **Measure 3: Conduct assessment of the risks of corruption in the judiciary**, two activities are envisaged:

- *Activity 3.1: Establishment of an expert working group to assess the risks of corruption in the judiciary*, to be implemented in the **first half of 2022**, by the **SCPC**. The activity is **“implemented”** given that the SCPC, with the support of the OSCE Mission to Skopje, established an expert working group composed of legal experts, which, during 2022, held several meetings.
- *Activity 3.2: Conduct in-depth analysis and assessment of factors that generate corruption in the judiciary* to be implemented in the **second half of 2022** by the **SCPC**. The activity is **“in progress”**; it is expected to be finalized in the first quarter of 2023 with a public presentation of the Report with the findings of the in-depth analysis conducted **by the expert** working group.

**Issue 2: Insufficient material and personnel resources, absence of an automated system for allocation and tracking of cases in the public prosecutor's office and insufficient transparency in the work of the Council of Public Prosecutors.**

Three measures are envisaged to address this issue in the judiciary sector.

**Measure 1: Staffing of the public prosecutor's offices in accordance with the existing systematizations of posts**, includes two activities:

- *Activity 1.1: Increase the budgetary funds of the Public Prosecutor's Office for new employments*, with an implementation deadline by the second half of 2021, under the responsibility of the **Ministry of Finance**. **In 2021 and 2022**, the budget provides for increases in the funds for staffing of the prosecutor's offices and the annual employment plans which foresee new employments have been approved. Therefore, this activity is **“in progress”**, and the implementation of the new employments will be monitored.
- *Activity 1.2: Conduct trainings for new public prosecutors*, which is under the responsibility of **AJPP** with an implementation deadline of 2021 - **continuously**. In 2021 and 2022, the Academy

conducted trainings, i.e., the activity is considered **"implemented"** in both reporting periods, respectively.

For **Measure 2: Establishment of investigative centers within the public prosecutor's offices**, the following two activities are envisaged:

- *Activity 2.1: Provision of budgetary funds for the investigative centers*, which is under the responsibility of the **Ministry of Finance** and is envisaged as a **continuous** activity. In **2021**, the activity was **"in progress"**, and was **"implemented"** in **2022**, i.e. additional funds were provided for the PPRNM budget.
- *Activity 2.2: Adoption of a decision on the establishment of investigative centers*, which is within the jurisdiction of PPRNM and is a continuous activity. This activity was **"in progress"** in **2021**, therefore it could be **"implemented"** in **2022** based on PPRNM reports that a decision on the establishment of investigative centers is made in accordance with the needs of the public prosecutor's offices and that in 2022 there was no need for establishment of investigative centers in other basic public prosecutor's offices, except for the four investigative centers in the Basic Public Prosecutor's Office (BPP) Skopje, BPP Kumanovo, BPP Tetovo and the Basic Public Prosecutor's Office for Prosecution of Organized Crime and Corruption.

For **Measure 3: Establishment of an automated system for allocation and tracking of cases in the Public Prosecutor's Office**, three activities are envisaged:

- *Activity 3.1: Analysis of the case management process in PPRNM* to be implemented in the **second half of 2021**. The activity was **"implemented"** within the prescribed deadline.
- *Activity 3.2: Procurement of an automated system for allocation and tracking of cases*, foreseen for the **first half of 2022** under the jurisdiction of **PPRNM**. The activity **"has not been implemented"**. This is because, on 10.02.2022, the PPRNM adopted a Rulebook on allocation of cases in the public prosecutor's offices through a system for electronic allocation of cases, whose implementation is contingent upon provision of financial means from the Budget of the Republic of North Macedonia.
- *Activity 3.3: Staff training on the use of the system*, foreseen for the **second half of 2022** under the responsibility of **PPRNM**. The activity is related to the previous activity, i.e. procurement of a system, which has not been implemented, therefore this activity is considered **"not implemented"**.

**Issue 3: Lack of efficiency and transparency in the work of the State Attorney's Office**, for which one **Measure 1** is envisaged: **Increasing the efficiency and transparency in the work of the State Attorney's Office**, with one *Activity 1.1: Adoption of a new law on State Attorney's Office*, due to be implemented by the **second half of 2022**, by the **MJ**. The activity is **"not implemented"**, as according to the report from the relevant institution, the work plan for 2023 does not provide for enactment of a new Law on State Attorney's Office.

The SCPC checked and verified the data received from the relevant institutions and established the following status of the activities in the sector judiciary:

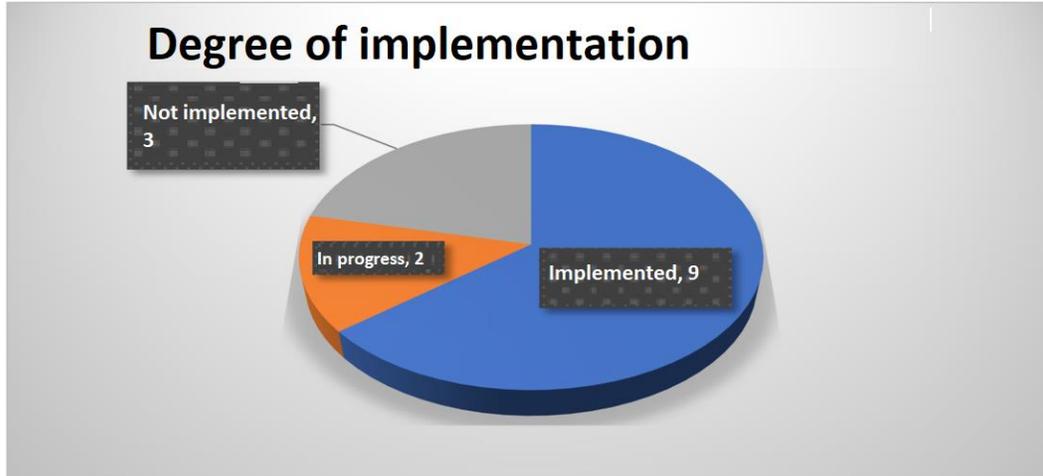


Figure 22: Overall degree of implementation in the sector

Of the 14 activities envisaged in the Strategy for the judiciary sector, nine activities have been implemented (64%), two activities are ongoing (14%) and three activities have not been implemented (22%). A total of five activities are planned for 2022, three of which have not been implemented, one has been implemented and one is in progress. In addition, there are three activities which are continuous, all of which have been implemented in 2022, and will be monitored in the coming years.

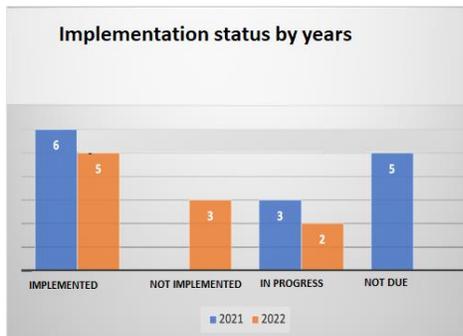


Figure 23: Activity status by evaluation period

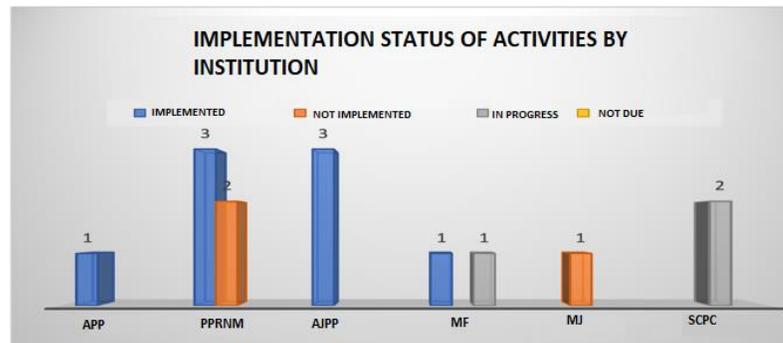


Figure 24: Overall activity status by institution

- For the APP, one activity is planned, which is implemented in 2021.
- For the MJ, one activity is planned that has not been implemented.
- A total of five activities are planned for PPRNM, of which two activities are not implemented, two activities are implemented in 2021 and one continuous activity, which is implemented in 2021 and 2022.
- MF has one activity which was in progress in 2021, and in 2022 it was implemented, as well as one activity that has been carried over from 2021 and is in progress in 2022.
- For the SCPC there are two activities, one of which has been implemented and the other is in progress.
- AJPP has a total of three activities, one of which was implemented in 2021, and the other two are continuous and as such were implemented in 2021 and 2022.

Pending in this area is the implementation of the recommendations provided in the Annual Report on implementation of the measures from NS 2021-2025, due to be implemented in 2021.

## 6. SECTOR LAW ENFORCEMENT AUTHORITIES

### Description of the sector

With regard to law enforcement authorities, the Strategy identifies the following seven Issues:

- 1) Extensive discretionary powers of the responsible persons and non-transparency in the employments and promotions in the MoIA;
- 2) Ineffective system for establishing professional accountability in law enforcement authorities;
- 3) Unclear and ambiguous competences overlapping the competences of the inspectorates;
- 4) Biased and improper conduct of inspectors in the conduct of their duties;
- 5) Lack of functional inspectorial oversight in the local self-government;
- 6) The management of the institutions does not implement the recommendations of the internal audit and the SAO;
- 7) Influence of responsible persons in public institutions on the independence of internal audit.

The following institutions are responsible for implementation of the measures and activities tailored to address the issues in the sector of law enforcement authorities:

- 8) Government,
- 9) Ministry of Internal Affairs (hereinafter: MoIA),
- 10) MF,
- 11) Financial Police Directorate (hereinafter: FPD),
- 12) Financial Intelligence Agency (hereinafter: FIA),
- 13) MJ,
- 14) Customs Administration (hereinafter: CA),
- 15) SCPC,
- 16) Inspectorial Council (hereinafter: IC),
- 17) The ministries,
- 18) MISA
- 19) State Administrative Inspectorate (hereinafter: SAI) and
- 20) State Audit Office (hereinafter: the SAO)

### Degree of implementation of activities in the sector

In the sector of law enforcement authorities, seven issues have been identified to be addressed with the Action Plan of the Strategy, with a total of 13 measures and 21 activities.

The SCPC conducted verification and analysis of the received data regarding the implementation of the measures and activities in the sector of law enforcement authorities and established the following status of the activities in this sector:

| <b>Issue 1: Discretionary powers of the responsible persons and non-transparency in employment and promotions in the Ministry of Internal Affairs</b>  |  |                                |                                    |                        |                        |
|--|--|--------------------------------|------------------------------------|------------------------|------------------------|
| <b>Measure</b>   | <b>Activity</b>  | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| <b>1. Establishing transparency in the procedure for employment and promotion in the MoIA, except for the employment conducted on the basis of special provisions of the Law on Internal Affairs</b>   | 1.1 Amendment of the Law on Internal Affairs   | MoIA                           | first half of 2022                 | <b>Not due</b>         | <b>Implemented</b>     |
| <b>2. Ensure transparency of the acts for organization and systematization of posts in the MoIA and their publication on the MoIA website, except for the posts implemented on the basis of special provisions of the Law on Internal Affairs.</b> | 2.1 Declassification of the acts for organization and systematization of posts in the MoIA   | MoIA                           | first half of 2022                 | <b>Not due</b>         | <b>Not implemented</b> |
| <b>Issue 2: Ineffective system for establishing professional accountability in law enforcement authorities</b>   |  |                                |                                    |                        |                        |
| <b>Measure</b>   | <b>Activity</b>  | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| <b>Introduction of a separate organizational unit for internal control and professional standards in FIA and FPO.</b>  | 1.1 Amendment of the Law on Financial Police   | MF                             | second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
|  | 1.2. Harmonization of the acts on internal organization and systematization of posts in FIA and FPO  | FIA<br>FPD                     | second half of 2021                | <b>Not implemented</b> | <b>In progress</b>     |
| <b>2. Enhancement of the process of disciplinary procedures in the MoIA</b>  | 2.1. Harmonization of the internal acts with the "Strategy for promotion and improvement of disciplinary procedures 2020-2022".  | MoIA                           | second half of 2021                | <b>In progress</b>     | <b>In progress</b>     |
| <b>3. Introduction of the status of judicial police for employees in the Sector for Professional Accountability at the Customs Administration (in accordance with the Law on Criminal Procedure Art.46, 47)</b>                                    | 3.1. Amendment and additions to the Code of Criminal Procedure, Article 47 paragraph 2 in terms of the scope of crimes, i.e. to expand the competence of members of the judiciary police at the CA with crimes in the field of corruption committed by CA employees. | MJ                             | second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
|  | 3.2. Amendment of the Customs Administration Act (alignment with the amendment of the LCP).  | MF                             | second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
|  | 3.3 Amendment of the Regulations for systematization and organization of the Customs Administration (harmonization with the amendment of the LCP and the LCA).   | CA                             | second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|  |  |                                |                                    |                    |                    |
|--|--|--------------------------------|------------------------------------|--------------------|--------------------|
| <b>4: Mandate customs officers to submit declaration of assets and interests and changes in assets and interests</b> | 4.1 Amendment of the Law on Prevention of Corruption and Conflict of Interests in order to refine the provision of Article 83.                   | MJ                             | first half of 2022                 | Not due            | In progress        |
|  | 4.2 Amendment of the Customs Administration Act (harmonization with the amended Law on Prevention of Corruption and Conflict of Interest).       | CA                             | first half of 2022                 | Not due            | Implemented        |
| <b>Issue 3: Unclear and ambiguous competences and overlap of competences of the inspectorates</b>                    |  |                                |                                    |                    |                    |
| <b>Measure</b>   | <b>Activity</b>  | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b> |
| <b>1: Specification and distinction of the competences of the inspection services</b>                                | 1.1 Analysis of the statutory competences of the inspection services   | IC                             | first half of 2022                 | Not due            | In progress        |
|  | 1.2 Amend the laws in which the analysis established imprecise competences or overlap with other inspections                                     | Responsible ministries         | second half of 2022                | Not due            | Not implemented    |
| <b>Issue 4: Biased and improper conduct of inspectors in the conduct of their duties</b>                             |  |                                |                                    |                    |                    |
| <b>Measure</b>   | <b>Activity</b>  | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b> |
| <b>1. Strengthening the integrity of inspection services</b>   | 1.1 Development of Methodology for Assessment of Corruption Risks in Inspection Services   | MISA                           | second half of 2021                | Not implemented    | Not implemented    |
|  | 1.2 Conduct of analysis of corruption risks in the Inspection Services   | MIOA                           | second half of 2021                | Not implemented    | Not implemented    |
| <b>2. Mandate inspectors to declare assets and interests to the Inspectorial Council</b>                             | 2.1 Amendment of substantive laws governing the inspection services for the purpose of establishing an obligation to report assets and interests | MISA<br>IS,<br>Ministries      | second half of 2021                | Not implemented    | Not implemented    |
| <b>3. Prescribing disciplinary accountability for failure to declare assets and interests by inspectors</b>          | 3.1 To supplement substantive laws regulating inspection services by prescribing disciplinary measures for failure to submit asset declarations  | MISA<br>IS,<br>Ministries      | second half of 2021                | Not implemented    | Not implemented    |
| <b>Issue 5: Inspectorial oversight in the local self-government is ineffective</b>                                   |  |                                |                                    |                    |                    |
| <b>Measure</b>   | <b>Activity</b>  | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b> |

|  |   |                                |                                    |                    |                    |
|--|---|--------------------------------|------------------------------------|--------------------|--------------------|
| <b>1. Strengthening inspection services in LSU with authorized inspectors</b>  | 1.1 Conducting continuous inspection oversight by the State Administrative Inspectorate in the LSG with regard to the fulfillment of the legal obligation for employment of authorized inspectors | SAI                            | 2021, continuous                   | <b>Implemented</b> | <b>Implemented</b> |
| <b>Issue 6: The responsible persons of the institutions do not implement the recommendations proposed by the internal audit and SAO</b>  |   |                                |                                    |                    |                    |
| <b>Measure</b>   | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b> |
| <b>1. To establish an effective reporting system on the implementation of recommendations from the internal audit and the SAO to the higher supervisory and control bodies</b> | 1.1 Amendment of the Law on Public Internal Financial Control   | MF                             | first half of 2021                 | <b>In progress</b> | <b>In progress</b> |
|  | 1.2 Amendment of the Law on State Audit   | MF                             | first half of 2021                 | <b>In progress</b> | <b>In progress</b> |
| <b>Issue 7: Influence of responsible persons in public institutions on the independence of internal audit</b>  |   |                                |                                    |                    |                    |
| <b>Measure</b>   | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b> |
| <b>1. Ensuring independence in the work of internal audit through the establishment of a separate unit in the Ministry of Finance</b>  | 1.1 Amendment of the Law on Public Internal Financial Control   | MF                             | first half of 2023                 | <b>Not due</b>     | <b>Not due</b>     |
|  | 1.2. Amendment of the act on organization and systematization of the Ministry of Finance  | MF                             | second half 2023                   | <b>Not due</b>     | <b>Not due</b>     |

**Issue 1: Discretionary powers of the responsible persons and non-transparency in employment and promotions in the Ministry of Internal Affairs.**

Two measures are envisaged to address this Issue.

**Measure 1: Establishing transparency in the procedure for employment and promotion in the Ministry of Internal Affairs, except for the employment conducted on the basis of special provisions of the Law on Internal Affairs,** includes one *Activity 1.1: Amendment of the Law on Internal Affairs*, with deadline for implementation the **first half of 2022**, by the MoIA. This activity was **“implemented”** with the enactment of the Law on Amending and Supplementing the Law on Internal Affairs (“Official Gazette of the Republic of North Macedonia” no.89/22).

**Measure 2: Ensure transparency of the acts for organization and systematization of posts in the Ministry of Internal Affairs and their publication on the MoIA website, except for the posts implemented on the basis of special provisions of the Law on Internal Affairs,** includes one *Activity 1.1: Declassification of the acts for organization and systematization of posts in the MoIA*. The deadline for implementation of this activity was the **first half of 2022** by the MoIA. The activity is **“not implemented.”**

**Issue 2: Ineffective system for establishing professional accountability in law enforcement authorities.**

**Measure 1: Introduction of a separate organizational unit for internal control and professional standards in FIA and FPO,** includes two activities:

- *Activity 1.1: Amendment of the Law on Financial Police*, with deadline for implementation in the **second half of 2021**, by the MF. The activity was **“not implemented”** in 2021, and it preserves the same status in 2022.

- *Activity 1.2: Harmonization of the acts on internal organization and systematization of posts in FIA and FPO.* The deadline for this activity was the **second half of 2021**, the responsible institutions are the FIA and FPO. In 2021, the activity was not implemented and was carried over to 2022, when activities were undertaken by the FIA, due to which the activity is currently **“in progress”**.

**Measure 2: Enhancement of the process of disciplinary procedures in the MoIA** includes one *Activity 2.1: Harmonization of internal acts with the "Strategy for promotion and improvement of disciplinary procedures 2020-2022*, with deadline for implementation in the second half of 2021, by the MoIA as the responsible institution. This activity is **“in progress”** in 2021 and 2022, given that, according to the submitted report, after the adoption of the Law on Amending and Supplementing the Law on Internal Affairs, the final stage is the harmonization of the provisions of the Collective Agreement of the MoIA, within which the provisions of the Chapter regulating the procedure for determining the disciplinary responsibility of employees in the MoIA will be subject to specific revision.

**Measure 3: Introduction of the status of judicial police for employees in the Sector for Professional Accountability at the Customs Administration (in accordance with the Law on Criminal Procedure Art.46, 47)** includes three activities:

- *Activity 3.1: Amendment and additions to the Code of Criminal Procedure, Article 47 paragraph 2 in terms of the scope of crimes, i.e. to expand the competence of members of the judiciary police at the CA with crimes in the field of corruption committed by CA employees,* with deadline for implementation in the **second half of 2021**, by the MJ as the responsible institution. The activity was not implemented in 2021 and was carried over to 2022, preserving the same status, i.e., **“not implemented”**. In the reply, the Ministry of Justice states that the measure has been assessed as not acceptable and, as such, it will not be incorporated in the amendments to the Code of Criminal Procedure given that it is contrary to the concept of an external independent control mechanism for MoIA members with police powers, prison police, certain categories in the Customs Administration, etc.
- *Activity 3.2: Amendment of the Customs Administration Act (alignment with the amendment of the LCP),* with deadline for implementation in the **second half of 2021** under the jurisdiction of the **Ministry of Finance**. The activity was carried over and remains **“not implemented”** in 2022.
- *Activity 3.3: Amendment and supplementation of the Rules for systematization and organization of the Customs Administration (harmonization with the amendment of the LCP and the LCA),* with deadline for implementation in the **second half of 2021** under the jurisdiction of the CA. The activity was carried over and remains **“not implemented”** in 2022.

**Measure 4: The introduction of an obligation for customs officers to submit declaration of assets and interests and changes in assets and interests** includes two activities:

- *Activity 4.1: Amendment of the Law on Prevention of Corruption and Conflict of Interests in order to further specify the provision of Article 83,* with deadline for implementation in the **first half of 2022**, under the jurisdiction of the MJ, which is currently **“in progress”**.
- *Activity 4.2: Amendment of the Law on Customs Administration (harmonization with the amended Law on Prevention of Corruption and Conflict of Interests)* with deadline for implementation in the **second half of 2022**, under the jurisdiction of the MF, which is **“implemented”**.

**Issue 3: Unclear and ambiguous competences and overlap of competences of the inspectorates,** includes one **Measure 1: Specification and distinction of the competences of the inspection services,** with two activities:

- *Activity 1.1: Analysis of the legal competencies of the inspection services,* with deadline for implementation in the **first half of 2022** under the jurisdiction of the **IS**, which is "**in progress**".
- *Activity 1.2: Amend the laws in which the analysis established imprecise competences or overlap with other inspections,* with deadline for implementation in the **second half of 2022**, to be implemented by the responsible **ministries**. The activity is "**not implemented**".

**Issue 4: Biased and improper conduct of inspectors in the conduct of their duties**

**Measure 1: Strengthening the integrity of the inspection services,** with two activities *Activity 1.1: Development of Methodology for Assessment of Corruption Risks in the Inspection Services* and *Activity 1.2: Conduct of analysis of corruption risks in the inspection services.* For both activities, the deadline was the **second half of 2021**, and the relevant institution is **MISA**. The status of the activity in both 2021 and 2022 is "**not implemented**".

**Measure 2: Mandate inspectors to declare assets and interests to the Inspectorial Council** includes one *Activity 2.1: Amendment of substantive laws governing the inspection services for the purpose of establishing an obligation to report assets and interests,* to be implemented in the **second half of 2021**, by the **MISA**. The activity was "**not implemented**" in 2021 and 2022.

**Measure 3: Prescribing disciplinary accountability for failure to declare assets and interests by inspectors** includes one *Activity 3.1: To supplement substantive laws regulating inspection services by prescribing disciplinary measures for failure to submit asset declarations,* which is to be implemented in **second half of 2021** by **MISA**. The activity was "**not implemented**" in 2021 and 2022.

**Issue 5: Inspectorial oversight in the local self-government is ineffective,** with one **Measure 1: Strengthening the inspection services in the LSG with authorized inspectors** and one *Activity 1.1: Conducting continuous inspection oversight by the State Administrative Inspectorate in the LSG with regard to the fulfillment of the legal obligation for employment of authorized inspectors,* which is **continuous** and is under the jurisdiction of **SAI**, which in 2021 and 2022 has the status "**implemented**".

**Issue 6: The responsible persons of the institutions do not implement the recommendations proposed by the internal audit and the SAO,** with one **Measure 1: To establish an effective reporting system on the implementation of recommendations from the internal audit and the SAO to the higher supervisory and control bodies** and two activities:

- *Activity 1.1: Amendment of the Law on Public Internal Financial Control,* with deadline for implementation in the **first half of 2021**, under the jurisdiction of the **MF**. In the report on the implementation of the activity for 2021 and 2022, the Ministry states that the implementation is "**in progress**", however the amendments to the law are not yet in government procedure, nor has initial information been published about the start of the process of amending the ENER law.
- *Activity 1.2: Amendment of the Law on State Audit,* with deadline for implementation the **first half of 2021** under the jurisdiction of the **MF**. The implementation of this activity is "**in progress**" in 2021 and 2022, i.e. on 15.09.2021 the first version of the new ENER draft law

was published<sup>3</sup>, and on 08.03.2023 a new version of the draft law was published. The bill has not yet been passed into law.

**Issue 7: Influence of the responsible persons in the public institutions on the independence of the internal audit**, is addressed by **Measure 1: Ensuring independence in the work of the internal audit through the establishment of a separate unit in the Ministry of Finance**, with two activities, *Activity 1.1: Amendment to the Law on Public Internal Financial Control* and *Activity 1.2: Amendment to the Act on Organization and Systematization of the Ministry of Finance*, under the jurisdiction of the **MF**, to be implemented in the **first/second half of 2023**. Both activities are "not due".

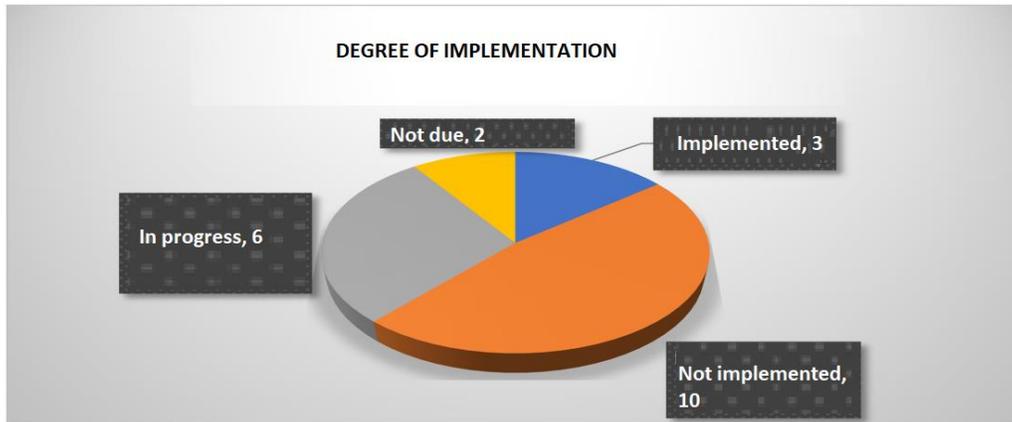


Figure 25: Overall degree of implementation in the sector

Out of the 21 activities envisaged in the Strategy for the Law Enforcement Sector, three activities have been implemented (14%), six activities are ongoing (28%), 10 activities have not been implemented (48%) and two activities are not due (10%).

For 2022, a total of six activities are planned, of which two activities are implemented, two are not implemented, and two activities are ongoing. In addition, from 2021, 13 activities have been carried over, one of which is continuous and has been implemented for both periods, eight are not implemented, and four are ongoing.

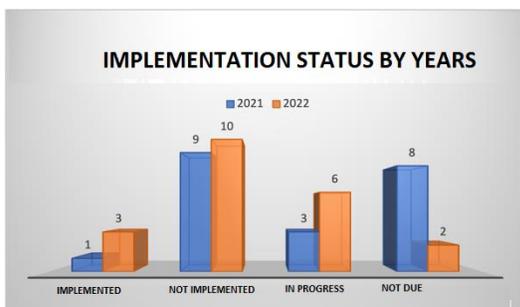


Figure 26: Activity status by evaluation period

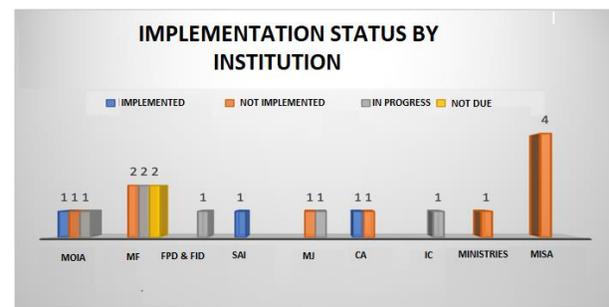


Figure 27: Overall activity status by institution

- MISA has four activities which have not been implemented.
- Three activities are planned for the MoIA, one of which is implemented, one is in progress and one is not implemented.
- Two activities are planned for the MJ, one of which is not implemented and one in progress.

<sup>3</sup> [https://ener.gov.mk/Default.aspx?item=pub\\_regulation&subitem=view\\_reg\\_detail&itemid=69936](https://ener.gov.mk/Default.aspx?item=pub_regulation&subitem=view_reg_detail&itemid=69936)

- One activity is planned for the IC, which is in progress.
- MF has a total of six activities, two of which have not been implemented, and two are not due yet.
- The ministries have one activity that has not been implemented.
- SAI has a continuous activity which is implemented in 2021 and 2022.
- FIA has one activity in progress.
- CA has two activities, one of which is implemented.

Pending in this area is the implementation of the recommendations provided in the Annual Report on implementation of the measures from NS 2021-2025, due to be implemented in 2021.

## 7. HEALTHCARE SECTOR

### Description of the sector

With regard to the health sector, the Strategy identifies the following five Issues:

- 1) Lack of effective criteria for determining the contractual fees (limits/budgets) for health institutions (private and public) and for the prices of health services and medicines, including lack of criteria for transparent determination and distribution of the budget allocated to HI, new technologies and medicines, health services methods;
- 2) Bias in the selection of medicines that are covered by public funds, i.e. by citizens' health insurance contributions, and the regulation of evidence-based medicine is not applied consistently.
- 3) Abuse of procedures for giving/receiving donations, clinical studies and projects;
- 4) Unethical practices in the marketing of medicines;
- 5) Transparent and objective decision-making in the procedure for out-of-country treatment

The following institutions are responsible for the implementation of the measures and activities tailored to address the issues in the health sector:

- 1) MH,
- 2) Health Insurance Fund (hereinafter: HIFRNM),
- 3) Agency for Drugs and Medical Devices (hereinafter: MALMED),
- 4) Medical Chamber (hereinafter: MC),
- 5) Healthcare Institutions (hereinafter: HI).

### Degree of implementation of activities in the sector

In the health sector, five issues have been identified to be addressed by the Action Plan of the Strategy with 18 measures and 26 activities.

The SCPC conducted verification and analysis of the received data from the relevant institutions regarding the implementation of the measures and activities in the health sector and established the following status:

| <b>Issue 1: Lack of effective criteria for determining the contractual fees (limits/budgets) for health institutions (private and public) and for the prices of health services and medicines, including lack of criteria for transparent determination and distribution of the budget allocated to HI, new technologies and medicines, health services methods</b> |   |                                |                                    |                    |                        |
|---|---|--------------------------------|------------------------------------|--------------------|------------------------|
| <b>Measure</b>  | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b>     |
| <b>1. Establish effective criteria for allocation of the HIF budget by health services and institutions</b>   | 1.1. Conduct analysis of the existing regulation on allocation of HIF budget by health services and health institutions   | HIFRNM                         | Second half of 2021                | <b>Implemented</b> | /                      |
|   | 1.2. Amendment of the Rulebook on criteria for determining the contractual fee to establish measurable and relevant criteria that will directly impact the amount of contractual fee  | HIFRNM                         | First half of 2022                 | <b>Not due</b>     | <b>Not implemented</b> |
| <b>2. Strengthening the capacities of the Fund for planning, analytics and health economics with particular reference to the methodology for Health Technologies Assessment (HTA)</b>   | 2.1. Establishment of Sector for Analytics / Development / Health Economics in the HIFRNM   | HIFRNM                         | First half of 2022                 | <b>Not due</b>     | <b>Not implemented</b> |
| <b>3. Provide an inclusive way of allocating the budget by levels and areas of health care by an independent body (union, association, etc.) with representatives from the Health Institutions</b>  | 3.1. Establishment of an independent body (union, association, etc.) with representatives of the HI that will represent the interests of HI and participate in the HI budget negotiations   | HIFRNM<br>MH,<br>HI            | First half of 2022                 | <b>Not due</b>     | <b>Not implemented</b> |
|   | 3.2. Annual distribution of the health budget - total by levels and areas of healthcare, as well as individually by HI  | HIFRNM<br>MH,<br>HI            | Second half of 2022<br>continuous  | <b>Not due</b>     | <b>Not implemented</b> |
| <b>4. Digitization and interconnection of financial accounting management of healthcare providers</b>   | 4.1. Establishment of electronic system with database (software) for all costs for materials, salaries, medicines, equipment and other costs of the HI as a basis for the formation of real prices for services as well as the need for revision        | HIFRNM                         | First half of 2022                 | <b>Not due</b>     | <b>Not implemented</b> |
| <b>5. Improve regulation and transparency of the process of setting reference prices for health services and medicines</b>  | 5.1. Drafting/ revising the rules for determining prices of health services and medicines   | HIFRNM                         | First half of 2022                 | <b>Not due</b>     | <b>Not implemented</b> |
|   | 5.2. Inclusion of provisions for "Managed Entry Agreements" for medicines that have monopoly position on the market, amendment in the Health Insurance Act and amendment in the Rulebook on positive list of medicines and in the Rulebook on reference | HIFRNM<br>MH                   | First half of 2022                 | <b>Not due</b>     | <b>Not implemented</b> |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |  |                                     |                                    |                    |                    |
|---|--|-------------------------------------|------------------------------------|--------------------|--------------------|
|   | prices of medicines.   |                                     |                                    |                    |                    |
|   | 5.3. Adoption of procedures for negotiating prices with the HI and pharmaceutical companies, which will be based on the principle of transparency  | HIFRNM                              | First half of 2022                 | Not due            | Not implemented    |
| <b>6. Establishment of a system of setting a "standard" and "beyond-standard" of materials included in the health service</b>   | 6.1. Drafting of bylaws which will define "standard" and "beyond standard" for services, materials, aids, etc.   | HIFRNM<br>MH                        | First half of 2022                 | Not due            | Not implemented    |
| <b>7. Implementation of internal controls and audits of the drug price formation process and adequate application of methodologies</b>  | 7.1. Inclusion of regular and extraordinary controls of the process and methodologies for the formation of single drug prices in MH and reference drug prices in HIFRNM  | HIFRNM<br>MH                        | First half of 2022                 | Not due            | In progress        |
| <b>8. Introduction of transparency and procedures in the process of adoption and allocation of the HIF budget to the HI</b>   | Adoption of rulebook on the manner and procedure of adoption and allocation of the budget  | HIFRNM                              | First half of 2022                 | Not due            | Not implemented    |
|   | 8.2. Mandate public disclosure of the HIFRNM budgets   | HIFRNM                              | First half of 2022                 | Not due            | Not implemented    |
| <b>9. Establish and maintain a system of measurable and transparent indicators of success of the HI</b>   | 9.1. HIFRNM and MH to indicate in the Systematization a responsible organizational unit for establishing a system of monitoring success indicators of HI, to establish a procedure for communication with the HI and to enable online publication and monitoring of success indicators | HIFRNM,<br>MH with "My term" and HI | First half of 2022                 | Not due            | Not implemented    |
| <b>10. Annual revision of prices of health services and medicines</b>   | 10.1 In the methodology for determining the reference prices of health services, establish deadlines for full price revision, at least once a year, following the calculative elements which form the prices   | HIFRNM<br>Healthcare Institutions   | Second half of 2023                | Not due            | Not due            |
| <b>Issue 2: Bias in the selection of medicines which are covered by public funds, i.e. by citizens' health insurance contributions, and the regulation of evidence-based medicine is not applied consistently</b> |  |                                     |                                    |                    |                    |
| <b>Measure</b>  | <b>Activity</b>  | <b>Responsible institution</b>      | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b> |
| <b>1. Establish a legal framework for the selection of medicines to be covered by the state budget which will be unified and will apply to all medicines</b>  | 1.1. Setting up criteria for selection of drugs covered by HIFRNM  | MH<br>HIFRNM                        | Second half of 2021                | Not implemented    | In progress        |
|   | 1.2. Adoption of the Rulebook on Positive Drug List based on the Health Technology Assessment (HTA) Methodology;   | MH<br>HIFRNM                        | Second half of 2021                | Not implemented    | In progress        |
|   | 1.3. Inclusion of provisions for Managed Entry Agreements for medicines that have  | MH<br>HIFRNM                        | Second half of 2021                | Not implemented    | Not implemented    |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |   |  |                                    |                        |                        |
|---|---|--|------------------------------------|------------------------|------------------------|
|   | monopoly on the market, in healthcare regulations, in the Rulebook on positive list of medicines and in the Rulebook on reference prices of medicines;                          |  |                                    |                        |                        |
| <b>2. Ensuring transparency in the implementation of the programs of the MH, which include provision of medicines</b>               | 2.1. Public disclosure of the list of medicines, which are covered by the programs of MH, with criteria based on which the selection has been made.                             | MH   | first half of 2021                 | <b>Not implemented</b> | <b>In progress</b>     |
| <b>3. Consistent application of the principles of evidence-based medicine</b>   | 3.1. Update of the guidelines for practicing evidence-based medicine within the framework of the legally prescribed procedure   | MH<br>Chambers<br>Professional<br>Associations<br>HIFRNM | Second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
|   | 3.2. Adoption of guidelines for evidence-based medicine for areas where they do not exist   | MH<br>Chambers<br>Professional<br>Associations<br>HIFRNM | Second half of 2021                | <b>Not implemented</b> | <b>In progress</b>     |
| <b>Issue 3: Abuse of procedures for giving/receiving donations, clinical studies and projects</b>                                   |   |  |                                    |                        |                        |
| <b>Measure</b>  | <b>Activity</b>   | <b>Responsible institution</b>                           | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| <b>1. To specify the features, conditions and manner of receipt of donations by the public HI</b>                                   | 1.1. Drafting of bylaw for receipt of donations   | MH<br>Agency for Drugs                                   | First half of 2021                 | <b>Not implemented</b> | <b>In progress</b>     |
| <b>2. Establishment of a publicly available Register of Donations of Drugs, Equipment and Clinical Studies</b>                      | 2.1. Development of register  | MH<br>Agency for Drugs                                   | Second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>Issue 4: Unethical practices in the marketing of medicines</b>   |   |  |                                    |                        |                        |
| <b>Measure</b>  | <b>Activity</b>   | <b>Responsible institution</b>                           | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| <b>1. Regulating and monitoring the relations between pharmaceutical companies and doctors regarding the marketing of medicines</b> | 1.1. Adoption of an ethical code of conduct for all stakeholders in the marketing of medicines  | MALMED<br>Medical Chamber                                | Second half of 2021                | <b>Not implemented</b> | <b>Implemented</b>     |
| <b>2. At the hospital level, establish a system of "Therapeutic Committees" and "Hospital Drug Registries"</b>                      | 2.1. Adopt legislative amendments and bylaws for mandatory establishment of a system of "Therapeutic Committees" and "Hospital Drug Registries" in all hospitals in the country | MH<br>Public HI  | Second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>5. Transparent and objective decision-making in the procedure for out-of-country treatment</b>                                   |   |  |                                    |                        |                        |
| <b>Measure</b>  | <b>Activity</b>   | <b>Responsible institution</b>                           | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| <b>1. Developing a reference list of hospitals through clearly defined criteria in bylaw</b>  | 1.1. Amendment of acts defining the criteria  | HIFRNM   | Second half of 2021                | <b>Not implemented</b> | <b>Implemented</b>     |

**Issue 1: Lack of effective criteria for determining the contractual fees (limits/budgets) for health institutions (private and public) and for the prices of health services and medicines, including lack of criteria for transparent determination and distribution of the budget allocated to HI, new technologies and medicines, health services methods.**

To address this issue, 10 measures and 15 activities are envisaged. **Measure 1: Establish effective criteria for allocation of the HIF budget by health services and institutions**, foresees two activities:

- *Activity 1.1: Conduct analysis of the existing regulation on allocation of HIF budget by health services and health institutions, whose implementation was planned for the **second half of 2021** under the jurisdiction of the HIFRNM and was "**implemented**" within the specified deadline.*
- *Activity 1.2: Amendment of the Rulebook on criteria for determining the contractual fee to establish measurable and relevant criteria that will directly impact the amount of contractual fee, to be implemented in the **first half of 2022** under the jurisdiction of HIFRNM. The activity is currently "**not implemented**". HIFRNM has not provided any information about the implementation of activities in their jurisdiction.*

**Measure 2: Strengthening the capacities of the Fund for planning, analytics and health economics with particular reference to the methodology for Health Technologies Assessment (HTA).** *Activity 2.1: Establishment of Sector for Analytics / Development / Health Economics in the HIFRNM.* The deadline for implementation of this activity is the **first half of 2022**, under the jurisdiction of HIFRNM. This activity is "**not implemented**".

**Measure 3: Provide an inclusive way of allocating the budget by levels and areas of health care by an independent body (union, association, etc.) with representatives from the Health Institutions,** includes two activities:

- *Activity 3.1: Establishment of an independent body (union, association, etc.) with representatives of the HI that will represent the interests of HI and participate in the HI budget negotiations.* The deadline for implementation of this activity is **the first half of 2022**, by the HIFRNM. This activity is currently "**not implemented**".
- *Activity 3.1: Annual distribution of the health budget - total by levels and areas of healthcare, as well as individually by HI.* The deadline for implementation of this activity is the **first half of 2022**, and continuously under the jurisdiction of HIFRNM. This activity is currently "**not implemented**".

**Measure 4: Digitization and interconnection of financial accounting management of healthcare providers** is the fourth measure, and within this measure, *Activity 4.1: Establishment of electronic system with database (software) for all costs for materials, salaries, medicines, equipment and other costs of the HI as a basis for the formation of real prices for services as well as the need for revision.* The deadline for implementation of this activity is the **first half of 2022**, under the jurisdiction of HIFRNM. This activity is currently "**not implemented**".

**Measure 5: Improve regulation and transparency of the process of setting reference prices for health services and medicines,** includes three activities *Activity 5.1: Drafting/revising the regulations for determining the prices of health services and medicines, Activity 5.2: Incorporating provisions for Managed Entry Agreements for medicines that have monopoly on the market, amending the Health Insurance Act and amending the Rulebook on positive list of medicines and the Rulebook on reference prices for medicines, and Activity 5.3: Adopting procedures for negotiating prices with HI and pharmaceutical companies, which will be based on the principle of transparency.* The deadline for implementation of these activities is the **first half of 2022**, all are under the jurisdiction of HIFRNM and all three activities are currently "**not implemented**".

**Measure 6: Establishment of a system of setting a "standard" and "beyond-standard" of materials included in the health service,** includes *Activity 6.1: Drafting of bylaws which will define "standard" and "beyond standard" for services, materials, aids, etc.* The deadline for implementation of this activity is the **first half of 2022**, it is under the jurisdiction of HIFRNM and it is currently "**not implemented**".

**Measure 7: Conducting internal controls and audits of the process of drug price formation and adequate application of the methodologies, Activity 7.1: Inclusion of regular and extraordinary controls of the process and methodologies for the formation of single drug prices in MH and reference drug prices in HIFRNM.** The deadline for implementation of this activity is **the first half of 2022**, by the **HIFRNM**. The implementation of this activity is currently **"in progress"**, i.e. the first phase - provision of legislation and bylaws and provision of tables to compare prices with reference countries (Serbia, Croatia, Slovenia, and Bulgaria) is completed.

**Measure 8: Introduction of transparency and procedures in the process of adoption and allocation of the HIF budget to the HI,** includes two activities, *Activity 8.1: Adoption of a rulebook on the manner and procedure of adopting and allocating the budget* and *Activity 8.2: Mandate public disclosure of the HIFRNM budgets*. The deadline for implementation of both activities is **the first half of 2022**, and the responsible institution is **HIFRNM**. Both activities have the status **"not implemented"**.

**Measure 9: Establish and maintain a system of measurable and transparent indicators of success of the HI** is the ninth measure, which includes *Activity 9.1: HIFRNM and MH to indicate in the Systematization a responsible organizational unit for establishing a system of monitoring success indicators of HI, to establish a procedure for communication with the HI and to enable online publication and monitoring of success indicators*. The deadline for implementation of this activity is **the first half of 2022**, by the **HIFRNM**. This activity is currently **„not implemented“**.

**Measure 10:** Annual revision of prices of health services and medicines includes *Activity 10.1: In the methodology for determining the reference prices of health services, establish deadlines for full price revision, at least once a year, following the calculative elements which form the prices*. The deadline for implementation of this activity is **the second half of 2023** by the HIFRNM. This activity is currently **"not due"**.

**Issue 2: Bias in the selection of medicines which are covered by public funds, i.e. by citizens' health insurance contributions, and the regulation of evidence-based medicine is not applied consistently.**

**Measure 1: Establish a legal framework for the selection of medicines to be covered by the state budget which will be unified and will apply to all medicines** includes three activities:

- *Activity 1.1: Setting up criteria for selection of medicines covered by HIF.* The deadline for implementation of this activity was the **second half of 2021**, by the **MH**. This activity was not implemented in 2021 and was carried over to 2022, when a draft text of the Rulebook on placing drugs on positive list was drafted, whereby criteria for selection of drugs covered by the HIFRNM were defined. In view of the above, the activity is considered **"in progress"**.
- *Activity 1.2: Adoption of the Rulebook on Positive Drug List based on the Health Technology Assessment (HTA) Methodology.* The deadline for implementation of this activity was the **second half of 2021**, by the **MH**. This activity was carried over to 2022. Due to the fact that a draft text of the Rulebook on placing drugs on the positive list has been prepared, which is based on European practices, i.e. the "Health Technology Assessment" methodology has been introduced, and the activity is currently **"ongoing"**.
- *Activity 1.3: Inclusion of provisions for Managed Entry Agreements for medicines that have monopoly on the market, in healthcare regulations, in the Rulebook on positive list of medicines and in the Rulebook on reference prices of medicines.* The deadline for implementation of this activity was the **second half of 2021**, by the **MH**. The status of this activity in both, 2021 and 2022 is **"not implemented"**.

**Measure 2: Ensuring transparency in the implementation of programs of the MH, which include provision of medicines**, is the second measure to address the bias in the selection of medicines covered by public funds. *Activity 2.1: Public disclosure of the list of medicines, which are covered by the programs of MH, with criteria based on which the selection has been made.* The deadline for implementation of this activity was **the first half of 2021**, by the **MH**. This activity was not implemented in 2021 and was therefore carried over to 2022. During the year, a methodology with accurate criteria was developed by the National Commission for Rare Diseases, through the adopted rules of procedure, due to which the activity is currently **"in progress"**.

**Measure 3: Consistent application of the principles of evidence-based medicine, includes the following activities:**

- *Activity 3.1:* Update of the guidelines for practicing evidence-based medicine within the framework of the legally prescribed procedure. The deadline for implementation of this activity is the **second half of 2021**, by the **MH**, and the activity has the status **"not implemented"** in both 2021 and 2022.
- *Activity 3.2:* Adoption of guidelines for evidence-based medicine for areas where they do not exist. The deadline for implementation of this activity was the **second half of 2021**, by the **MH**. This activity currently is **"not implemented"**.

**Issue 3: Abuse of procedures for giving/receiving donations, clinical studies and projects.**

**Measure 1: To specify the features, conditions and manner of receipt of donations by the public HI**, prescribes *Activity 1.1: Drafting of bylaw for receipt of donations*, with an implementation deadline in the **first half of 2021**, under the responsibility of the **MH**. This activity in 2021 was not considered implemented, however, with the submitted report for this evaluation period, the Ministry of Health submitted a link for a Decision adopted on 30.08.2021, referring to establishing a Methodology for allocation of donations of medical equipment and medical consumables. The SCPC reviewed the above decision, whereby it assessed that the status of the activity is **"in progress"**, insofar as it provides for the drafting of a bylaw on receiving donations, which will specify the features, conditions and manner of receiving donations by the public HI.

**Measure 2: Establishment of a publicly available Register of donations of medicines, equipment and clinical studies** is the second measure, addressed by *Activity 2.1: Development of Register*. The deadline for implementation of this activity was the **second half of 2021**, by the **MH**. This activity is **"not implemented"** in 2021 and 2022.

**Issue 4: Unethical practices in the marketing of medicines.**

**Measure 1: Regulating and monitoring the relations between pharmaceutical companies and doctors regarding the marketing of medicines**, *Activity 1.1: Adoption of an ethical code of conduct for all stakeholders in the marketing of medicines*. The deadline for implementation of this activity is the **second half of 2021**, by **MALMED**. This activity was not implemented in 2021, and was carried over to 2022. With the adoption of the Code of Ethical Behavior of Participants in advertising (promotion/marketing) of medicines and medical devices, this activity is considered **"implemented"**.

**Measure 2: At the hospital level, to establish a system of "Therapeutic Committees" and "Hospital registers of medicines"** is addressed by *Activity 2.1: Adopt legislative amendments and bylaws for mandatory establishment of a system of "Therapeutic Committees" and "Hospital Drug Registries" in all hospitals in the country*. The deadline for this activity was **the first half of 2021**, to be implemented by

the **MH**. The activity has been carried over from 2021 to 2022 as “**not implemented**”, and continues to have the same status.

**Issue 5: Transparent and objective decision-making in the procedure for out-of-country treatment**, is to be addressed by **Measure 1: Developing a reference list of hospitals through clearly defined criteria in a bylaw** is the only envisaged measure to address this issue which entails the following *Activity 1.1: Amendment of acts defining the criteria*. The deadline for implementation of this activity was the **second half of 2021**, by the **HIFRNM**. The activity in 2021 was not implemented, while in 2022 it has the status “**implemented**”, based on information received from HIFRSM that a new Rulebook on the manner of using health services of insured persons abroad has been adopted, including an Action Plan for implementation of the procedure for concluding contracts with foreign hospitals, and Guidelines for functioning of PHI University Clinics in Skopje for exercising the right to health services of insured persons abroad and for compilation of lists for selection of foreign health services.

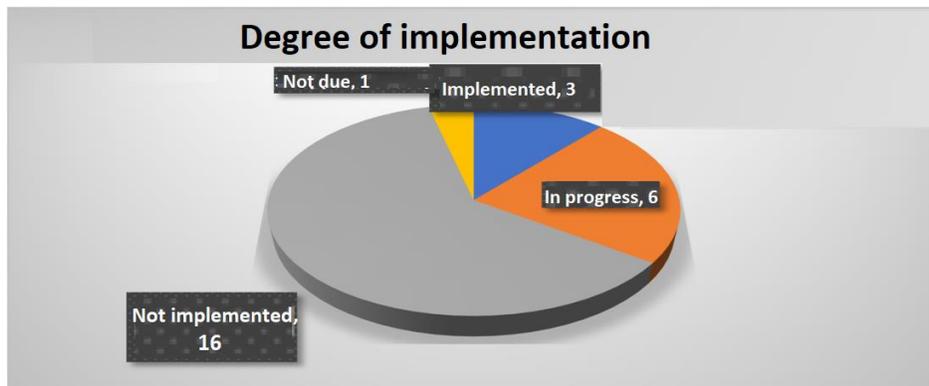


Figure 25: Overall degree of implementation in the sector

Out of the 26 activities envisaged in the Strategy for the Health Sector, three activities have been implemented (11%), six activities are ongoing (23%), and 17 activities have not been implemented within the prescribed deadline (66%). A total of 13 activities have been planned for 2022, of which only one is ongoing, whereas 12 have not been implemented.

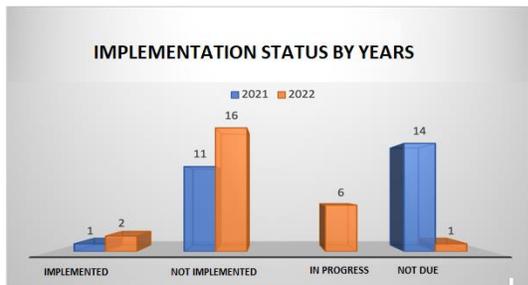


Figure 29: Activity status by evaluation period

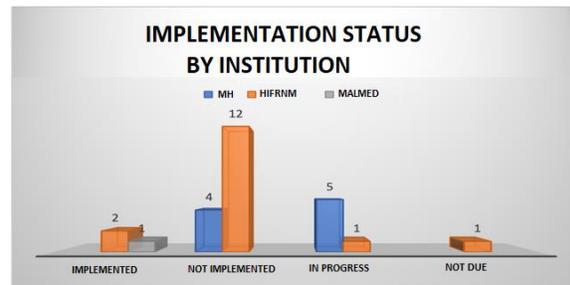


Figure 30: Overall status of activities by institutions

- In 2021, there were a total of nine activities planned for the MH which were not implemented, while in 2022 five activities are in progress and four activities are not implemented.
- 16 activities are envisaged for the HIFRNM, of which two in 2021, 13 in 2022 and one in 2023. In 2021, one activity was implemented, whereas the second activity was not implemented and was carried over to 2022. In 2022, out of 14 activities, one activity was implemented, one is in progress, and the remaining 12 activities were not implemented.

- One activity has been implemented by MALMED.

Pending in this area is the implementation of the recommendations provided in the Annual Report on implementation of the measures from NS 2021-2025, due to be implemented in 2021.

## 8. EDUCATION SECTOR

### Description of the sector

With regard to the Education sector, the Strategy establishes the following eight issues:

- 1) Evident influences and discretionary powers in employment in the education sector;
- 2) Lack of capacities of the State Educational Inspectorate;
- 3) Low awareness of the need to address the issue of corruption within educational institutions;
- 4) Lack of precise legislation for the use of teaching visual and didactic devices/aids;
- 5) Procurement procedures in education institutions conducted outside the remit of the Law on Public Procurement;
- 6) Lack of secondary legislation to regulate real estate lease to educational institutions;
- 7) Enhancing the quality of the higher education in the sphere of accreditation of higher education institutions, scientific institutions and study programs;
- 8) Insufficient content in secondary schools for the principles of good governance and integrity.

The following institutions are responsible for the implementation of the measures and activities envisaged to address the issues in the health sector:

- 1) Government,
- 2) MES,
- 3) MF,
- 4) MES,
- 5) IC,
- 6) SCPC,
- 7) LSU,
- 8) Bureau for Development of Education (hereinafter: BDE),
- 9) Center for Vocational Education (hereinafter: CVE),
- 10) State Educational Inspectorate (hereinafter: SEI),
- 11) State Examination Center (hereinafter: SEC),
- 12) University Senates, and
- 13) Agency for Quality in Higher Education (hereinafter: AQHE).

### Degree of implementation of activities in the sector

In the education sector, five issues have been identified to be addressed by the Action Plan of the Strategy with 18 measures and 34 activities.

The SCPC verified and analyzed the obtained data regarding the implementation of the measures and activities in the education sector, and established the following status of activities:

| Issue 1: Evident influences and discretionary powers in employment in the education sector  |   |                             |                                  |                 |                 |
|---|---|-----------------------------|----------------------------------|-----------------|-----------------|
| Measure   | Activity  | Responsible institution     | Deadline for implementation      | Status 2021     | Status 2022     |
| 1. Establish clear scoring criteria and procedures for the conduct of recruitment interviews for teachers in primary and secondary education  | 1.1. Adoption of bylaws regulating the conduct of interviews and establishing scoring criteria during teacher recruitment process.  | MES<br>BDE<br>CVE           | First half of 2021               | Not implemented | Not implemented |
|   | 2.1. Amending the Educational Inspection Act to ensure mandatory oversight of the decisions for early dismissal of directors of primary and secondary schools.                              | MES                         | Second half of 2021              | Not implemented | Not implemented |
| 2. Mandate by law that decisions for early dismissal of directors of primary and secondary schools should contain detailed justifications and be subject to inspectorial oversight. | 2.2. Conduct supervision of the rationale of the decisions for early dismissal of directors of primary and secondary schools.   | SEI                         | Second half of 2021 – Continuous | In progress     | In progress     |
|   | 3.1 Adopt annual plan/program for SEI for oversight of award procedures of teaching and scientific titles   | SEI<br>MES                  | First half of 2021 – Continuous  | Not implemented | Implemented     |
| Issue 2: Lack of capacities of the State Educational Inspectorate   |   |                             |                                  |                 |                 |
| Measure   | Activity  | Responsible institution     | Deadline for implementation      | Status 2021     | Status 2022     |
| 1. Enhancing material and technical requirements and human resources of the SEI   | 1.1. Develop analysis to assess capacities of SEI   | SEI<br>Inspectorial Council | Second half of 2021              | In progress     | In progress     |
|   | 1.2. Increase SEI budget  | MF                          | Second half of 2021              | In progress     | In progress     |
|   | 1.3. Increase the number of inspectors  | MF<br>SEI                   | First half of 2022               | In progress     | In progress     |
|   | 1.4. Extraordinary inspectorial oversight to be conducted by at least two inspectors  | SEI                         | Second half of 2021              | In progress     | Not implemented |
| 2. Education and training to strengthen the resilience of SEI employees to influencing  | 2.1. Conduct education and training on integrity and ethics, and raise awareness of SEI employees on the manner of reporting attempted influencing of relevant authorities – SCPC and/or IC | SCPC<br>IC<br>SEI           | Second half of 2024 - continuous | In progress     | Not implemented |
| 3. Strengthening control mechanisms of the work of SEI inspectors   | 3.1. Develop analysis to establish control mechanism for the work of inspectors.  | SEI<br>SCPC                 | Second half of 2021              | In progress     | In progress     |
|   | 3.2. Established control mechanism for the work of inspectors.  | MES<br>SEI                  | First half of 2022               | Not due         | Not implemented |
| Issue 3: Low awareness of the need to address the issue of corruption within educational institutions   |   |                             |                                  |                 |                 |
| Measure   | Activity  | Responsible institution     | Deadline for implementation      | Status 2021     | Status 2022     |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |  |  |                                    |                    |                    |
|---|--|--|------------------------------------|--------------------|--------------------|
| <b>1. Strengthening the awareness of principals and teachers for prevention of corruption in primary and secondary education</b>              | 1.1. Develop Training Program for Principals and Teachers on Ethics and Integrity  | BDE<br>SEC<br>CVE  | First half of 2022                 | Not due            | Not implemented    |
|   | 1.2. Develop guidebook / brochure on prevention of corruption  | BDE<br>SEC<br>SCPC<br>CVE  | First half of 2022                 | Not due            | Not implemented    |
|   | 1.3. Organize and conduct educational workshops with principals and teachers   | BDE<br>SEC<br>SCPC<br>CVE  | Second half of 2022 – continuous   | Not due            | Not implemented    |
| <b>2. Raising awareness about the use of corruption reporting mechanisms in universities</b>  | 2.1. Conduct activities to report corruption in universities with inclusion and participation of students  | University Goce Delcev, Shtip  | First half of 2021                 | Implemented        | /                  |
|   | 2.1. Conduct activities to report corruption in universities with inclusion and participation of students  | University Mother Teresa - Skopje  | First half of 2021                 | Not implemented    | In progress        |
|   | 2.1. Conduct activities to report corruption in universities with inclusion and participation of students  | University of Information Sciences and Technologies St. Apostle Paul - Ohrid | First half of 2021                 | Implemented        | /                  |
|   | 2.1. Conduct activities to report corruption in universities with inclusion and participation of students  | St. Clement of Ohrid University - Bitola.                                    | First half of 2021                 | Implemented        | /                  |
| <b>3. Establishment of a mechanism for monitoring the commitments set out in the Draft Policy on Prevention of Corruption in Universities</b> | 3.1. Continued monitoring of the implementation of the Draft Policy for Prevention of Corruption in Universities and publication of annual reports | University Goce Delcev, Shtip  | First half of 2021                 | In progress        | Implemented        |
|   | 3.1. Continued monitoring of the implementation of the Draft Policy for Prevention of Corruption in Universities and publication of annual reports | University Mother Teresa - Skopje  | First half of 2021                 | Not implemented    | In progress        |
|   | 3.1. Continued monitoring of the implementation of the Draft Policy for Prevention of Corruption in Universities and publication of annual reports | University of Information Sciences and Technologies St. Apostle Paul - Ohrid | First half of 2021                 | In progress        | Implemented        |
|   | 3.1. Continued monitoring of the implementation of the Draft Policy for Prevention of Corruption in Universities and publication of annual reports | Clement of Ohrid University - Bitola   | First half of 2021                 | Implemented        | /                  |
| <b>Issue 4: Lack of precise legislation for the use of teaching and didactic means/aids</b>   |  |  |                                    |                    |                    |
| <b>Measure</b>  | <b>Activity</b>  | <b>Responsible institution</b>   | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b> |
| <b>1. Setting up precise criteria for procurement and use of educational aids in primary and secondary</b>                                    | 1.1. Develop analysis of the practice and define criteria for procurement and use of educational aids  | MES<br>BDE   | First half of 2021                 | Not implemented    | In progress        |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |   |                         |                                 |                 |                 |
|---|---|-------------------------|---------------------------------|-----------------|-----------------|
| schools   | 1.2. Enact amendments to the Textbooks Act  | MES                     | Second half of 2021             | In progress     | Not implemented |
|   | 1.3. Enactment of relevant bylaws   | MES<br>BDE<br>CVE       | Second half of 2021             | Not implemented | Not implemented |
| <b>Issue 5: Procurement procedures in education institutions conducted outside the remit of the Law on Public Procurement (excursions of students, school security, student photography, production of almanacs, and procurement of snacks)</b> |   |                         |                                 |                 |                 |
| Measure   | Activity  | Responsible institution | Deadline for implementation     | Status 2021     | Status 2022     |
| <b>1. Drafting of secondary legislation to regulate procurement procedures in educational institutions which are not subject to the Law on Public Procurement</b>   | 1.1. Enactment of secondary legislation (bylaws, rulebooks)   | MES                     | First half of 2022              | Not due         | Not implemented |
| <b>Issue 6: Lack of secondary legislation to regulate real estate lease to educational institutions</b>   |   |                         |                                 |                 |                 |
| Measure   | Activity  | Responsible institution | Deadline for implementation     | Status 2021     | Status 2022     |
| <b>1. Drafting of secondary legislation, instructions and guidelines to regulate lease of real estate to education institutions</b>   | 1.1. Enactment of secondary legislation instructions and guidelines   | MES<br>LSU              | First half of 2022              | Not due         | Not implemented |
| <b>Issue 7: Enhancing the quality of the higher education in the sphere of accreditation of higher education institutions, scientific institutions and study programs</b>   |   |                         |                                 |                 |                 |
| Measure   | Activity  | Responsible institution | Deadline for implementation     | Status 2021     | Status 2022     |
| <b>1. The National Council for Higher Education and Scientific Research and the Agency for Quality in Higher Education should be functional</b>   | 1.1. Appointing members of the National Council and the Agency for Quality in Higher Education  | Government<br>MES       | Second half of 2020             | Implemented     | /               |
| <b>2. Regulate the accountability of the Agency's for Quality of Education</b>  | 2.1. Drafting of amendments to the Law on Higher Education to regulate the accountability of the Agency for Quality in Higher Education | MES<br>AQHE             | Second half of 2021             | Not implemented | Implemented     |
| <b>3. Ensuring transparency in the selection of members of the Agency for Quality of Education</b>  | 3.1. Publication of reasoned decisions on selection of members of the Agency for Quality of Education                                   | Government<br>MES       | First half of 2020 – continuous | In progress     | Implemented     |
| <b>4. Ensure transparency in the work of the Agency for Quality of Education in the area of accreditation of higher education institutions, scientific institutions and study programs</b>  | 4.1. Publication of detailed reasoned decisions of the Agency on accreditations, re-accreditations and other professional activities    | AQHE                    | First half of 2021 - continuous | In progress     | In progress     |
| <b>5. Acquire Membership for the Agency for Quality of Education in ENKA (European Network of Higher Education Quality Assurance Agencies)</b>  | 5.1. Develop plan to acquire membership for the Agency for Quality of Education in ENKA   | AQHE                    | First half of 2022              | Not due         | In progress     |
| <b>Issue 8: Insufficient content in secondary schools for the principles of good governance and integrity</b>   |   |                         |                                 |                 |                 |
| Measure   | Activity  | Responsible institution | Deadline for implementation     | Status 2021     | Status 2022     |
| <b>1. Introduction of anticorruption content for secondary school students as part of the regular</b>   | 1.1. Implementation of Project - Anticorruption Education in Pilot Secondary Schools  | BDE<br>MES<br>SCPC      | First half of 2021              | Implemented     | /               |

|           |  |     |                                  |                        |                    |
|-----------|--|-----|----------------------------------|------------------------|--------------------|
| curricula | 1.2 Adopt relevant acts to introduce anticorruption education in regular curricula | BDE | Second half of 2024 - continuous | <b>Not implemented</b> | <b>In progress</b> |
|-----------|--|-----|----------------------------------|------------------------|--------------------|

**Issue 1: Evident influences and discretionary powers in employment in the sphere of education**

**Measure 1: Establish clear scoring criteria and procedures for the conduct of recruitment interviews for teachers in primary and secondary education** and the corresponding *Activity 1.1: Adoption of bylaws regulating the conduct of interviews and establishing scoring criteria during teacher recruitment process*. The deadline for implementation of this activity was **the first half of 2021**, by the **MES**. This activity is **“not implemented”** in 2021 and 2022.

**Measure 2: Mandate by law that decisions for early dismissal of directors of primary and secondary schools should contain detailed justifications and be subject to inspectorial oversight** entails the following two activities:

- *Activity 2.1: Amending the Educational Inspection Act to ensure mandatory oversight of the decisions for early dismissal of directors of primary and secondary schools*. The deadline for implementation of this activity was **the second half of 2021**, by the **MES**. This activity is **“not implemented”** in 2021 and 2022.
- *Activity 2.2: Conduct supervision of the rationale of the decisions for early dismissal of directors of primary and secondary schools*. The deadline for implementation of this activity was the second half of 2021-continuously, by the **SEI**. This activity in 2021 had the status **“in progress”**, and remains the same in 2022. The obtained report shows that SEI conducts extraordinary inspectorial oversight upon initiative of a director dismissed by a mayor.

**Measure 3: Establishment of a mechanism for regular oversight by SEI of the award procedures for teaching and scientific titles**, and the corresponding *Activity 3.1: Adoption of an annual plan/program for SEI for oversight of award procedures of teaching and scientific titles*. The deadline for implementation of this activity was **the first half of 2021 and continuously**, by the **SEI**. The activity was not implemented in 2021, and according to the SEI’s annual plan for 2022, its status is **“implemented”**. As a continuous activity it will be monitored during the next reporting periods.

**Issue 2: Lack of capacities of the State Educational Inspectorate.**

**Measure 1: Enhancing material and technical requirements and human resources of the SEI**, entails four activities: *Activity 1.1: Develop analysis to assess capacities of SEI*, *Activity 1.2: Increase SEI budget*, *Activity 1.3: Increase the number of inspectors* and *Activity 1.4: Extraordinary inspectorial oversight to be conducted by at least two inspectors*. The deadline for implementation of all four activities was in **2021**. The first and the fourth activity are to be implemented by the **SEI**, and the second and the third by the **MF**. The first three activities have the status **“in progress”**, and the fourth activity is **“not implemented”**.

**Measure 2: Education and training to strengthen the resilience of SEI employees to influencing** and the corresponding *Activity 2.1: Conduct education and training on integrity and ethics, and raise awareness of SEI employees on the manner of reporting attempted influencing of relevant authorities – SCPC and/or IC*. The deadline for implementation of this activity was the second half of 2021 and it should be implemented continuously by the **SCPC**. The current status of the activity is **“not implemented”**.

**Measure 3: Strengthening control mechanisms of the work of SEI inspectors**, sets forth the following activities:

- *Activity 3.1: Develop analysis to establish control mechanism for the work of inspectors.* The deadline for implementation of this activity was **the second half of 2021**, by the SEI. The status of this activity is “**in progress**” for 2021 and 2022, and its implementation is ongoing.
- *Activity 3.2: Established control mechanisms for the work of the inspectors.* The deadline for implementation of this activity is **the first half of 2022**, by the MES. This activity is “**not implemented**”.

**Issue 3: Low awareness of the need to address the issue of corruption within educational institutions.**

**Measure 1: Strengthening the awareness of principals and teachers for prevention of corruption in primary and secondary education** entails *Activity 1.1: Develop Training Program for Principals and Teachers on Ethics and Integrity*, *Activity 1.2: Develop Guidebook/ Brochure for prevention of corruption* and *Activity 1.3: Organize and conduct educational workshops with principals and teachers*. The deadline for implementation of this activity is in **2022**, by the BDE and it has the status „**not implemented**“.

**Measure 2: Raising awareness about the use of corruption reporting mechanisms in universities** contains one *Activity 2.1: Conduct activities to report corruption in universities with inclusion and participation of students* which entails five institutions. The deadline for implementation of this activity is in the **first half of 2021**, by the **University Senates**. This activity is “**in progress**“ at the University Mother Teresa - Skopje, whereas in the other three universities is has been “**implemented**“ (Ss. Cyril and Methodius, St. Apostle Paul - Ohrid, UKLO Bitola and Goce Delcev University).

**Measure 3: Establishment of a mechanism for monitoring the commitments set out in the Draft Policy on Prevention of Corruption in Universities** includes one *Activity 3.1: Continued monitoring of the implementation of the Draft Policy for Prevention of Corruption in Universities and publication of annual reports*. The deadline for implementation of this activity is **the first half of 2021**, by the University Senates. This activity is “**in progress**“ at the University Mother Teresa - Skopje, whereas in the other three universities is has been “**implemented**“ (Ss. Cyril and Methodius, St. Apostle Paul – Ohrid, UKLO Bitola and Goce Delcev University).

**Issue 4: Lack of precise legislation for the use of teaching and didactic means/aids.** To address this issue, the Action Plan of the Strategy foresees one measure:

**Measure 1: Setting up precise criteria for procurement and use of educational aids in primary and secondary schools** which entails three activities:

- *Activity 1.1: Develop analysis of the practice and define criteria for procurement and use of educational aids.* The deadline for implementation of this activity was **the first half of 2021**, by the MES. This activity was “**not implemented**” in 2021, and according to the submitted report by the MES, in 2022 activities are underway for its implementation, i.e. a new law on textbooks and other education and didactic materials for primary and secondary schools has been drafted which is currently in parliamentary procedure<sup>4</sup>. Additionally, the BDE has adopted standards<sup>5</sup> with regard to this issue.

<sup>4</sup> <https://www.sobranie.mk/detali-na-materijal.nsp?param=dc53a25f-bb1a-4b83-b0af-1311a6a5004d>

<sup>5</sup> <https://mon.gov.mk/stored/document/Normativi%20i%20standardi%20za%20osnovno%20uciliste.pdf>

- *Activity 1.2: Enact amendments to the Textbooks Act.* The deadline for implementation of this activity is the **second half of 2021**, by the **MES**. This activity is not **“not implemented“**.
- *Activity 1.3: Enactment of relevant bylaws.* The deadline for implementation of this activity is the **second half of 2021**, by the **MES**. This activity is **“not implemented”**.

**Issue 5: Procurement procedures in education institutions conducted outside the remit of the Law on Public Procurement (excursions of students, school security, student photography, production of almanacs, and procurement of snacks)**

**Measure 1: Drafting of secondary legislation to regulate the procurement procedures in educational institutions which are not subject to the Law on Public Procurement** entails *Activity 1.1: Enactment of secondary legislation (bylaws, rulebooks)*. The deadline for implementation of this activity was the **first half of 2022**, by the **MES**. This activity is **“not implemented”**.

**Issue 6: Lack of secondary legislation to regulate real estate lease to educational institutions**, includes one **Measure 1: Drafting of secondary legislation, instructions and guidelines to regulate lease of real estate of higher education institutions**, and it should be implemented with the following *Activity 1.1: Enactment of secondary legislation, instructions and guidelines*. The deadline for implementation of this activity was the **first half of 2022**, by the **MES**. This activity is **“not implemented”**.

**Issue 7: Enhancing the quality of the higher education in the sphere of accreditation of higher education institutions, scientific institutions and study programs.**

**Measure 1: The National Council for Higher Education and Scientific Research and the Agency for Quality in Higher Education should be functional** includes one *Activity 1.1: Appointing members of the National Council and the Agency for Quality in Higher Education*. The deadline for implementation of this activity is the **second half of 2020**, by the **Government**. This activity was noted as **“implemented”** in the previous reporting period.

**Measure 2: Regulate the accountability of the Agency for Quality of Education** also foresees one *Activity 2.1: Drafting of amendments to the Law on Higher Education to regulate the accountability of the Agency for Quality in Higher Education*. The deadline for implementation of this activity is the **second half of 2021**, by the **MES**. This activity was not implemented in 2021 and was carried over to 2022 when it was **“implemented”**.

**Measure 3: Ensuring transparency in the selection of members of the Agency for Quality of Education** includes *Activity 3.1: Publication of reasoned decisions for selection of members of the Agency for Quality of Education*. The deadline for implementation of this activity is the **first half of 2020 - continuously**, by the **Government**. This activity has been carried over from 2021 and was **“implemented”** in 2022.

**Measure 4: Ensure transparency in the work of the Agency for Quality of Education in the area of accreditation of higher education institutions, scientific institutions and study programs**, has been assigned the corresponding *Activity 4.1: Publication of detailed reasoned decisions of the Agency on accreditations, re-accreditations and other professional activities*. The deadline for implementation of this activity is the **first half of 2021 and continuously**, by the **AQHE**. This activity has been assigned the status **“in progress”** in the two respective periods.

**Measure 5: Acquire membership for the Agency for Quality of Education in ENQA (European Network of Higher Education Quality Assurance Agencies)** foresees *Activity 5.1: Develop plan to acquire membership for the Agency for Quality of Education in ENQA*. The deadline for implementation of this activity was **the first half of 2022**, by the AQHE. It is currently **“in progress”**.

**Issue 8: Insufficient content in secondary schools for the principles of good governance and integrity** has one corresponding **Measure 1: Introduction of anticorruption content for secondary school students as part of the regular curricula is the only measure** to be implemented with the following activities:

- *Activity 1.1: Implementation of Project - Anticorruption Education in Pilot Secondary Schools*, scheduled to be implemented in the first half of 2021, by the **BDE** and was **“implemented”** within the prescribed deadline.
- *Activity 1.2: Adopt relevant acts to introduce anticorruption education in regular curricula*. The deadline for the implementation of this activity was the **second half of 2021 - continuously**, by the **BDE**. The activity was not implemented in 2021, and in 2022 BDE has taken activities to introduce anticorruption education in the regular teaching curricula, due to which the activity has the status **“in progress”**.

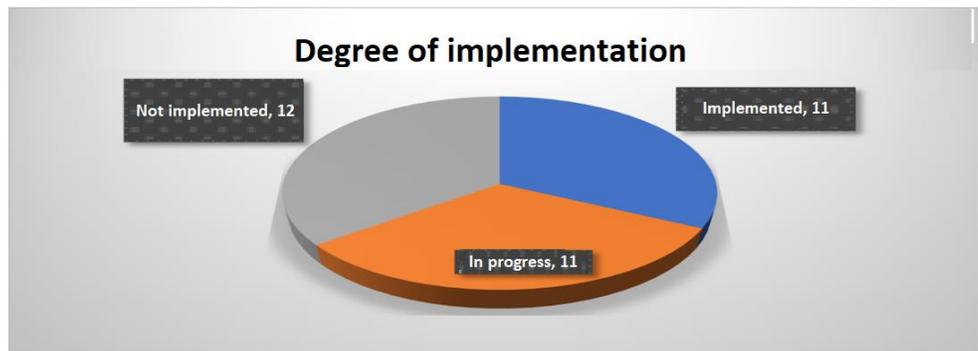


Figure 31: Overall degree of implementation in the sector

Of the 34 activities envisaged in the Strategy for the Education Sector, 11 activities were implemented (32%) in 2021 and 2022, 11 activities are ongoing (32%), and 12 activities have not been implemented within the provisioned deadline (36%). For 2022, a total of eight activities are planned, six of which have not been implemented, and two are ongoing. In addition, 20 activities were carried over (part of which are continuous) from the previous reporting period, of which five were implemented, six were not implemented, and nine are ongoing.

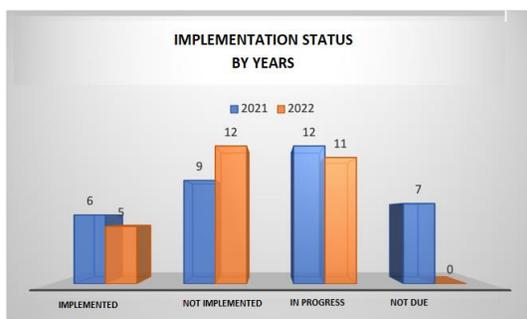


Figure 32: Activity status by evaluation period

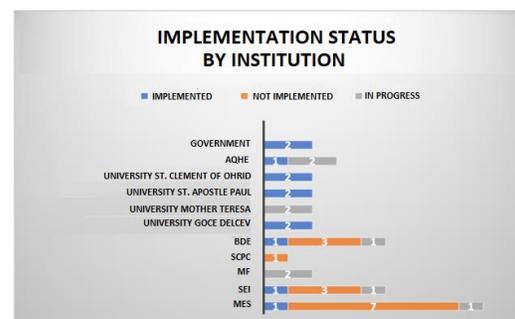


Figure 33: Overall activity status by institution

- MES has nine activities under its umbrella, seven of which have not been implemented, one has been implemented and one is in progress.
- SEI has five activities under its umbrella, three of which are not implemented, one is in progress, and one activity is implemented.
- BDE has a total of five activities under its umbrella, three of which are not implemented, one is implemented and one is in progress.
- SCPC has one activity which has not been implemented.
- MF and AQHE have two activities each in progress. AQHE also has one activity which has been implemented.
- The Government has two activities which have been implemented.
- The Universities have a total of eight activities. Of these, Universities Goce Delcev, Clement of Ohrid and Apostle Paul each have two implemented activities, and University Mother Teresa has two activities in progress.

Pending in this area is the implementation of the recommendations provided in the Annual Report on implementation of the measures from NS 2021-2025, due to be implemented in 2021.

## 9. LABOR AND SOCIAL POLICY SECTOR

### Description of the sector

With regard to the labor and social policy sector, the Strategy identifies the following priority issue:

- 1) Lack of oversight of the procedures for exercising rights on the basis of pension and disability insurance.

The following institutions are responsible for the implementation of the measures and activities tailored to address the issue in the sector of labor and social policy:

- 1) Ministry of Labor and Social Policy (hereinafter: MLSP)
- 2) MH, and
- 3) Pension and Disability Insurance Fund (hereinafter: PDIF)

### Degree of implementation of activities in the sector

In the sector of labor and social policy, one issue has been identified to be addressed by five measures and 10 activities as prescribed by the Action Plan of the Strategy.

Based on the obtained data and the conducted analysis concerning the implementation of measures and activities in the labor and social policy sector, the state of affairs is as follows:

| Issue 1: Lack of oversight of the procedures for exercising rights on the basis of pension and disability insurance |   |                                     |                             |             |             |
|---|---|-------------------------------------|-----------------------------|-------------|-------------|
| Measure   | Activity  | Responsible institution             | Deadline for implementation | Status 2021 | Status 2022 |
| 1. Establishment of a single digitized central social security system   | 1.1. Amendment of the legislation in the field of social security | MLSP<br>Other relevant institutions | First half of 2022          | Not due     | In progress |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |   |              |                     |                 |                 |
|---|---|--------------|---------------------|-----------------|-----------------|
|   | 1.2. Established single digitized central social security system  | MLSP         | Second half of 2023 | Not due         | Not due         |
| <b>2. Establishment of a new body for centralized verification of disability/ability to work in order to minimize corruption in the decision-making process</b>                 | 2. 1. Analysis of the current disability/ ability assessment process  | MLSP<br>PDIF | Second half of 2021 | In progress     | In progress     |
|   | 2.2. Adoption of regulation for establishment of the verification/assessment body   | MLSP<br>PDIF | First half of 2022  | Not due         | In progress     |
|   | 2.3. Establishment of the verification/assessment body  | MLSP<br>PDIF | Second half of 2022 | Not due         | Not implemented |
| <b>3. Enhancing the legislation governing the procedure for selecting members of the Committee for audit of the findings, assessment and opinion for determining disability</b> | 3.1 Analysis of the Rulebook on organization, composition and method of work of the Committee for audit of the findings, assessment, and opinion on qualification of disability to identify ambiguities regarding the election of committee members | MLSP         | Second half of 2022 | Not due         | Not implemented |
|   | 3.2. Amendment of the Rulebook on organization, composition and method of work of the Committee for audit of findings, assessment and opinion on qualification of disability.   | MLSP         | First half of 2023  | Not due         | Not due         |
| <b>4. Strengthening oversight of procedures for exercising rights on the basis of pension and disability insurance</b>  | 4.1. Adoption of an oversight methodology (regular and ad hoc oversight)  | MLSP         | First half of 2022  | Not due         | In progress     |
|   | 4.2. Conduct of regular and ad hoc oversight (not only upon complaints)   | MLSP         | 2021, continuous    | Not implemented | Not implemented |
| <b>5. Strengthening oversight of procedures for exercising rights based on assistance and care by another person</b>  | 5.1. Conduct of regular and ad hoc oversight (not only upon complaints)   | MLSP<br>MH   | 2021, continuous    | Not implemented | In progress     |

**Issue 1: Lack of oversight of the procedures for exercising rights on the basis of pension and disability insurance.**

**Measure 1: Establishment of a single digitized central social security system**, foresees the following activities:

- *Activity 1.1: Amendment of the legislation in the field of social security.* The deadline for implementation of this activity is the **first half of 2022**, by the **MLSP**. The activity is “**in progress**”.
- *Activity 1.2: Established single digitized central social security system.* The deadline for implementation of this activity is **the second half of 2023**, by the **MLSP**. While the activity is not yet due, it is “**in progress**” given that MLSP has conceived activities for establishment of a centralized system for social insurance via a World Bank project.

**Measure 2: Establishment of a new body for centralized verification of disability/ability to work in order to minimize corruption in the decision-making process** entails two activities:

- *Activity 2.1: Analysis of the current disability/ability assessment process.* The deadline for implementation of this activity is **the second half of 2021**, by the **MLSP**, and it has the status **“not implemented”**.
- *Activity 2.2: Enactment of statutory provisions for establishment of the verification/assessment body.* The deadline for implementation of this activity is the **first half of 2022**, by the **MLSP**, and it has the status **“not implemented”**.
- *Activity 2.3: Establishment of the verification/assessment body.* The deadline for implementation of this activity is the **second half of 2022**, by the **MLSP**, and it has the status **“not implemented”**.

**Measure 3: Enhancing the legislation governing the procedure for selecting members of the Committee for audit of the findings, assessment and opinion for determining disability**, entails the following activities:

- *Activity 3.1: Analysis of the Rulebook on organization, composition and method of work of the Committee for audit of the findings, assessment and opinion on qualification of disability to identify ambiguities regarding the election of committee members.* The deadline for implementation of this activity is the **second half of 2022**, by the **MLSP**, and it has the status **“not implemented”**.
- *Activity 3.2: Amendment of the Rulebook on organization, composition and method of work of the Committee for audit of findings, assessment and opinion on qualification of disability.* The deadline for implementation of this activity is the **first half of 2023**, by the **MLSP**. The implementation of this activity is **not due**.

**Measure 4: Strengthening oversight of procedures for exercising rights on the basis of pension and disability insurance** foresees the following activities:

- *Activity 4.1: Adoption of an oversight methodology (regular and ad hoc oversight) to be implemented* **in the first half of 2022**, by the **MLSP**, and it is currently **“in progress”**.
- *Activity 4.2: Conduct of regular and ad hoc oversight (not only upon complaints).* The deadline for implementation of this activity is **2021 - continuously**, by the **MLSP**. This activity has **“not been implemented”** in either of the two reporting periods.

**Measure 5: Strengthening oversight of procedures for exercising rights based on assistance and care by another person**, entails *Activity 5.1: Conduct of regular and ad hoc oversight (not only upon complaints)*, to be implemented in **2021 - continuously**, by the **MLSP**. Currently, its implementation is **“in progress”**.

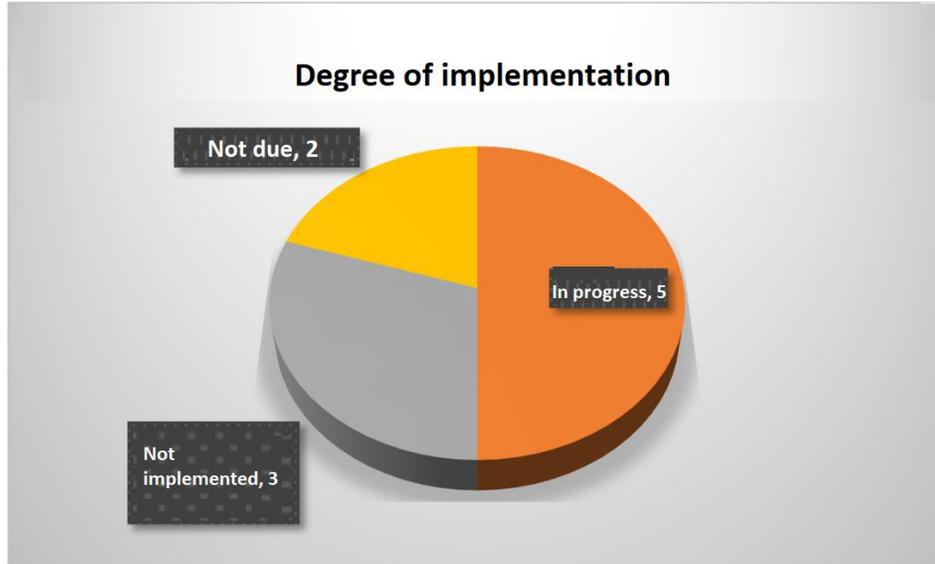


Figure 34: Overall degree of implementation in the sector

Of the 10 activities envisaged in the Strategy for the Labor and Social Policy Sector, five activities are ongoing (50%), three are not implemented (30%) and two activities are pending (20%). A total of eight activities have been evaluated during this reporting period. Of these, five are with implementation deadline in 2022, of which three are ongoing and two are not implemented. In addition, three activities have been carried over from the previous reporting period, two of which are ongoing and one is not implemented.

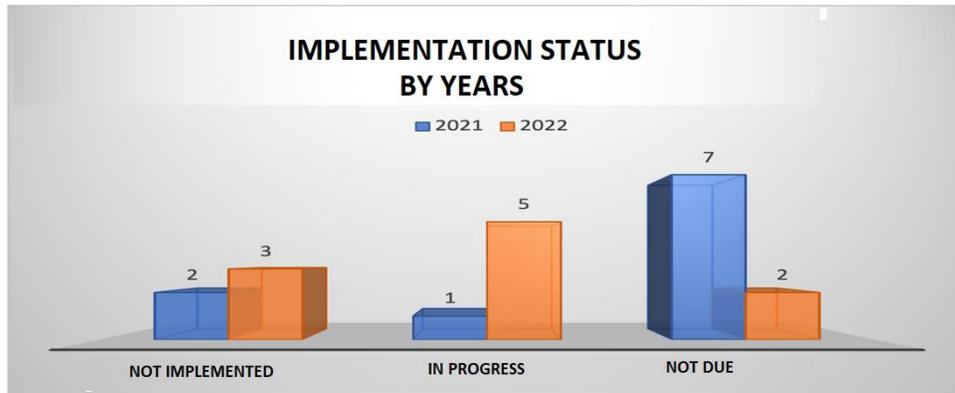


Figure 35: Activity status by evaluation period

All activities in this area are under the jurisdiction of the MLSP.

## 10. SECTOR URBAN AND SPATIAL PLANNING

Description of the sector

With regard to the sector of urban and spatial planning, the Strategy identifies the following priority issue:

- 1) Lack of oversight of the construction of second category buildings

The following institution is responsible for the implementation of the measure and the activity tailored to address the issue in the sector of urban and spatial planning:

- 1) Ministry of Transport and Communications (hereinafter: MTC)

## Degree of implementation of activities in the sector

In the sector of urban and spatial planning, one issue has been identified which, as prescribed by the Action Plan of the Strategy, will be addressed by one measure and one activity. Based on the obtained data and the conducted analysis regarding the implementation of measures and activities in the sector of urban and spatial planning, the state of affairs is as follows:

| Issue 1: Lack of oversight of the construction of second category buildings |  |                         |                                  |             |             |
|---|--|-------------------------|----------------------------------|-------------|-------------|
| Measure   | Activity   | Responsible institution | Deadline for implementation      | Status 2021 | Status 2022 |
| 1. Enhance the oversight over the construction of second category buildings | 1.1. Amendment of the Construction Law to mandate initiation of procedure for revocation of oversight license of legal entities in case of detected irregularities | MTC                     | Second half of 2022 - continuous | Not due     | In progress |

The only **issue 1: Lack of oversight of the construction of second category buildings** in the sector for urban and spatial planning is addressed by **Measure 1: Enhance the oversight over the construction of second category buildings** which entails *Activity 1.1: Amendment of the Construction Law to mandate initiation of procedure for revocation of oversight license of legal entities in case of detected irregularities*, to be implemented **in the second half of 2022 and continuously** by the **MTC**. The activity is currently **“in progress”**, i.e. the Ministry will implement it in 2023 with the new Construction Law, which is currently undergoing harmonization prior to its inclusion in ENER.

Pending in this area is the implementation of the recommendations provided in the Annual Report on implementation of the measures from NS 2021-2025, due to be implemented in 2021.

## 11. SECTOR ENVIRONMENT

### Description of the sector

With regard to the Sector Environment, the Strategy identified the following priority issue:

- 1) Lack of regional integrated waste management system.

The following institutions are responsible to implement the measure and the corresponding activities to address the issue in the Sector Environment:

- 1) Ministry of Environment and Spatial Planning (hereinafter: MoESP) and

2) LSU

### Degree of implementation of activities in the sector

In the sector environment, one issue has been identified to be addressed with the Action Plan of the Strategy, with one measure and two activities.

SCPC verified the data and conducted analysis with regard to the implementation of measures and activities in the sector environment, and established the following state of affairs:

| Issue 1: Lack of a regional integrated waste management system |   |                         |                             |             |                 |
|--|---|-------------------------|-----------------------------|-------------|-----------------|
| Measure  | Activity  | Responsible institution | Deadline for implementation | Status 2021 | Status 2022     |
| 1. Establishment of Regional Waste Management Centres          | 1.1. Vacancy announcement for the selection of concessionaires        | MoESP                   | First half of 2022          | Not due     | In progress     |
|  | 1.2. Decision-making on the award of concessions for waste management | LSU<br>ZELS             | Second half of 2022         | Not due     | Not implemented |

**Issue 1: Lack of regional integrated waste management system** in the sector environment entails one **Measure 1: Establishment of Regional Waste Management Centres**, which entails two activities:

- *Activity 1.1: Vacancy announcement for the selection of concessionaires*, to be implemented in the **first half of 2022**, by the **MESP**. The status of this activity is **“in progress”**.
- *Activity 1.2: Decision-making on the award of concessions for waste management*, to be implemented in the **second half of 2022**, by the **LSU**. The status of this activity is **“not implemented”**.

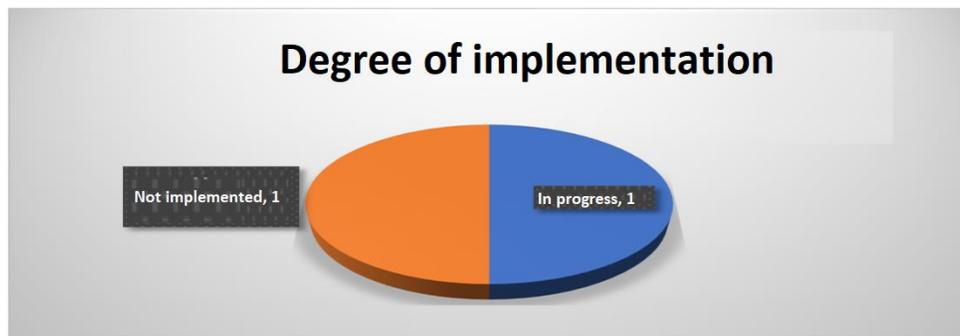


Figure 36: Overall degree of implementation in the sector

Of the two activities envisaged in the Strategy for the Sector Environment, one activity is ongoing (50%) and one is not implemented (50%). Both activities in the sector are planned for 2022. MESP is the institution responsible for the first activity which is in progress, whereas the local self-government units are responsible for the second activity, which is not yet implemented.

## 12. SECTOR AGRICULTURE

### Description of the sector

With regard to the Agriculture Sector, the Strategy identifies the following five priority Issues:

- 1) Redefining the system for sale of state-owned agricultural land and establishing effective oversight over the land use and fulfillment of contracts for the use of state-owned agricultural land;
- 2) Frequent changes of regulations and ambiguous criteria for granting subsidies;
- 3) Insufficient staffing levels and education of employees, poor assistance for citizen referral, non-transparency of procedures;
- 4) Concentration of powers in policy making, their implementation and supervision in the field of food, and
- 5) Concentration of powers in policy making, their implementation and supervision in the field of veterinary.

To implement the measures and the corresponding activities to address the Issue in the agriculture sector, the following institutions are responsible::

- 1) Ministry of Agriculture, Forestry and Water Economy (hereinafter: MAFWE)
- 2) MF
- 3) IS
- 4) Food and Veterinary Agency (hereinafter: FVA)
- 5) Agency for Financial Support of Agriculture and Rural Development (hereinafter: AFSARD)
- 6) Agency for Promotion of Agricultural Development (hereinafter: APAD), and
- 7) State Inspectorate of Agriculture (hereinafter: SIA).

### Degree of implementation of activities in the sector

In the agriculture sector, five issues have been identified to be addressed with nine measures and 16 activities as prescribed by the Action Plan of the Strategy.

SCPC verified the data and conducted an analysis with regard to the implementation of measures and activities in the agriculture sector, and established the following state of affairs:

| Issue 1: Redefining the system for sale of state-owned agricultural land and effective supervision over the purpose of land use and fulfillment of contracts for the use of state-owned agricultural land |  |                         |                             |                        |                        |
|---|--|-------------------------|-----------------------------|------------------------|------------------------|
| Measure   | Activity   | Responsible institution | Deadline for implementation | Status 2021            | Status 2022            |
| <b>1. Strengthening the supervision over the intended use of the land and the implementation of contracts for lease of agricultural land</b>  | 1.1. Prescribing detailed procedures for supervising the intended use and implementation of the contracts for lease of agricultural land | MAFWE                   | Second half of 2021         | <b>Not implemented</b> | <b>Not implemented</b> |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |   |                                |                                    |                        |                        |
|---|---|--------------------------------|------------------------------------|------------------------|------------------------|
|   | 1.2. Amendment of the Law on the Use of Agricultural Land in order to define sanctions for established violations, in particular with the members of the commission, with the organizational unit for management of agricultural land and with the relevant inspectors who supervise the economic operators who have agricultural land under concession | MAFWE                          | Second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>2. Revision of the rules for the sale of state-owned agricultural land</b>   | 2.1. Revision of the methodology for the sale of state-owned agricultural land in accordance with market conditions based on classes of agricultural land   | MAFWE                          | First half of 2021                 | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>3. Establishment of an independent body of state administration by the Parliament of the Republic of North Macedonia for sale of state-owned agricultural land</b>   | 3.1. Changing the legal status of the commission for sale of state-owned agricultural land as an independent body of state government founded by the Parliament of the Republic of North Macedonia through enactment of a law   | MAFWE                          | First half of 2022                 | <b>Not due</b>         | <b>Not implemented</b> |
| <b>Issue 2: Frequent changes of regulation, ambiguous criteria for granting subsidies</b>   |   |                                |                                    |                        |                        |
| <b>Measure</b>  | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| <b>1. Creation of new support measures and policies based on principles for preserving the environment, introduction of good agricultural practices and production of healthy and safe food, as well as economically justifiable amounts of subsidies</b> | 1.1 Prescription of clear and detailed procedures for introduction of new measures that will enable environmental protection and introduce good agricultural practices and production of healthy and safe food  | MAFWE                          | First half of 2022                 | <b>Not due</b>         | <b>Not implemented</b> |
|   | 1.2. The creation of each measure should be followed by a success indicator for the purpose of monitoring the effects of financial support  | MAFWE                          | First half of 2022                 | <b>Not due</b>         | <b>Not implemented</b> |
| <b>2. Establishment of measurability of the effects of the application of financial support measures in agriculture</b>   | 2.1. Establishment of a Methodology that will ensure that subsidy measures are used for agricultural development, and that the amounts of subsidies are economically justified and stimulate the actual production  | MAFWE                          | First half of 2022                 | <b>Not due</b>         | <b>Not implemented</b> |
| <b>Issue 3: Insufficient staffing levels and education of employees, poor assistance for citizen referral, non-transparency of procedures</b>   |   |                                |                                    |                        |                        |
| <b>Measure</b>  | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| <b>1. Strengthening the human capacities of institutions for timely and transparent familiarization of potential users with relevant information for</b>  | 1.1. Strengthening human resources for timely handling of requests for financial support  | MF<br>MAFWE<br>AFSARD<br>APAD  | First half of 2021                 | <b>In progress</b>     | <b>In progress</b>     |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|  |   |                                |                                    |                        |                        |
|--|---|--------------------------------|------------------------------------|------------------------|------------------------|
| easier access to these funds and timely handling of requests   | 1.2 Establishment of jurisdiction for submitting applications for direct payments (subsidies) with one relevant authority for continuous application procedure  | MF<br>MAFWE<br>APAD            | First half of 2021                 | <b>Not implemented</b> | <b>Not implemented</b> |
|  | 1.3. Enactment of regulation for establishment of advisory services to provide assistance to potential beneficiaries for the granting of financial support  | MAFWE<br>AFSARD<br>APAD        | First half of 2022                 | <b>Not due</b>         | <b>In progress</b>     |
| 2. Increase the transparency of procedures and familiarize potential users with relevant information for easier access to these funds        | 2.1. Establish transparency procedures for notifying potential beneficiaries of the conditions for granting financial support   | MAFWE<br>AFSARD<br>APAD        | First half of 2021                 | <b>Not implemented</b> | <b>Not implemented</b> |
|  | 2.2. Conduct employee trainings to enhance their knowledge and increase integrity   | MAFWE<br>AFSARD<br>APAD        | Second half of 2020 - continuous   | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>Issue 4: Concentration of powers in policy making, their implementation and supervision in the field of food</b>                          |   |                                |                                    |                        |                        |
| <b>Measure</b>   | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| 1. Distinction of policy making competences, their implementation and supervision  | 1.1. Change of the legislative package in the field of food in order to differentiate the competences for policy making, their implementation, supervision and conduct of misdemeanor procedures in the field of food and animal food into the Law on Food Safety and the Law on Animal Food Safety   | MAFWE                          | Second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
|  | 1.2. Establishment of a special authority for the food inspection service or taking over of inspectors in the State Inspectorate of Agriculture   | MAFWE<br>IC<br>FVA<br>SIA      | Second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>Issue 5: Concentration of powers in policy making (laws and bylaws), policy implementation and supervision in the field of veterinary</b> |   |                                |                                    |                        |                        |
| <b>Measure</b>   | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b>     | <b>Status 2022</b>     |
| 1. Distinction of competences in the three segments of policy making, implementation of professional competences and supervision             | 1.1. Change of the legislative package aimed at distinction of competences for policy making, their implementation, supervision and conduct of misdemeanor procedures in the field of veterinary health; Law on Veterinary Health, Law on Veterinary Medicinal Products, Law on By-products of Animal Origin, Law on Identification and Registration of Animals | MAFWE                          | Second half of 2021                | <b>Not implemented</b> | <b>Not implemented</b> |

|  |  |       |                     |                 |                 |
|--|--|-------|---------------------|-----------------|-----------------|
|  | 1.2. Establishment of a special authority for the inspection service for veterinary health by the body implementing the policies in veterinary health in a special inspectorate or taking over inspectors in the State Inspectorate of Agriculture | MAFWE | Second half of 2021 | Not implemented | Not implemented |
|--|--|-------|---------------------|-----------------|-----------------|

**Issue 1: Redefining the system for sale of state-owned agricultural land and effective supervision over the purpose of land use and fulfillment of contracts for the use of state-owned agricultural land** foresees three measures with four activities.

**Measure 1: Strengthening the supervision over the intended use of the land and the implementation of contracts for lease of agricultural land**, entails the following activities:

- *Activity 1.1: Prescribing detailed procedures for supervising the intended use and implementation of the contracts for lease of agricultural land.* The deadline for implementation of this activity was **the second half of 2021**, by **MAFWE**. This activity was “**not implemented**” in 2021 and 2022.
- *Activity 1.2: Amendment of the Law on the Use of Agricultural Land in order to define sanctions for established violations, in particular with the members of the commission, with the organizational unit for management of agricultural land and with the relevant inspectors who supervise the economic operators who have agricultural land under concession.* The deadline for implementation of this activity is **the second half of 2021**, by the **MAFWE**. This activity is “**not implemented**”.

**Measure 2: Revision of the rules for the sale of state-owned agricultural land** entails *Activity 2.1: Revision of the methodology for the sale of state-owned agricultural land in accordance with market conditions based on classes of agricultural land.* The activity was to be implemented by the **MAFWE** as the responsible institution **in the first half of 2021**; however, it still remains “**not implemented**”.

**Measure 3: Establishment of an independent body of state administration by the Parliament of the Republic of North Macedonia for sale of state-owned agricultural land** entails *Activity 3.1: Changing the legal status of the commission for sale of state-owned agricultural land as an independent body of state government founded by the Parliament of the Republic of North Macedonia through enactment of a law*, to be implemented in **the first half of 2022**, by **MAFWE** as the responsible institution, and the activity “**is not implemented**”.

**Issue 2: Frequent changes of regulation, ambiguous criteria for granting subsidies.**

**Measure 1: Creation of new support measures and policies based on principles for preserving the environment, introduction of good agricultural practices and production of healthy and safe food, as well as economically justifiable amounts of subsidies** foresees two activities *Activity 1.1: Prescription of clear and detailed procedures for introduction of new measures that will enable environmental protection and introduce good agricultural practices and production of healthy and safe food* and *Activity 1.2: The creation of each measure should be followed by a success indicator for the purpose of monitoring the effects of financial support.* The deadline for both activities is **the first half of 2022**, to be implemented by the **MAFWE**. Both activities remain “**not implemented**”.

**Measure 2: Establishment of measurability of the effects of the application of financial support measures in agriculture** foresees *Activity 2.1: Establishment of a Methodology that will ensure that subsidy measures are used for agricultural development, and that the amounts of subsidies are*

economically justified and stimulate the actual production, to be implemented **in the first half of 2022** by the MAFWE. The activity has the status “**not implemented**”.

**Issue 3: Insufficient staffing levels and education of employees, poor assistance for citizen referral, non-transparency of procedures**

**Measure 1: Strengthening the human capacities of institutions for timely and transparent familiarization of potential users with relevant information for easier access to these funds and timely handling of requests**, entails the following activities:

- *Activity 1.1: Strengthening human resources for timely handling of requests for financial support.* The activity was planned to be implemented in the **first half of 2021**, by the MF. This activity is “**in progress**” in 2021 and 2022.
- *Activity 1.2: Establishment of jurisdiction for submitting applications for direct payments (subsidies) with one relevant authority for continuous application procedure.* The deadline for implementation of this activity was **the first half of 2021**, to be implemented by the MF. This activity is “**not implemented**” in 2021 and 2022.
- *Activity 1.3: Enactment of regulation for establishment of advisory services to provide assistance to potential beneficiaries for the granting of financial support.* The deadline for implementation of this activity was the **first half of 2022**, by the MAFWE, and the activity is “**in progress**”.

**Measure 2: Increase the transparency of procedures and familiarize potential users with relevant information for easier access to these funds** includes two activities.

*Activity 2.1: Establish transparency procedures for notifying potential beneficiaries of the conditions for granting financial support and Activity 2.2: Conduct employee trainings to enhance their knowledge and increase integrity.* The deadline for implementation of both activities was in **2021**, by the MAFWE. The activities remain “**not implemented**” for two consecutive years.

To address **Issue 4: Concentration of powers in policy making, their implementation and supervision in the field of food**, the Action Plan of the Strategy foresees one **Measure 1: Distinction of policy making competences, their implementation and supervision**, with the corresponding *Activity 1.1: Change of the legislative package in the field of food in order to differentiate the competences for policy making, their implementation, supervision and conduct of misdemeanor procedures in the field of food and animal food into the Law on Food Safety and the Law on Animal Food Safety and Activity 1.2: Establishment of a special authority for the food inspection service or taking over of inspectors in the State Inspectorate of Agriculture.* The deadline for implementation of both activities is the **second half of 2021**, by the MAFWE, however the activities have remained “not implemented” for two consecutive years.

**Issue 5: Concentration of powers in policy making (laws and bylaws), policy implementation and supervision in the field of veterinary** in the agriculture sector also includes one **Measure 1: Distinction of competences in the three segments of policy making, implementation of professional competences and supervision** which includes two activities, *Activity 1.1: Change of the legislative package aimed at distinction of competences for policy making, their implementation, supervision and conduct of misdemeanor procedures in the field of veterinary health; Law on Veterinary Health, Law on Veterinary Medicinal Products, Law on By-Products of Animal Origin, Law on Identification and Registration of Animals, and Activity 1.2 Establishment of a special authority for the inspection service for veterinary health by the body implementing the policies in veterinary health in a special inspectorate or taking over inspectors in the State Inspectorate of Agriculture.* The deadline for implementation of both activities was

the **second half of 2021**, by the **MAFWE**. Both activities remain **“not implemented”** for two consecutive years, in 2021 and 2022.

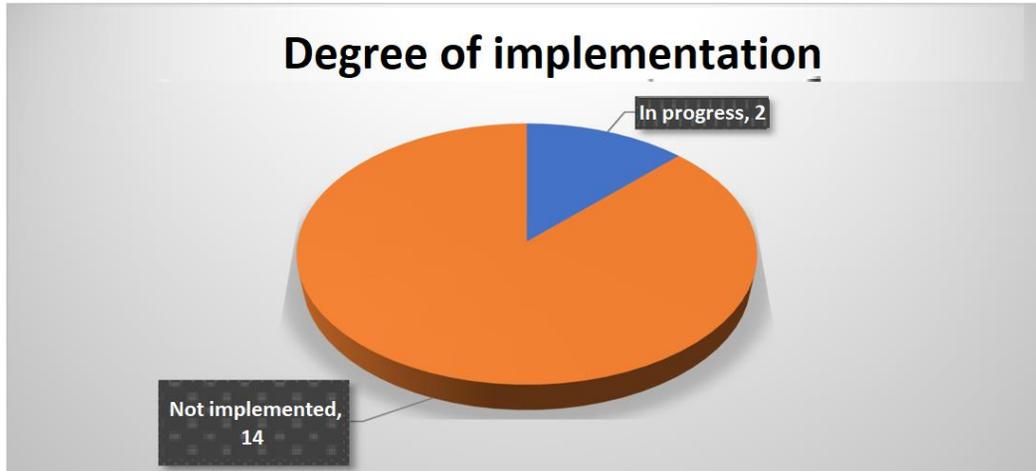


Figure 37: Overall degree of implementation in the sector

Of the 16 activities envisaged in the Strategy for the agriculture sector, 14 activities have not been implemented (87%), and only two activities are ongoing (13%). Eleven activities are scheduled for 2021 and five for 2022. There are no implemented activities. Given that in 2021 no activity has been implemented, all activities are subject to evaluation in this reporting period, and their status is shown above.

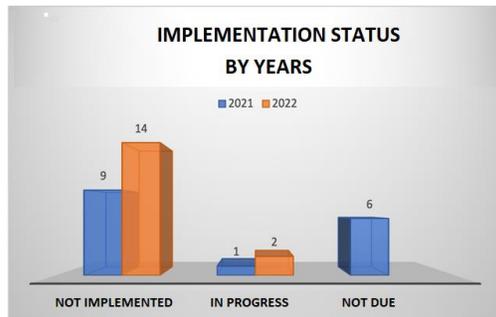


Figure 38: Activity status by evaluation period

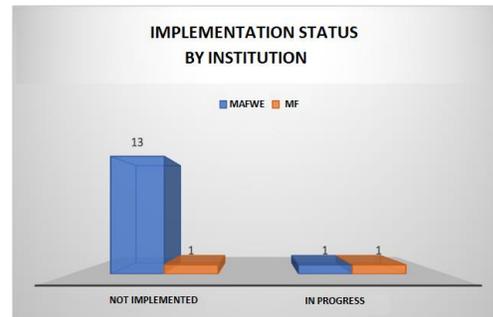


Figure 39: Total activity status by institution

- 14 activities have been envisaged for MAFWE, one of which is in progress, and 13 have not been implemented.
- Two activities have been envisaged for the MF, one of which is in progress and one has not been implemented.

## 13. SPORTS SECTOR

### Description of the sector

With regard to the Sports Sector, the Strategy identifies the following two priority issues:

- 1) Issues in the management, use and maintenance of sports facilities owned by the Republic of North Macedonia and sports facilities owned by the LSU;
- 2) Lack of inspectorial oversight in sports.

For the implementation of the measures and activities tailored to address the issues in the health sector, the following institutions are responsible:

- 1) The Agency for Youth and Sports (hereinafter: AYS),
- 2) Government,
- 3) MJ,
- 4) SCPC, and
- 5) LSU

## Degree of implementation of activities

In the sports sector, two issues have been identified to be addressed by six measures and 15 activities as prescribed by the Action Plan of the Strategy.

The SCPC conducted verification and analysis of the data regarding the implementation of measures and activities in the sports sector and established the following state of affairs:

| Issue 1: Issues in the management, use and maintenance of sports facilities owned by the Republic of North Macedonia and sports facilities owned by the LSU |   |                         |                                  |                        |                        |
|---|---|-------------------------|----------------------------------|------------------------|------------------------|
| Measure   | Activity  | Responsible institution | Deadline for implementation      | Status 2021            | Status 2022            |
| <b>1. Adoption of a strategy for state-owned sports facilities</b>  | 1.1. Analysis of the state of affairs regarding state-owned sports facilities   | AYS<br>Government       | Second half of 2021              | <b>Not implemented</b> | <b>In progress</b>     |
|   | 1.2. Inventory of state-owned sports facilities   | AYS<br>LSU              | First half of 2022               | <b>Not due</b>         | <b>Not implemented</b> |
|   | 1.3. Development of a Strategy for state-owned sports facilities based on the analysis and inventory, especially in terms of categorization, ownership, management, disposal, usage, and decentralization | AYS                     | Second half of 2022              | <b>Not due</b>         | <b>Not implemented</b> |
| <b>2. Regulation of the legal status of state-owned sports facilities</b>   | 2.1. Analysis of the contracts for usage of sports facilities owned by RNM and LSU (legal and economic justification, deadlines, observance)  | AYS<br>LSU              | Second half of 2021              | <b>Not implemented</b> | <b>Not implemented</b> |
|   | 2.2. Taking legal means to regulate the legal status of sports facilities owned by RNM and LSU  | AYS<br>LSU              | Second half of 2022 - continuous | <b>Not due</b>         | <b>Not implemented</b> |
|   | 2.3. Conduct inspectorial oversight in terms of the usage of sports facilities owned by RNM and LSU   | AYS<br>LSU              | 2021, continuous                 | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>3. Legislative regulation of sports facilities</b>   | 3.1. Enactment of Sports Facilities Act   | MJ                      | First half of 2022               | <b>Not due</b>         | <b>Not implemented</b> |

|  |   |                                |                                    |                    |                    |
|--|---|--------------------------------|------------------------------------|--------------------|--------------------|
|  | 3.2. Enactment of bylaws for:<br>- categorization of buildings<br>- Rulebook on determining the fee for usage of sports facilities                                | MJ                             | Second half of 2022                | Not due            | Not implemented    |
| <b>4. Establishment of an information system for record keeping of state-owned sports facilities</b> | 4.1. Development of a database of state-owned sports facilities (location, category, municipality, ownership, area, year of construction, content, and structure) | AYS                            | First half of 2023                 | Not due            | Not due            |
| <b>Issue 2: Lack of inspectorial oversight in sports</b>   |   |                                |                                    |                    |                    |
| <b>Measure</b>   | <b>Activity</b>   | <b>Responsible institution</b> | <b>Deadline for implementation</b> | <b>Status 2021</b> | <b>Status 2022</b> |
| <b>1. Establishment of independent inspectorial oversight in sport and sports facilities</b>         | 1.1. Analysis of the current state of inspectorial oversight in the sports sector and sports facilities   | AYS                            | First half of 2021                 | Not implemented    | In progress        |
|  | 1.2. Amendment of the Law on Sport in terms of inspectorial oversight.  | MJ                             | First half of 2022                 | Not due            | Not implemented    |
|  | 1.3. Establishment of the State Sports Inspectorate   | MJ                             | Second half of 2022                | Not due            | Not implemented    |
| <b>2. Education on integrity and ethics of sports federations, clubs, administration</b>             | 2.1. Adoption of a training and education program on integrity and ethics of sports federations, clubs, administration, and sports workers                        | AYS<br>LSU                     | First half of 2021                 | In progress        | In progress        |
|  | 2.2. Conduct of trainings, workshops, roundtables, public media performances on integrity and ethics  | AYS<br>SCPC                    | Continuous                         | Not implemented    | In progress        |
|  | 2.3. Production of marketing material on integrity and ethics in sport  | AYS<br>SCPC                    | Continuous                         | Not implemented    | In progress        |

**Issue 1: Issues in the management, use and maintenance of sports facilities owned by the Republic of North Macedonia and sports facilities owned by the LSU.**

**Measure 1:** Adoption of strategy for state-owned sports facilities, which foresees the following activities:

- *Activity 1.1: Analysis of the state of affairs regarding state-owned sports facilities.* The deadline for implementation of this activity was **the second half of 2021**, by the AYC. This activity is **“not implemented.”**
- *Activity 1.2: Inventory of state-owned sports facilities.* The deadline for implementation of this activity was **the first half of 2022**, by the AYC. This activity is **“not implemented.”**
- *Activity 1.3: Development of Strategy for state-owned sports facilities based on the analysis and inventory, especially in terms of categorization, ownership, management, disposal, usage, and decentralization.* The deadline for implementation of this activity was **the second half of 2022**, by the AYC. This activity is **"not implemented"**.

**Measure 2: Regulation of the legal status of state-owned sports facilities** covers the following activities:

- *Activity 2.1.: Analysis of the contracts for the use of sports facilities owned by RNM and LSU (legal and economic justification, deadlines, observance).* The deadline for implementation of this

activity is the **second half of 2021**, by the AYC. This activity remained “**not implemented**” in 2021 and 2022.

- *Activity 2.2: Taking legal means to regulate the legal status of sports facilities owned by RNM and LSU.* The deadline for implementation of this activity is the **first half of 2022 and continuously**, by the AYC. This activity is “**not implemented**”.
- *Activity 2.3: Conducting inspectorial oversight in terms of the usage of sports facilities owned by RNM and LSU.* This activity is to be implemented in **2021**, and **continuously**, by the AYC. Thus far, this activity is “**not implemented**”.

**Measure 3: Legislative regulation of sports facilities** entails *Activity 3.1: Enactment of Sports Facilities Act* and *Activity 3.2: Enactment of bylaws for categorization of buildings and Rulebook on determining the fee for the usage of sports facilities.* The deadline for implementation of both activities was in **2022**, by the MJ, and both activities are “**not implemented**”.

**Measure 4: Establishment of an information system for record keeping of state-owned sports facilities** includes *Activity 4.1: Development of a database of state-owned sports facilities (location, category, municipality, ownership, area, year of construction, content, structure).* The deadline for implementation of this activity is the **first half of 2023**, by the AYC. The implementation of this activity is “**in progress**”, despite its late deadline.

**Issue 2: Lack of inspectorial oversight in sports** is the second issue in the sports sector. **Measure 1: Establishment of independent inspectorial oversight in sport and sports facilities** includes three activities:

- *Activity 1.1: Analysis of the current state of inspectorial oversight in the sports sector and sports facilities.* The deadline for implementation of this activity was in the **first half of 2021**, by the AYC. The implementation of the activity has been carried over from 2021 and in 2022 AYC initiated development of the analysis due to which it has the status “**in progress**”.
- *Activity 1.2: Amendment of the Law on Sport in terms of inspectorial oversight.* The deadline for implementation of this activity was **the first half of 2022**, by the MJ. This activity is not “**implemented**”.
- *Activity 1.3: Establishment of the State Inspectorate of Sport.* The deadline for implementation of this activity was **the second half of 2022**, by the MJ, and the activity is “**not implemented**”.

**Measure 2: Education for integrity and ethics of sports federations, clubs, administration** includes three activities, *Activity 2.1: Adoption of a training program and education for integrity and ethics of sports federations, clubs, administration and sports workers*, *Activity 2.2: Implementation of trainings, workshops, roundtables, public media appearances for integrity and ethics* and *Activity 2.3: Preparation of propaganda material for integrity and ethics in sports.* The deadline for implementation of the first activity was **the first half of 2021**, and the second and third activities are **continuous**. Responsible institution is the AYC, which in 2022 started the implementation of all three activities, due to which their status is “**in progress**”.

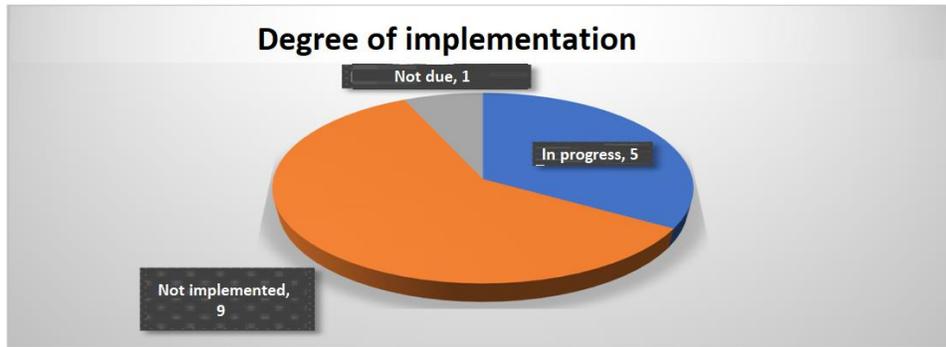


Figure 40: Overall degree of implementation in the sector

Of the 15 activities envisaged in the Strategy for the sports sector, nine activities have not been implemented (60%), five activities are ongoing (33%), and one activity is not due (7%). No activity has been fully implemented. A total of seven activities have been planned for 2022, all of which are not implemented. In addition, there are four continuous activities, two of which are ongoing and two have not been implemented.

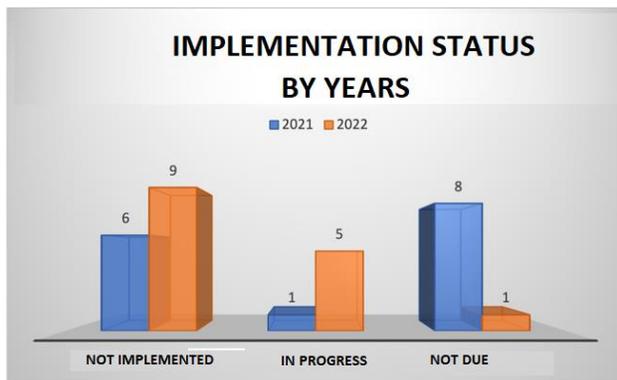


Figure 41: Activity status by evaluation period

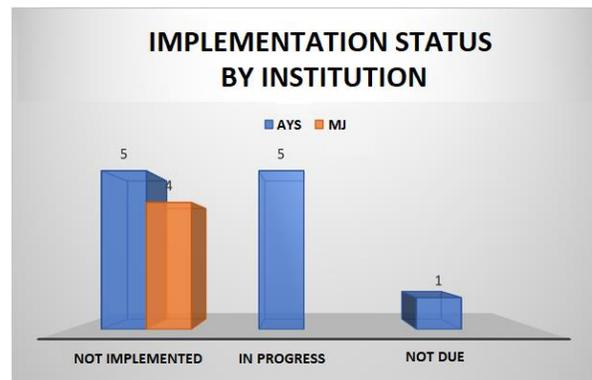


Figure 42: Overall status of activities by institution

- Eleven activities have been planned for the AYS, five of which are not implemented and are in progress, and one is not due.
- Four activities have been planned for the MJ, none of which has been implemented.

## 14. ECONOMY AND BUSINESS SECTOR

### Description of the sector

With regard to the Economy and Business Sector, the Strategy identifies the following four priority issues:

- 1) No register of granted state aid to economic operators owned by domestic and foreign legal entities;

- 2) Excessive award of concessions, insufficient transparency of concession contracts and underdeveloped mechanisms for determining the actual concession fee for exploited raw materials;
- 3) No registers of property owned by the Republic of North Macedonia and LSU;
- 4) Lack of involvement of smaller economic entities in the process of creating economic and other policies relevant to the business community.

The following institutions are responsible for the implementation of the measures and activities tailored to address the issues in the health sector:

- 1) Government,
- 2) ME,
- 3) MESP,
- 4) MAFWE,
- 5) MH,
- 6) MISA
- 7) MoIA,
- 8) Agency for Real Estate Cadastre (hereinafter: ARC),
- 9) Commission for Protection of Competition (hereinafter: CPC),
- 10) Agency for Entrepreneurship Support (hereinafter: AES),
- 11) Civic Sector, and
- 12) Business Community

## Degree of implementation of activities

In the economy and business sector, four issues have been identified to be addressed by eight measures and 13 activities as prescribed by the Action Plan of the Strategy.

The SCPC conducted verification and analysis of the data regarding the implementation of measures and activities in the economy and business sector and established the following state of affairs:

| Issue 1: No register of granted state aid to economic operators owned by domestic and foreign legal entities |   |                         |                                  |                 |                 |
|--|---|-------------------------|----------------------------------|-----------------|-----------------|
| Measure  | Activity  | Responsible institution | Deadline for implementation      | Status 2021     | Status 2022     |
| 1. Establish, publicly disclose and update a register with information on each form of state aid             | 1.1. Development of a register of state aid within the Commission for Protection of Competition   | CPC                     | Second half of 2022              | Not due         | Not implemented |
|  | <b>Issue 2: Excessive award of concessions, insufficient transparency of concession contracts and underdeveloped mechanisms for determining the actual concession fee for exploited raw materials</b> |                         |                                  |                 |                 |
| 1. Optimization of the use of natural resources to ensure environmental protection                           | 1.1. Development of a feasibility study to determine the state of affairs with the use of natural resources by area   | ME                      | Second half of 2021              | Not implemented | Not implemented |
|  | 1.2. Adoption of policies and measures to implement recommendations of the feasibility study  | ME<br>Government        | Second half of 2022              | Not due         | Not implemented |
| 2. Enhancing transparency of the award of concessions  | 2.1. Public disclosure of concession contracts for exploitation of raw materials  | ME<br>MESP<br>MAFWE     | Second half of 2022 – continuous | Not due         | In progress     |

*Annual Report on Implementation of the National Strategy for Prevention of Corruption and Conflict of Interests  
2021-2025 for the period 01.01.2022 – 31.12.2022*

|   |   |                     |                                 |                        |                        |
|---|---|---------------------|---------------------------------|------------------------|------------------------|
| <b>3. Development of mechanisms to determine the amount and collection of the actual concession fee for exploited raw materials</b>                           | 3.1. Analysis and revision of the amount of the concession fee and the extent of its collection.  | ME<br>MESP<br>MAFWE | First half of 2021 – continuous | <b>Implemented</b>     | <b>Implemented</b>     |
|   | 3.2. Analysis and revision of the amount of the concession fee and the extent of its collection   | ME                  | Second half of 2021             | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>4. Increasing control in the exploitation of raw materials after</b>   | 4.1. Increase in the number of employees of inspection services   | ME<br>MESP          | First half of 2021              | <b>In progress</b>     | <b>Not implemented</b> |
|   | 4.2. Conduct trainings for employees of the relevant inspection services  | MH                  | First half of 2021              | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>Issue 3: No registers of property owned by the Republic of North Macedonia and LSU</b>   |   |                     |                                 |                        |                        |
| <b>1. Establishment of a single record of the real estate of the Republic of North Macedonia</b>  | 1.1. Update of electronic records of state-owned real estate as well as state-owned real estate used by state bodies and legal entities established by the state and LSU  | ARC                 | First half of 2021 - continuous | <b>In progress</b>     | <b>In progress</b>     |
|   | 1.2. Ensure transparency by embedding the option to perform an open search of state-owned property on the distribution portal of the Real Estate Cadastre Agency (by identification number, name of state authority, type of real estate and other criteria)  | ARC                 | First half of 2021 - continuous | <b>Not implemented</b> | <b>In progress</b>     |
| <b>2. Establishment of a publicly available register for motor vehicles owned by public sector institutions and LSU (except for special purpose vehicles)</b> | 2.1. The existing register of motor vehicles kept at the MoIA should be upgraded with the possibility of making the data publicly available and searchable by institutions  | MoIA                | Second half of 2021             | <b>Not implemented</b> | <b>Not implemented</b> |
| <b>Issue 4: Lack of involvement of smaller economic entities in the process of creating economic and other policies relevant to the business community</b>    |   |                     |                                 |                        |                        |
| <b>1. Increasing the transparency of the economic policy-making process and other relevant policies for the business community</b>                            | 1.1. Amendment of the Methodology for Assessment of the Impact of the Regulation in order to announce in more detail the reasons for the adoption of a specific legislation, the main proposals that have been considered (and their proposers), and the impact of the chosen solution on the economic climate and the business community | MISA                | Second half of 2021             | <b>Not implemented</b> | <b>Not implemented</b> |

|  |   |   |                                   |         |             |
|--|---|---|-----------------------------------|---------|-------------|
|  | 1.2. Conduct training, mentoring and support to micro and small enterprises to build common attitudes and performance regarding policies that affect the economic climate and conditions for their functioning in the country | AES<br>Civic sector<br>Business<br>Associations | First half of 2022-<br>continuous | Not due | Implemented |
|--|---|---|-----------------------------------|---------|-------------|

**Issue 1: No register of granted state aid to economic operators owned by domestic and foreign legal entities,** will be addressed by **Measure 1: Establish, publicly disclose and update a register with information on each form of state aid,** with *Activity 1.1: Development of a register of state aid within the Commission for Protection of Competition.* The deadline for implementation of this activity was **the second half of 2022,** by the CPC. This activity is “**not implemented**”.

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

**Measure 1: Optimization of the use of natural resources to ensure environmental protection** entails the following activities:

- *Activity 1.1: Development of a feasibility study to determine the state of affairs with the use of natural resources by area.* The deadline for implementation of this activity was **the second half of 2021,** by the ME. This activity is “**not implemented**”.
- *Activity 1.2: Adoption of policies and measures to implement recommendations of the feasibility study.* The deadline for implementation of this activity was **the second half of 2022,** by the ME and it is “**not implemented**”.

**Measure 2: Enhancing transparency of the award of concessions** entails *Activity 2.1: Public disclosure of concession contracts for exploitation of raw materials,* to be implemented **in the second half of 2022 and continuously** by the ME. Currently, it is in the process of implementation and has the status “**in progress**”, given that the Ministry has started disclosing the contracts.

**Measure 3: Development of mechanisms to determine the amount and collection of the actual concession fee for exploited raw materials** entails the following two activities:

- *Activity 3.1: Analysis and revision of the amount of the concession fee and the extent of its collection,* to be implemented in the **first half of 2021 and continuously,** by the ME, and has the status “**implemented**” in both reporting periods.
- *Activity 3.2: Analysis and revision of the amount of the concession fee and the extent of its collection,* is to be implemented in the **second half of 2021,** by the ME. This activity has the status “**not implemented**” both, in 2021 and 2022.

**Measure 4: Increasing control in the exploitation of raw materials** also entails two activities::

- *Activity 4.1: Higher number of employees in inspection services.* The deadline for implementation of this activity was **the first half of 2021 and continuously,** by the ME. This activity in 2022 has the status “**not implemented**” despite the allocated budget and approved employment plan in 2021.

*Activity 4.2: Conduct trainings for employees of the relevant inspection services.* The deadline for implementation of this activity was **the first half of 2021,** by the MH. This activity has the status “**not implemented**” for the second consecutive year.

**Issue 3: No registers of property owned by the Republic of North Macedonia and LSU.**

**Measure 1: Establishment of a single record of the real estate of the Republic of North Macedonia** entails the following activity:

- *Activity 1.1: Update of electronic records of state-owned real estate as well as state-owned real estate used by state bodies and legal entities established by the state and LSU.* The deadline for implementation of this activity was **the first half of 2021 and continuously**, by the **ARC**. This activity is **“in progress”** in 2021 and 2022.
- *Activity 1.2: Ensure transparency by embedding the option to perform an open search of state-owned property on the distribution portal of the Real Estate Cadastre Agency (by identification number, name of state authority, type of real estate and other criteria).* The deadline for implementation of this activity was **the first half of 2021 and continuously**, by the **ARC**. This activity was not implemented in 2021, and in 2022 has the status **“in progress”**.

**Measure 2: Establishment of a publicly available register for motor vehicles owned by public sector institutions and LSU (except for special purpose vehicles)** entails one *Activity 2.1: The existing register of motor vehicles kept at the MoIA should be upgraded with the possibility of making the data publicly available and searchable by institutions.* The deadline for implementation of this activity was the **second half of 2021**, by the **MoIA**. This activity is **“not implemented”** for the second consecutive year.

**Issue 4: Lack of involvement of smaller economic entities in the process of creating economic and other policies relevant to the business community.** This issue is addressed by one **Measure 1: Increasing the transparency of the economic policy-making process and other relevant policies for the business community**, which entails the following activities:

- *Activity 1.1: Amendment of the Methodology for Assessment of the Impact of the Regulation in order to announce in more detail the reasons for the adoption of a specific legislation, the main proposals that have been considered (and their proposers) and the impact of the chosen solution on the economic climate and the business community.* The deadline for implementation of this activity was the **second half of 2021**, by the **MISA**. The activity keeps the status **“not implemented”** in 2021 and 2022.
- *Activity 1.2: Conduct training, mentoring and support to micro and small enterprises to build common attitudes and performance regarding policies that affect the economic climate and conditions for their functioning in the country.* The deadline for implementation of this activity was **the first half of 2022 and continuously**, by the **AES**. This activity is **“implemented”**.

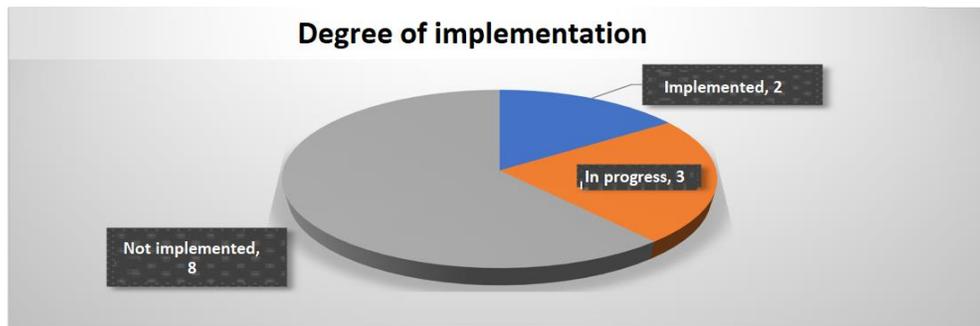


Figure 43: Overall degree of implementation in the sector

Of the 13 activities envisaged in the Strategy for the Economy and Business Sector, two activities were implemented (15%), eight activities were not implemented (61%), and three activities are ongoing (24%). All 13 activities are subject to evaluation during this reporting period.

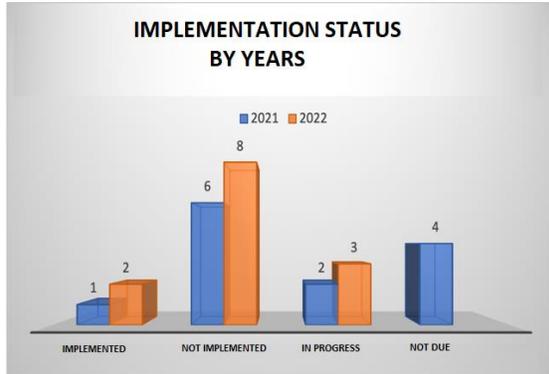


Figure 44: Activity status by evaluation period

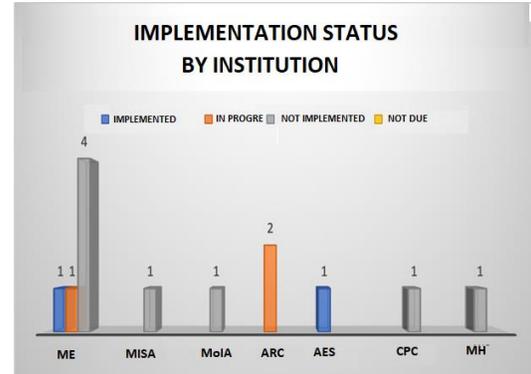


Figure 45: Overall activity status by institution

- Six activities have been planned for the ME, four of which have not been implemented, one is in progress and one has been implemented.
- One activity each has been planned for MISA and MoIA and have not been implemented.
- Two activities have been planned for ARC, both currently in progress.
- AES has one activity which was implemented.
- CPC has one activity which has not been implemented.
- MH has one activity which is not implemented.

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

### Description of the sector

With regard to the sector PE and JS companies owned by the state and LSU, the Strategy identifies the following three priority Issues:

- 1) Lack of uniform and official information about legal entities owned by the state and LSU;
- 2) Lack of systematic approach for prevention of corruption in state-owned enterprises and LSU;
- 3) Inadequate legal framework for the functioning of enterprises owned by the state and the LSU.

The following institutions are responsible for the implementation of the measures and activities intended to address the issues in this sector:

- 1) Government,
- 2) ME,
- 3) SCPC,
- 4) MLSG,
- 5) MF,
- 6) Central Registry of the Republic of North Macedonia (hereinafter: CRRNM).

## Degree of implementation of activities

In the sector PE and JS companies owned by the state and the LSU, three issues have been identified to be addressed by three measures and six activities as prescribed by the Action Plan of the Strategy.

Based on the obtained data and the conducted analysis regarding the implementation of the measures and activities in the sector PE and JS companies owned by the state and the LSU, the current state of affairs is as follows:

| Issue 1: Lack of uniform and official information about legal entities owned by the state and LSU   |   |                           |                                 |             |                 |
|---|---|---------------------------|---------------------------------|-------------|-----------------|
| Measure   | Activity  | Responsible institution   | Deadline for implementation     | Status 2021 | Status 2022     |
| <b>1. Development of a single database for legal entities established in accordance with the Law on Public Enterprises and the Law on Trade Companies where the state and local self-government is the owner or has ownership shares.</b> | 1.1. Establish and maintain a register containing data on ownership and financial results in enterprises    | ME<br>MLSG<br>MF<br>CRRNM | First half of 2022              | Not due     | Not implemented |
|   | <b>Issue 2: Lack of systematic approach for prevention of corruption in state-owned enterprises and LSU</b> |                           |                                 |             |                 |
| Measure   | Activity  | Responsible institution   | Deadline for implementation     | Status 2021 | Status 2022     |
| <b>1. Introduction and implementation of anticorruption program for the enterprises owned by the state and LSU</b>  | 1.1. Development of anticorruption program for the enterprises owned by the state and LSU                   | SCPC                      | Second half of 2023             | Not due     | Not due         |
|   | 1.2. Adoption of the anticorruption program for enterprises owned by the state and LSU by the Government    | Government                | First half of 2024              | Not due     | Not due         |
|   | 1.3. Effective monitoring of the application of the program   | Government                | Second half of 2024- continuous | Not due     | Not due         |
| <b>Issue 3: Inadequate legal framework for the functioning of enterprises owned by the state and the LSU</b>  |   |                           |                                 |             |                 |
| Measure   | Activity  | Responsible institution   | Deadline for implementation     | Status 2021 | Status 2022     |

|   |  |    |                     |         |                 |
|---|--|----|---------------------|---------|-----------------|
| 1. Establishment of a single legal framework for the functioning of state-owned trade companies and public enterprises established by the Government and the local self-government. | 1.1. Comparative analysis of the legislation with the countries of the region and EU member states aimed at detecting good solutions | ME | Second half of 2022 | Not due | Not implemented |
|   | 1.2. Enactment of a single law that will regulate the functioning of these categories of legal entities                              | ME | First half of 2023  | Not due | Not due         |

**Issue 1: Lack of uniform and official information about legal entities owned by the state and LSU,** will be addressed by **Measure 1: Development of a single database for legal entities established in accordance with the Law on Public Enterprises and the Law on Trade Companies where the state and local self-government is the owner or has ownership shares,** which includes one *Activity 1.1: Establish and maintain a register containing data on ownership and financial results in enterprises* to be implemented in the **first half of 2022**, by the **ME**. This activity is “**not implemented**”.

**Issue 2: Lack of systematic approach for prevention of corruption in state-owned enterprises and LSU,** will be addressed by **Measure 1: Introduction and implementation of anticorruption program for the enterprises owned by the state and LSU.** The implementation of this measure foresees the following activities:

- *Activity 1.1: Development of anticorruption program for the enterprises owned by the state and LSU.* The deadline for implementation of this activity is the **second half of 2023**, by the **SCPC**. This activity is **not due**.
- *Activity 1.2: Adoption of the anticorruption program for enterprises owned by the state and LSU by the Government.* The deadline for implementation of this activity is **the first half of 2024**, by the **Government**. This activity is not **not due**.
- *Activity 1: Effective monitoring of the application of the program.* The deadline for implementation of this activity is the **second half of 2024 and continuously**, by the **Government**. This activity is **not due**.

**Issue 3: Inadequate legal framework for the functioning of enterprises owned by the state and the LSU** foresees **Measure 1: Establishment of a single legal framework for the functioning of state-owned trade companies and public enterprises companies established by the Government and the local self-government,** which encompasses the following activities:

- *Activity 1.1: Comparative analysis of the legislation with the countries of the region and EU member states aimed at detecting good solutions,* to be implemented in the **second half of 2022** by the **ME** and it is “**not implemented**”.
- *Activity 1.2: Enactment of a single law that will regulate the functioning of these categories of legal entities.* The deadline for implementation of these activities is the **first half of 2023 and continuously**, by the **ME**. This activity is **not due**.

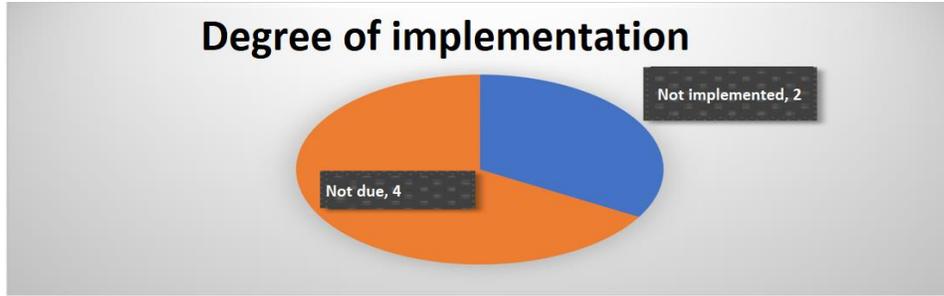


Figure 46: Overall degree of implementation in the sector

Of the six activities envisaged in the Strategy for the sector PE and AD owned by the state and LSU, two activities have not been implemented (33.3%), and four activities have not been due (66.7%). For 2022, a total of two activities are planned that have not been implemented.

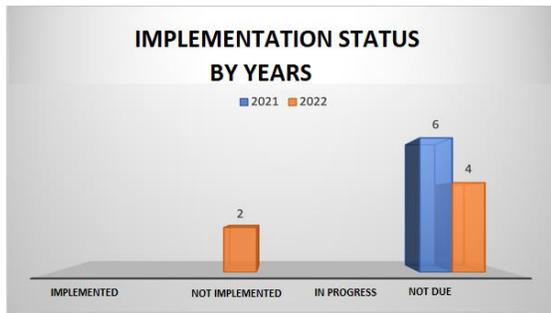


Figure 47: Activity status by evaluation period

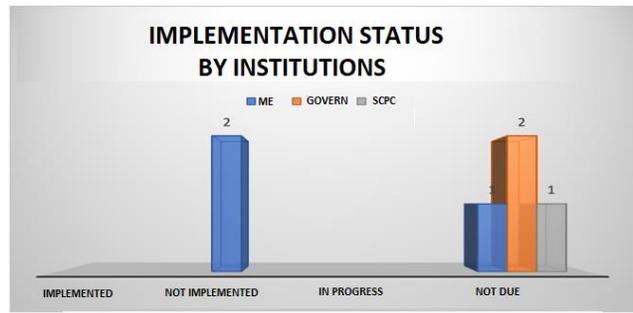


Figure 48: Overall status of activities by institution

- ME has a total of three activities, two of which are planned for 2022 and have not been implemented, as well as one for 2023 which is not due.
- One activity is planned for the SCPC, which is not due.
- Two activities are planned for the Government which are not yet due.

## 16. MEDIA AND CIVIL SOCIETY SECTOR

### Description of the sector

With regard to the media and civil society sector, the Strategy identifies the following three priority Issues:

- 1) Lack of transparency of public sector institutions in the cooperation with the media, internet portals, marketing agencies and media workers;
- 2) Lack of legal basis for regulation and record keeping of online media;
- 3) Strengthening the transparency of institutions when planning funds for CSO financing as well as accountability of implementation

The following institutions are responsible for the implementation of the measures and activities intended to address the Issues in media and civil society sector:

- 1) Government,
- 2) MISA
- 3) MJ,
- 4) MF
- 5) Association of Journalists (hereinafter: AJM),
- 6) Council of Media Ethics (hereinafter: CME) and
- 7) Chamber of Commerce

## Degree of implementation of activities

In the media and civil society sector, three issues have been identified to be addressed with five measures and eight activities as prescribed by the Action Plan of the Strategy.

The SCPC conducted verification and analysis of the data concerning the implementation of measures and activities in the media and civil society sector and established the following state of affairs:

| Issue 1: Lack of transparency of public sector institutions in cooperation with the media, internet portals, marketing agencies and media workers  |  |                         |                                  |             |                 |
|--|--|-------------------------|----------------------------------|-------------|-----------------|
| Measure  | Activity   | Responsible institution | Deadline for implementation      | Status 2021 | Status 2022     |
| <b>1. Establishment of an obligation for public sector institutions to submit reports on contracts concluded and implemented with the media, internet portals, marketing agencies, and media workers</b> | 1.1. Amendments to the AVMS Act to mandate an obligation for public sector institutions and LSU to disclose the reports on concluded and implemented agreements of any kind with media, internet portals, marketing agencies, and media workers. | MISA                    | First half of 2022               | Not due     | Not implemented |
|  | 2.1. Analysis of the existing criteria for granting state aid  | Government              | First half of 2022               | Not due     | In progress     |
| <b>2. Improve the criteria for granting state aid to the print media</b>   | 2.2. Amendment of the decision on the program for support of print media and distribution of the print media   | Government              | Second half of 2022              | Not due     | Not implemented |
|  | <b>Issue 2: Strengthening self-regulation in terms of online media</b>   |                         |                                  |             |                 |
| Measure  | Activity   | Responsible institution | Deadline for implementation      | Status 2021 | Status 2022     |
| <b>1. Strengthen self-regulation in terms of online media</b>  | 1.1. Analysis of the state of online media in terms of professionalism and integrity in their operations   | AJM and CME             | Second half of 2021              | In progress | In progress     |
|  | 1.2. Establish mechanisms to strengthen the self-regulation of online media  | AJM and CME             | Second half of 2021              | Implemented | /               |
| <b>2. Upgrading the register of professional online media</b>  | 2.1. Adoption and application of positive international practices for upgrading the register of professional online media  | AJM and CME             | Second half of 2024 - continuous | Implemented | In progress     |
| <b>Issue 3: Strengthening the transparency of institutions when planning CSO funding, as well as accountability for the implementation and effects of projects</b>                                       |  |                         |                                  |             |                 |
| Measure  | Activity   | Responsible             | Deadline for                     | Status 2021 | Status 2022     |

|   |  | institution      | implementation     |         |             |
|---|--|------------------|--------------------|---------|-------------|
| 1. Strengthening the transparency of institutions when planning CSO funding, as well as accountability for the implementation and effects of projects | 1.1. Amendment of the Law on Associations and Foundations with a view to prescribing an obligation to establish a single database with information on the allocated funds and the effects of the projects for all civil society organizations receiving funds from public institutions and LSU | MJ<br>MF<br>MISA | First half of 2022 | Not due | In progress |
|   | 1.2. Amendment of the Law on Associations and Foundations aimed at prescribing the obligation of public institutions and LSU to regularly update the single database   | MJ<br>MF<br>MISA | First half of 2022 | Not due | In progress |

**Issue 1: Lack of transparency of public sector institutions in cooperation with the media, internet portals, marketing agencies and media workers.**

**Measure 1: Establishment of an obligation for public sector institutions to submit reports on contracts concluded and implemented with the media, internet portals, marketing agencies and media workers,** includes one *Activity 1.1: Amendments to the AVMS Act to mandate an obligation for public sector institutions and LSU to make public the reports on concluded and implemented agreements of any kind with media, internet portals, marketing agencies and media workers.* The deadline for implementation of this activity was the **first half of 2022**, by the **MISA**. This activity is **“not implemented”**.

**Measure 2: Improve the criteria for granting state aid to the print media** entails two activities:

- *Activity 2.1: Analysis of the existing criteria for granting state aid,* to be implemented in the **first half of 2022**, by the **Government**. This activity is **“in progress”**.
- *Activity 2.2: Amendment of the decision on the program for support of print media and distribution of the print media,* to be implemented in the **second half of 2022**, by the **Government**. This activity is **“not implemented”**.

**Issue 2: Strengthening self-regulation in terms of online media.**

**Measure 1: Strengthen self-regulation in terms of online media** entails the following two activities:

- *Activity 1.1: Analysis of the state of online media in terms of professionalism and integrity in their operations,* to be implemented in the **second half of 2021**, by the **AJM**. This activity is **“in progress”**.
- *Activity 1.2: Establish mechanisms to strengthen the self-regulation of online media.* The deadline for implementation of this activity was the **second half of 2021**, by the **AJM**. This activity was **“implemented”** in 2021.

**Measure 2: Upgrade the register of professional online media** includes *Activity 2.1: Adoption and application of positive international practices for upgrading the register of professional online media.* The deadline for implementation of this activity is the **second half of 2021 and continuously**, by the **AJM**. The implementation of this activity is **“in progress”**, and given that it is continuous, it will be further monitored in upcoming reports.

**Issue 3: Strengthening the transparency of institutions when planning CSO funding, as well as accountability for the implementation and effects of projects** foresees **Measure 1: Strengthening the**

**transparency of institutions when planning CSO funding, as well as accountability for the implementation and effects of projects**, which entails *Activity 1.1: Amendment of the Law on Associations and Foundations with a view to prescribing an obligation to establish a single database with information on the allocated funds and the effects of the projects for all civil society organizations receiving funds from public institutions and LSU and Activity 1.2: Amendment of the Law on Associations and Foundations aimed at prescribing the obligation of public institutions and LSU to regularly update the single database*. The deadline for implementation of both activities was the **first half of 2022**. The received reports indicate that both activities are under the jurisdiction of **MJ** and their implementation is **“in progress”**.

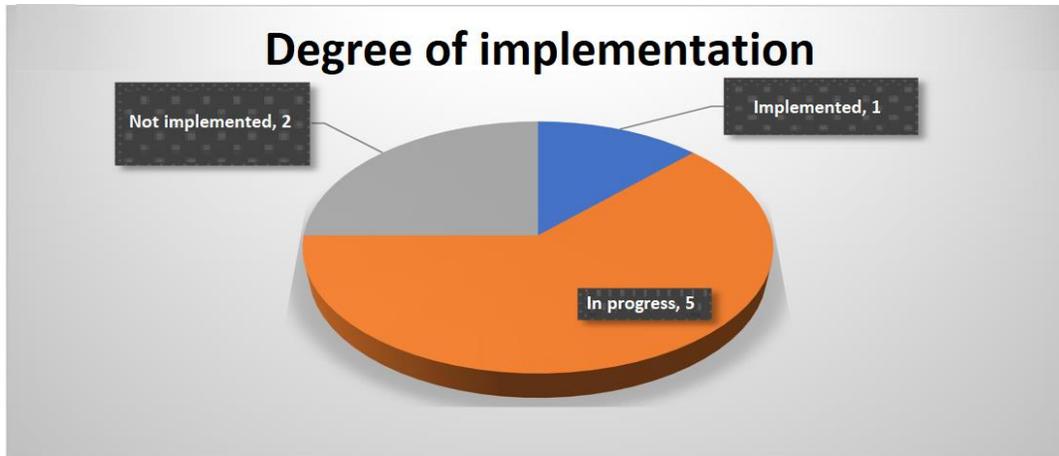


Figure 49: Overall degree of implementation in the sector

Of the eight activities envisaged in the Strategy for the Media and Civil Society sector, two activities have not been implemented (25%), one has been implemented (12.5%), and five activities are ongoing (62.5%). A total of five activities are planned for 2022, two of which are not implemented and three are in progress. In addition, two activities which are in progress have been carried over from the previous evaluation period.

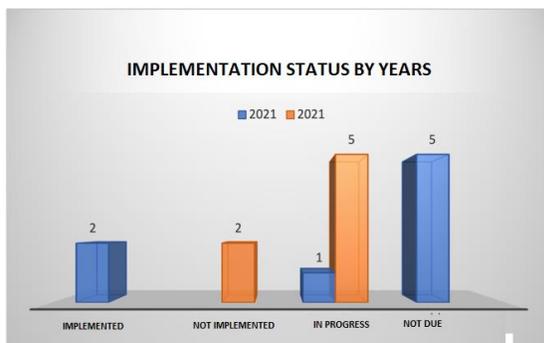


Figure 50: Activity status by evaluation period

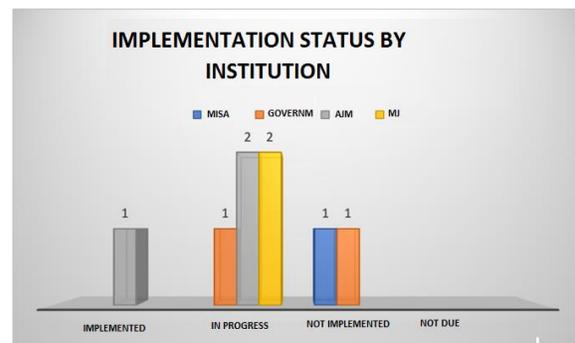


Figure 51: Overall status of activities by institution

- One activity has been planned for MISA which has not yet been implemented.
- Two activities have been planned for the Government, one of which is in progress and the second has not been implemented.
- Three activities have been planned for the AJM, one of which was implemented in 2021 and two are in progress.
- Two activities have been planned for the MJ and these are in progress.