



ANNUAL REPORT ON THE WORK

OF

THE STATE COMMISSION FOR PREVENTION
OF CORRUPTION

for
2022

March 2023

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Summary

This report reflects on the work of the State Commission for Prevention of Corruption during 2022.

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

2022 was a jubilee year for the SCPC as it marked, in a modest and appropriate manner, 20 years of its continuation and operation.

The SCPC invested many an effort, in discharging its responsibilities, to be recognised as the spokesperson disclosing corruption and conflict of interests on all levels, and as the advocate of law enforcement and the rule of law.

Implementing the measures and activities laid down in the National Anti-corruption Strategy 2021-2025, in 2022, the SCPC worked on the sectoral, institutional and personal integrity with both the central and local authorities. As a result, the Integrity Policy was signed and Integrity Officers were appointed in 18 central-level institutions and in 67 municipalities.

In the course of 2022, the SCPC received 698 reports and formed 127 legal cases at its own initiative in various areas, and launched the verification of assets status of 55 public office holders. 21 sessions were held where 1,056 decisions were reached.

On account of their disrespecting the obligation to submit declaration of assets and interests, 403 misdemeanour payment orders were issued in 2022, of which, 375 concerned the failure to submit an asset declaration, interest declaration, or the changed assets status report form. In 243 cases, fines have been charged, collecting the denar equivalent of 39,200 euro into the Budget of RNM.

The SCPC made several risk assessments and developed an Assessment Analysis of Vulnerability to Corruption in public enterprises, municipalities, the City of Skopje and joint stock companies with dominant state capital. At the same time, the process of corruption risk assessment was implemented in the area of judiciary, where the objective was to strengthen the integrity of the judiciary and of the public prosecution.

The process of anti-corruption review of legislation was improved in that the SCPC started applying a software solution for some of the proposed laws, which facilitates the identification of provisions that carry the risks of corruption and conflict of interests.

The public's increased trust in the work of the SCPC encouraged the citizens to file reports using the mechanism offered by the Law on the Protection of Whistle-blowers. Application of the Law on Lobbying started in the second half of 2022, and the SCPC, as the authority responsible for implementing this law,

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adopted the relevant by-laws, and delivered trainings to its staff to introduce them to their competences that arise from this law.

For a more efficient and more effective realisation of its competences, a new software solution for the SCPC started to be developed in the course of 2022, for the purposes of registering the elected and appointed persons, electronic submission of declarations of assets and interests by all elected and appointed persons, and linking the databases with other institutions so as to ensure the provision of the required documents.

As part of the "Bilateral Screening" process that the Republic of North Macedonia has launched with the European Union, the SCPC became an active participant, above all, on account of its preventive anti-corruption role in the system. By the end of 2022, the SCPC took an active part in the Cluster 1 bilateral meetings on Chapters: 05 – Public procurement, democratic institutions, economic criteria; 23 – Judiciary and fundamental rights; 24 – Justice, freedom and security; 32 – Financial control.

1. Introduction

In order to fulfil the competences under Article 19 of the Law on the Prevention of Corruption and Conflict of Interests (hereinafter: LPCCI), the State Commission for Prevention of Corruption (hereinafter: SCPC) prepared this Report on its work in the course of 2022. The report is submitted to the Assembly of the Republic of North Macedonia and presented to the President of the Republic of North Macedonia, the Government of the Republic of North Macedonia, as well as to the public media.

Following the reduction of the restrictive measures imposed by the COVID-19 pandemic and the “normal” functioning of the institutions, the SCPC started implementing its competences more intensively by regularly holding sessions, regularly considering the cases and the received reports, holding meeting with representatives of the state institutions, associations, civil society organisations, international institutions, towards promoting and implementing the measures and activities aimed at preventing the corruption and strengthening the fight against it.

The SCPC marked its jubilee – 20 years since its establishment and of operation of the institution – in the token of promotion of the Integrity Policy, as a concept of conduct of institutions and through strengthening the three levels of integrity: institutional, personal and sectoral, so as to enable the public sector to use the powers and resources that have been entrusted to it, in the function of the public interest in an effective and efficient way. By applying the system of integrity of state institutions, they protect the public interest and prevent the conflict of interests, they strengthen the ethical conduct and human resources management based on a system of merits and qualifications. Also, this ensures the purposeful, rational and efficient management of public resources; transparency of and access to public information; quality management; and protected reporting by whistle-blowers.

Recognising the process of continuous education as the basic mechanism for strengthening the awareness about the identification of corruption and conflict of interests, and also as the starting point in the fight against corruption, the SCPC marked the year 2022, too, with many organised trainings both for the staff of the SCPC professional services, and for the employees of various state institutions. To this end, in July 2022, the SCPC promoted the Training Centre together with the E-learning Platform intended for all persons interested in acquiring new knowledge in the area of corruption, conflict of interests and integrity.

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

Vision: “Establishment a of functional and efficient system for prevention and repression of corruption and conflict of interests”.

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2. Status, Management, Competence and Organisational Structure

2.1. Legal Framework

The Law on the Prevention of Corruption and Conflict of Interests (hereinafter: LPCCI), which has been in force since January 2019, has increased the competences of the SCPC and strengthened its institutional relevance.

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

Table 1: Competences of the SCPC

Functions of the SCPC	Competences laid down in Article 17
1. Development of anti-corruption policies and improvement of the anti-corruption climate	<ul style="list-style-type: none"> - Adoption of a national strategy for prevention of corruption and conflict of interests, with an action plan for its implementation (item 1). - Conducting anti-corruption review of laws, by-laws and other general acts, in accordance with the SCPC own Methodology (item 2). - Cooperation with associations, foundations, scientific institutions and the private sector regarding the prevention of corruption and conflicts of interests (item 16). - Preparation of analyses on corruption risks in different sectors (item 17). - Taking actions aimed at strengthening the personal and institutional integrity (item 18). - Conducting public opinion surveys to evaluate its operation and the corruption situation (item 23). - Regular informing of the public about its work (item 28). - Taking action in the area of education and awareness raising about corruption and conflict of interests (item 19).
2. Continuous monitoring and verification of declarations of assets and interests of elected and appointed persons, financing of political parties and election campaigns and maintaining appropriate registers.	<ul style="list-style-type: none"> o Monitoring the legality of the financing of election campaigns (item 7). o Monitoring the legality of the financing of political parties (item 6). o Recording and monitoring the assets status and interests of the persons covered by the law (item 10). o Prescribing the form for the declarations of assets and interests (item 11). o Verification of the data contained in the declarations of assets and interests (item 12). o Cooperation with state authorities in the provision of required information (item 13). o Keeping a register of elected and appointed persons (item 20).

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	<ul style="list-style-type: none"> ○ Preparing a gift catalogue based on the data received in accordance with Article 58 of the LPCCI and publication of the catalogue on its website (item 22).
3. Instigating initiatives before other competent authorities, identifying situations of conflict of interests, misdemeanour proceedings.	<ul style="list-style-type: none"> ○ Acting on reports from natural and legal persons for suspected corruption and conflict of interests (item 3). ○ Instigating initiatives before competent authorities to institute proceedings for determining liability of official persons (item 4). ○ Instigating initiatives to institute proceedings for criminal prosecution in cases under its consideration (item 5). ○ Instigating initiatives based on the reports of the State Audit Office (item 8). ○ Conducting misdemeanour proceedings for the offences set out in Articles 100 –113 of the LPCCI (Article 114, para. 2).
4. Cooperation with state authorities, domestic and international bodies and organisations.	<ul style="list-style-type: none"> ○ Cooperation with state bodies in the provision of information (item 13). ○ Cooperation with national bodies of other countries, as well as with international organisations in the field of prevention of corruption (item 14). ○ Exchange of information with competent bodies of other states and international organisations, based on the commitments undertaken under international agreements ratified in accordance with the Constitution (item 15). ○ Cooperation with associations, foundations, scientific institutions and the private sector regarding the prevention of corruption and conflict of interests (item 16).
5. Education and awareness raising on corruption and conflict of interests.	<ul style="list-style-type: none"> ○ Taking actions in the area of education and awareness raising on corruption and conflict of interests (item 19).
6. Ensuring its own uninterrupted operation.	<ul style="list-style-type: none"> ○ Adoption of an Annual Work Programme (item 24). ○ Adoption of a Code of Ethics for the members and the Secretariat (item 25). ○ Adoption of Rules of Procedure (item 26). ○ Adoption of acts on the internal organisation and systematisation of work positions within the Secretariat (item 27).

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

2.2. Mandate and Status of the President and the Members

The State Commission is composed of a President and six members with a status of appointed persons. The President and the members of the SCPC are elected through a public call published by the

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Assembly following the procedure established by the LPCCI that ensures transparency and public participation in the election of the members.

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

The current composition of the Commission was elected on 8th February 2019 by a Decision of the RNM Assembly for appointment of the President and the members of the SCPC.

2.3. The SCPC Secretariat

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

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

Based on the performed functional analysis and assessment of the required organisational setup and human resources for the fulfilment of its legal competences, in August 2020, the SCPC adopted the Rulebook on the Internal Organisation of the SCPC Secretariat and the Rulebook on the Systematisation of Work Positions in the SCPC Secretariat.

In February 2021, the Rulebook supplementing the Rulebook on the Systematisation of Work Positions in the SCPC Secretariat was adopted.

The internal organisation and systematisation acts are publicly available on the SCPC website.

Under the internal organisation and systematisation acts, the employees of the Secretariat are organised in the following organisational forms:

1. Secretary-General
2. State Advisor for Preventive Anti-corruption Policies
3. State Advisor for the implementation of measures and activities for prevention of corruption and conflict of interests
4. STRATEGIC PLANNING AND INTEGRITY SECTOR with two units:
 - Unit for Strategic Planning, Cooperation, Projects, Analytics and Education;
 - Unit for Anti-corruption Review of Legislation.
5. SECTOR FOR PREVENTION OF CORRUPTION, with the following units:
 - Unit for Prevention of Corruption;
 - Unit for Monitoring the Financing of Political Parties, Election Campaigns and Corruption in Public Procurement.
6. SECTOR FOR PREVENTING CONFLICT OF INTERESTS, MONITORING THE ASSETS STATUS AND INTERESTS AND LOBBYING, with the following units:
 - Unit for Prevention of Conflict of Interests and Lobbying;
 - Unit for Monitoring the Assets Status and Interests.

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7. SECTOR FOR IT SUPPORT, GENERAL AFFAIRS, SESSIONS AND PUBLIC RELATIONS, with the following units:

- Unit for IT Support and General Affairs;
- Unit for Sessions and Public Relations.

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

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

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

Table 2: Human resources structure in the SCPC Secretariat

Type of administrative officers	Planned	Number of employees	Higher education	Secondary education	Men	Women	Macedonians	Albanians	Vlachs	Serbs	Roma	Turks	Others
Secretary-General	1	1	1			1	1						
State advisors	2	2	2			2	2						
Managing Administrative Officers	15	11	11		1	10	9	1					1
Expert Administrative Officers	42	32	32		14	18	17	10	1	2	1	1	
Auxiliary Expert Administrative Officers	4	2		2		2	2						
Total	64	48	46	2	15	33	31	11	1	2	1	1	1

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

In 2022, the number of employees increased, so that out of the 64 work positions provided for by the systematisation, 48 i.e. 75% were filled, which represents improvement in the human resources situation compared to 2021 when the percentage of filled positions was 53%, that is, 34 work positions filled.

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

- In February 2022, within the SCPC Secretariat, five administrative officers with multiple years of working experience in the institution and professional expertise were promoted to managerial positions in the SCPC Secretariat following the promotion from within process. The promotion of the existing staff to higher or managerial work positions is aimed at effective, efficient and quality management of the day-to-day operations and functioning of the institution.
- According to the SCPC's 2022 Annual Employment Plan, in the current year, pursuant to an employment procedure by publication of a vacancy, 12 employment of administrative officers

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were realised (10 new employments and 2 existing employees transferred to a higher level work positions).

- In the course of 2022, six administrative officers with an employment contract without a public announcement were employed in the SCPC Secretariat through permanent takeover.

In 2022, the employment relationship with the institution of two administrative officers employed in the SCPC Secretariat was terminated in mutual agreement, and for one administrative officer the employment relationship was suspended for the duration of unpaid leave while engaged in upskilling which is funded by the institution.

Although the situation with the number of employees in the Secretariat has improved, the SCPC will continue in 2023 as well to work on strengthening the human resources as one of the primary objectives of the institutional strengthening.

Strengthening the capacities of the SCPC is particularly important for the overall functioning of the institution. The need to improve the functioning, same as in the previous, 2021 report, is reiterated in the latest European Commission progress report on the Republic of North Macedonia for 2022, which makes note of the SCPC proactive approach in providing guidelines to public institutions in the anti-corruption policies, and recommends "that efforts to improve its functioning should continue by further allocating additional funds and human resources".

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

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

The SCPC conducts an annual monitoring of the implementation of activities laid down in the National Strategy for Prevention of Corruption and Conflict of Interests 2021-2025 with Action Plan for its Implementation (hereinafter: NS 2021-2025 or the Strategy), with the help of the developed software solution – web application, through which the institutions responsible for implementing the measures and activities submit periodic reports on realised activities. Following the evaluation of the extent of realisation of the NS 2021-2025 measures and activities, the SCPC developed the 2021 Annual Report on Implementation of the Strategy, and submitted it to the Assembly of the Republic of North Macedonia.

According to this Report, out of the total of 111 activities specified for 2021, 22 activities have been fully completed (20%), 30 activities are ongoing (27%), whereas 59 activities have not been initiated at all (53%). By the day of developing the SCPC's 2022 Annual Work Report, the 2021 Annual Report on Implementation of the National Strategy has not been considered yet by the Assembly of the Republic of North Macedonia.

In the period between 15th and 31st December 2022, a new evaluation round was launched through the web application for the extent of realisation of the 2022 activities, as well as of the 2021 activities which had been in the previous report designated as "ongoing" or "unrealised", as continuous activities. In this period, coordinators of institutions responsible for implementing the activities submitted their reports on the extent of realisation of their activities. Upon completion of the evaluation, the SCPC will develop the 2022 Annual Report on Implementation of the Strategy and will submit it to the Assembly of the Republic of North Macedonia by 31st March 2023.

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Table 3: Realisation of the National Strategy

No.	Areas / Sectors	2021-2025 Number of proposed			For 2021				For 2022				
		Issues	Measures	Activities	Planned	Realised	On-going	Unrealised	Planned	Realisation carried forward to 2022	Realised	On-going	Unrealised
1	Public procurement	2	2	4	3	1	0	2	0	2	0	2	0
2	Employment	3	8	13	8	1	2	5	4	7	0	5	7
3	Political system	6	7	8	6	1	4	1	2	5	0	4	3
4	Judiciary	3	7	14	9	7	2	0	5	5	5	2	3
5	Law-enforcement authorities	7	13	21	14	2	3	9	7	13	3	6	10
6	Healthcare	5	18	26	12	1	2	9	13	11	2	6	16
7	Education	8	18	34	27	6	11	10	4	20	5	11	12
8	Labour and social policy	1	5	10	3	0	1	2	5	3	0	5	3
9	Urbanism and spatial planning	1	1	1	0	0	0	0	1	0	0	1	0
10	Environment	1	1	2	0	0	0	0	2	0	0	1	1
11	Agriculture	5	9	16	11	0	1	10	5	11	0	2	14
12	Sport	2	6	15	7	0	1	6	7	7	0	5	9
13	Economy and business	4	8	13	8	1	2	5	5	9	2	3	8
14	PE and JSC	3	3	6	0	0	0	0	2	0	0	0	2
15	Media and civil society	3	5	8	3	2	1	0	5	2	0	5	2
	TOTAL	54	111	191	111	22	30	59	67	95*	17	58	90
	In %					20%	27%	53%		162	10%	76%	56%

*The activities carried forward also include activities which are continuously implemented every year

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Chart 1

The realisation of the activities planned for 2022 and the activities which were not implemented in 2021 or were only initiated in the course of 2021 (and were carried forward to 2022) is very low, and amounts to 10%.

The reason for this situation is the insufficient commitment of institutions to carry out the assigned activities in time. The European Commission's Progress Report on the country gives the recommendation:

In the coming year, the country should, in particular:

→ continue action to fight corruption by increasing support to the bodies responsible for implementing the national strategy for the prevention of corruption and conflict of interests and effectively enforce GRECO's recommendations.

Actions on Cases

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

In 2022 also, a number of reports were submitted to the SCPC on all grounds shown in Table 4.

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

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Area of action	Corruption		Conflict of interests		Assets status		Financing of election campaigns		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Reports received	563	583	118	89	17	51	0	48	698	771
Own initiative	20	16	27	17	80	806*	0	6	127	845
Number of decisions taken	509	390	161	152	372	92	14	41	1056	675

* The large number of cases formed at the SCPC's own initiative in the area of assets status is due to the continuous verification whether the elected / appointed persons have fulfilled their obligation for timely submission of Assets Declaration at the moment of their appointment, or dismissal, especially taking into account the number of appointments and dismissals executed following the 2021 local elections (Point 3.5 of the Report).

The data for 2022 indicate that, as in 2021, the highest number of the filed reports contain allegations of suspected corrupt behaviour of official persons (Chart 2). Moreover, the SCPC issued 88 opinions on filed reports pursuant to Article 72 Paragraph 3 of the LPCCI, i.e. issuing opinions in cases of potential conflict of interests.



Chart 2

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During 2022, the SCPC held a total of 21 sessions on its on-line platform, allowing direct access to broadcasters and other electronic media. Additionally, the records of the sessions held are publicly available on the YouTube channel.

Article 22 of the LPCCI: Sessions of the Commission:

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

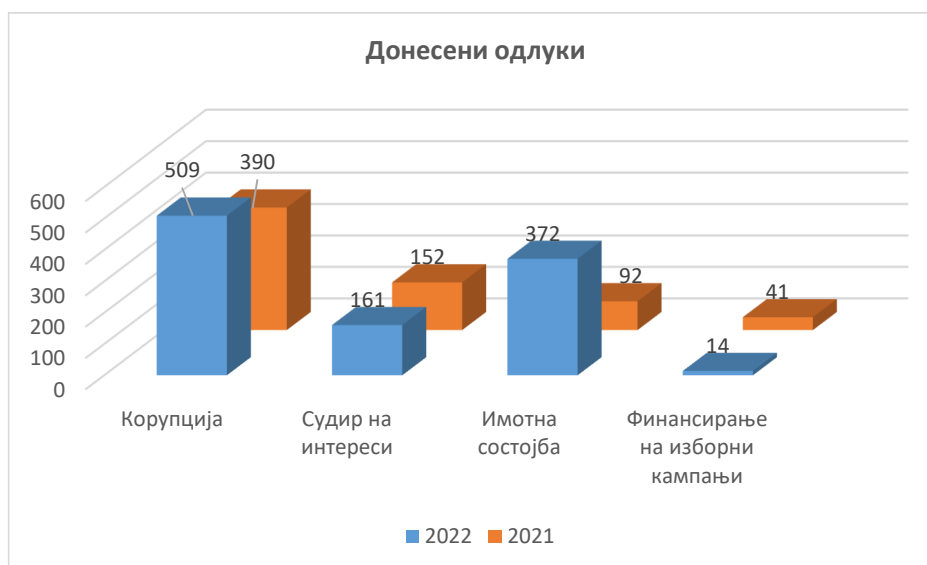


Chart 3: Decisions taken by area of competence

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

- item 4: instigates initiatives before competent authorities to institute proceedings for determining liability of official persons;
- item 5: instigates initiatives to institute proceedings for criminal prosecution in cases under its consideration.

Within the scope of its specified competences, and resulting from the consideration of cases, the SCPC also instigated initiatives for proceedings to be instituted before other competent authorities. The status of the submitted initiatives and the institutions' actions in relation to those initiatives is shown in Table 5.

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Преглед на доставени иницијативи и постапувања на институциите

Табела 5

Р. број	Институција	Доставени иницијативи				Постапувања на институциите во период 2019-2021 по доставени иницијативи						Постапувања на институциите во 2022 по доставените иницијативи											
		2019-2020		2021		2022		Постапено	Отфрлени		Не доставиле одговори	Постапки пред Управен суд	Постапено	Отфрлени		Не доставиле одговори	Надминат на друг начин	Постапено	Отфрлени		Не доставиле одговори		
		Судир	Корупција	Судир	Корупција	Судир	Корупција		Судир	Корупција				Судир	Корупција				Судир	Корупција		Судир	Корупција
9	ОЈО	2	8	1	7	12	3	3	3	1	8	4										8	
2	Влада на РСМ	2	9			2	1	5	2	1	2	1										1	
3	Градоначалници	5	3	1	3		2	3	2	1	1	2	1										
4	Други	2	1	1	1	2	2	1			1	1										1	
5	МВР				1			1															
6	Инспекциски служби	1	3			1	1	3															
7	Министерство за здравство	4	3				1															1	
8	Министерство за култура	1					1																
9	Министерство за образование		3								3	1											
10	Министерство за труд и социјална политика					1																1	
11	Министерство за одбрана																					1	
12	НО и УО	10	1			5	5		5	1													
	Вкупно	27	31	3	12	18	12	17	10	7	2	6	3	15	3	4	6	3	1	0	0	1	11
	Вкупно		58		15	26	29	17	8	15	3	10	4	0	12								

3.2 Taking Action on Cases of Suspected Corruption

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

The SCPC opens and considers cases of suspected corruption at its own initiative and based on information received from the media (heard rumour) or reports from citizens, legal entities and civil society organisations.

In accordance with Article 23 of the LPCCI, in order to fully establish the factual situation, the SCPC requests data and information from competent institutions, legal and natural persons, which are obliged to provide the requested information within 15 days from the date of receipt of the SCPC's request. The failure of responsible persons to respond to the SCPC's request serves as grounds for imposing sanctions.

In 2022, as in the previous years, the SCPC received a number of reports of suspected corruption or illicit actions of official and responsible persons in the public sector. An overview of all received reports is shown in Table 6.

Table 6: Overview of reports received and cases formed

Cases formed	Number of recorded cases		
	2022	2021	2020
Own initiative	20	16	12
Reports by citizens	563	583	406
Total:	583	599	418

In accordance with the data provided from the SCPC's internal records, Chart 4 shows the areas with the largest number of reports with allegations of illegal or corruptive elements by official persons in the public sector, as well as the areas for which SCPC has formed cases at its own initiative.

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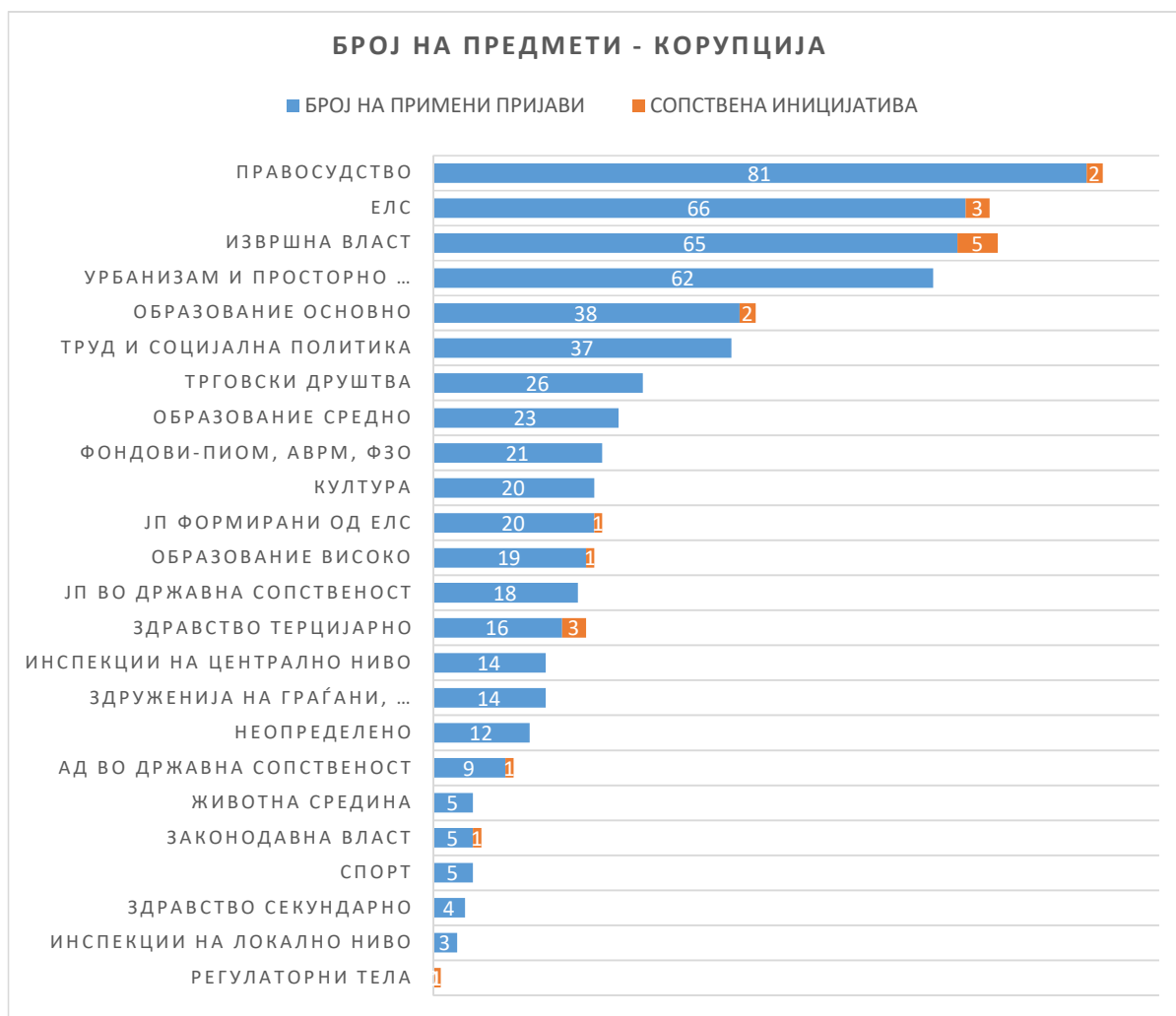


Chart 4

On the other hand, Chart 5 shows the submitted reports as per the issues to which the allegations refer.

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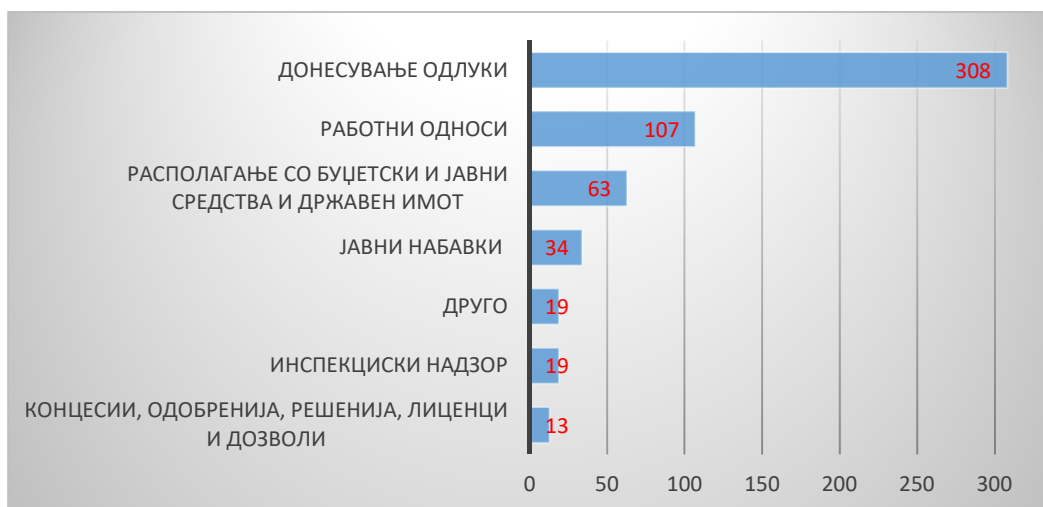


Chart 5

Regarding the actions taken on these reports, the SCPC took decisions in 509 cases in the course of 2022, as shown in Table 7.

Table 7: Overview of actions taken on cases in the area of corruption

Actions taken by the SCPC	2022	2021
Number of cases resolved	560	404
<i>Conclusions on merging of cases (same allegations); forwarded to another organisational unit for their consideration</i>	51	14
Decisions taken	509	390
○ <i>Rejected reports – no competence or insufficient elements for action</i>	209	162
○ <i>The report is forwarded to other authorities for their competent consideration</i>	67	6
○ <i>Stopped proceedings – allegations not confirmed</i>	232	222
○ <i>Revoked decisions</i>	1	/
Cases on which specific measures have been taken	18	12
Initiatives submitted to Basic PPO	12	7
- <i>Accepted initiatives</i>	-	-
- <i>Rejected initiatives</i>	1	-
- <i>Proceedings are on-going</i>	11	7
Initiative to competent institutions for determining liability of managerial and official persons	6	5
➤ <i>Accepted initiatives</i>	1	1
➤ <i>Rejected initiatives</i>	2	2
➤ <i>Actions by institutions are still on-going</i>	3	2
Other initiatives and requests arising from other cases	5	1

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Recommendations for taking specific measures submitted to institutions	12	3
Indications provided	2	2

Decisions to reject 209 reports due to non-competence of the SCPC are mostly related to reports regarding allegations of suspected:

- unlawfully conducted bankruptcy procedures that have been completed several years ago;
- unlawful operation of various civil society organisations;
- actions of persons who are not official persons or who have not been official persons for a longer period of time;
- events that have taken place many years ago, of which the deadlines for taking actions have long expired;
- adopted judicial decisions, both by basic and higher courts, when the dissatisfaction with the decision taken is connected to a corruptive background;
- actions by public prosecutors etc.

The SCPC has no competence to assess whether court proceedings are conducted in accordance with the substantive and procedural laws and whether the court decision was made on the basis of material evidence or the public prosecutor has taken all facts into consideration. Some of these reports are submitted by the SCPC to the Judicial Council and the Council of Public Prosecutors of the Republic of North Macedonia for their competent consideration, in cases of suspected judicial misconduct of judges and public prosecutors.

The number of decisions to stop proceedings – 232 are the result of the actions taken by the SCPC on reports for which the appropriate institutions have provided the necessary evidence to establish the factual situation against the allegations. After analysis of the documents collected, the SCPC stopped its proceedings in relation to some of the reports due to unconfirmed allegations. For the remaining reports, the SCPC was in no position to take measures to stop the practice, sanction the responsible persons, or institute proceedings before the competent courts primarily due to systemic weaknesses of the substantive laws and the lack of sanctioning mechanisms.

According to the SCPC data, majority of the reports for suspected unlawful actions have been filed on account of:

- employment of persons which have been alleged to be close to the elected / appointed persons or to be connected with political parties, but also on account of "Balancer" abuse by the employed persons;
- loss of a portion of property, property usurpation, construction without necessary permits, destruction of greenery, unlawful construction in national parks, above all due to the untransparent procedures when adopting or amending the detailed urban plans, the influence and the power of the construction sector businessmen on mayors and local inspectors, but also due to the failure of fully aware local authorities to take actions. This also includes the reports concerning the non-execution of the court decisions for demolition of illegally constructed structures for which the local authorities have failed to take actions.
- suspected unlawfulness of public procurement procedures, etc.

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In the process of taking decisions on cases considered by the SCPC in 2022, a huge contribution was made by the RNM inspection services, above all the State Education Inspectorate, the State Labour Inspectorate and the State Administrative Inspectorate, which, pursuant to requests from the SCPC, carried out regular supervisions within the scope of their competence to objectively establish the situations alleged in the reports.

Initiatives Submitted to the Basic Public Prosecutor's Office

Based on the suspected commission of criminal offences in cases considered by the SCPC, in the course of 2022 the SCPC submitted 12 initiatives to the competent public prosecutor's offices. The grounds for submitting these initiatives, the implemented activities and the response of the competent prosecutor's offices are shown in Annex 1 to this Report.

Initiatives Submitted to the Competent Institutions for Determining Liability of Managerial Staff and Official Persons

The SCPC submitted 6 initiatives to the competent authorities to institute proceedings for determining liability of official persons based on secured evidence in the considered cases. The grounds for submitting these initiatives, the implemented activities and the response of the competent institutions are shown in Annex 2 to this Report.

Other Initiatives Arising from Actions on Cases in the Area of Corruption

An initiative was submitted to the Ministry of Justice of the Republic of North Macedonia to amend the legislation regulating the testimony by expert witnesses, in view of amending and supplementing the Law on Testimony by Expert Witnesses so as to overcome the identified legal gaps concerning the lack of a functioning, efficient and effective legal mechanism for evaluating the expertise and super-expertise prepared by expert witnesses. The Ministry of Justice responded that amendments have been initiated and a working group has been set up, which has been working intensively on developing the new text of the Law on Testimony by Expert Witnesses, in relation to which a public consultation has been planned with all interested parties.

An initiative was submitted to the Financial Intelligence Agency to carry out supervision and exercise its responsibility in view of verifying the origin of the capital of Euronickel DOOEL, from the village of Vozarci, Kavadarci; and of Euronickel industries DOO, from the village of Vozarci, Kavadarci.

An initiative was submitted to the Public Revenue Office to carry out supervision regarding the lower amount of personal income tax that has been calculated and paid as per illegally disbursed holiday pay to 196 employees of Makedonija Turist AD Skopje. In consideration of the same case, an initiative was submitted to the State Labour Inspectorate to institute disciplinary proceedings regarding an inspector who, when carrying out his inspection supervision, has failed to establish illegality in the disbursement of said holiday pay. Information was received that, following the disciplinary proceedings, an appropriate measure was imposed on the inspector.

A request was submitted to the Ministry of Education and Science of RNM to carry out supervision of the work of higher education facilities in the Republic of North Macedonia regarding whether the certificates of completed higher education have been issued in accordance with the Law on Higher Education and the Law on the National Qualifications Framework, and other applicable regulations,

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particularly with regard to the compliance of the number of ECTS credits with the awarded title and degree.

Recommendations and Indications Provided

Acting on specific cases, the SCPC identified situations that might pose a risk of corruption, violation of the principles of good governance, the rule of law and the personal and institutional integrity in the exercise of public authority.

In order to secure the public trust in the performance of public functions and in the work of the public institutions, i.e. to ensure impartial and honest conduct of official and responsible persons in institutions, the SCPC gave recommendations and indications to the competent institutions to take specific actions in order to overcome the identified situations:

- to the Government of RNM
 - recommendations to terminate the financial support contract with Euronickel DOOEL, from the village of Vozarci, Kavadarci, because it has been concluded contrary to its purpose and economic substance;
 - re-examination of the Decision for Land Allocation to Complex "Gorica" – Ohrid No. 23-1415/1 dated 16.06.1997, so as to establish the right to land use by a company that has already been transferred to private ownership, thereby making reference to the decision adopted in the period when the company was state-owned; The reason for this is that the SCPC, during its competent consideration, has established that, by way of the Decision in question adopted on 16.06.1997 by the Government of RM, the disputed land had been given for permanent use in the period when the JSC "Inex Gorica" was still in state ownership, however, following its privatisation, the company continued exercising usage rights to the land and renting it out to other legal persons based on corresponding contracts, thereby obtaining material benefits.
 - indication to assume the obligations arising from its capacity as the founder of the Public Institution ZZVODM "Ranka Milanović" – Skopje, because the institution in question has been a passive entity for a longer period of time.
- to the Ministry of Transport and Communications, as the implementer of the activities related to passing and amending the Law on Building, to identify an appropriate legal arrangement to ensure the independence of the municipal construction inspectors in their actions and outside the powers of the mayors of the municipalities.
- to the Ministry of Justice, two recommendations have been issued to ensure digital publication of documents of candidates applying to take the judicial exam and storing of the documents in electronic files.
- to the Ministry of Health, a recommendation was made to re-examine the provisions of the Law on Health Protection in relation to the work licences of the Public Health Facilities, University Clinics and to the doctors' licences. This recommendation was issued because a series of legal weaknesses have been identified, primarily because the existing Law on Health Protection allows for such health facilities to operate within the healthcare network which only hold a work permit, but not a licence, and because, when opening a clinical hospital, the stipulated criteria do not require licences for the specialised doctors, thus allowing the clinic to operate without a licence and without licensed doctors.
- to the Health Insurance Fund, a recommendation was made to take measure and activities to strengthen the control of financial resources that health facilities receive from the Fund, that is,

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- to introduce regular controls concerning the verification of credibility of the type and the volume of the healthcare services provided by the private health facilities.
- to the Association of Film Professionals (DFRM) and the Supervisory Board of the Association, the Ministry of Culture and the Film Agency, recommendations were given that:
 - the Association should adopt a Rulebook on Financial Operations of DFRM, which will also cover the work of manifestations and festivals organised by DFRM;
 - DFRM should adopt a Code of Ethics that will also include procedures related to conflict of interests, with the purpose of avoiding the risks of favouritism of particular close individuals when procuring goods and services;
 - to supplement the Article 53 of the DFRM Statute in view of introducing mandatory obligation for the Governing Board to submit the financial reports also to the Supervisory Board of DFRM. The reason for this is that such a provision has not been made in the DFRM Statute, that is, under Article 53 Paragraph 1, financial reports are only submitted to the Assembly, whereas Article 64 Paragraph 1 Indents 3 and 4 of the DFRM Statute lay down that the Supervisory Board is responsible for controlling the material and financial operation of DFRM, and for the purposeful use of the resources and income by DFRM.
 - to the Agency for Promotion of Entrepreneurship of RNM, a recommendation was given to ensure that applications for participation in the public calls for support to small enterprises can be submitted electronically in the future.
 - to the Municipality of Dolneni, a recommendation was given to develop and adopt an act – Procedure for the Use of Official Vehicles owned or given to use by the Municipality of Dolneni.
 - to the Mayor of the Municipality of Karpoš, a recommendation was given to organise a municipal inspectorate that will carry out inspection supervision in the area of construction and urbanism, using the opportunity of intermunicipal cooperation.
 - to the Mayor and the Council of the Municipality of Negotino, a recommendation was made to repeat the PPP procedure implemented by the Public Utilities Enterprise “Komunalec” from Negotino, to set new criteria that will be compliant with all legal regulations pertaining to the area of design, construction, and operation of small hydropower plants.

3.3 Taking Action on Cases of Conflict of Interests

Article 72 of the LPCCI:

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

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

Table 8: Reports received and cases recorded

Cases formed	Number of recorded cases		
	2022	2021	2020
Own initiative	27	17	6
Reports by citizens	118	89	80
Total:	145	106	86

According to the data provided from the SCPC internal records, majority of reports that involve allegations of the existence of conflict of interests relate to the areas shown in Chart 6:



Chart 6

Regarding actions taken on reports of conflict of interests, the SCPC has taken decisions on 161 cases shown in Table 9.

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Table 9: Actions taken in the area of conflict of interests

Actions taken by the SCPC	2022	2021
Cases with allegations of conflict of interests	145	106
Decisions taken	161	152
- Unconfirmed allegations	46	
- Rejected – non-competence of the SCPC	21	
Established situation of conflict of interests and decisions adopted	3	
- Actions pursuant to the SCPC recommendations for removal of conflict of interests have been taken	-	-
- Taking of actions by corresponding persons is on-going	3	-
Submitted initiatives for liability of official persons due to the existence of a conflict of interests	6	2
- Accepted initiatives	2	1
- Taking of actions by corresponding institutions is on-going	4	1
Submitted initiatives for dismissal of official persons due to the existence of a conflict of interests	2	-
- Accepted initiatives	2	-
- Taking of actions by corresponding institutions is on-going	-	-
Indications provided to other institutions to take actions on confirmed allegations of the existence of conflict of interests		-
Submitted initiatives for instituting criminal proceedings against responsible official persons	-	1
- Accepted initiatives	-	-
- Rejected initiatives	-	1
Public reprimand issued	-	1
Submitted misdemeanour payment orders for the failure to take actions following an established situation of conflict of interests	37	32
Paid payment orders	29	
Submitted request for misdemeanour proceedings for default on payment orders	3	4
Submitted requests for opinion	88	85
Opinions provided	87	85

A total of 161 decisions in the area of conflict of interests were published on the SCPC website, which were adopted at the SCPC sessions in the current year, and 18 of which concern cases from 2019, 20 concern 2020 cases, 53 concern 2021 cases and 71 concern 2022 cases.

Initiatives Submitted to the Competent Institutions for Establishing Liability of Official Persons and Initiatives for Dismissal / Termination of the Exercise of Public Authority

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The SCPC submitted 6 initiatives before competent authorities to institute proceedings for determining liability of official persons due to their violation of the provisions of the LPCCI.

Namely, 5 initiatives were submitted to the competent authority on account of official persons' failure to exempt themselves from or to report their private interest in the employment / employment relationship transformation of a close person, participation in discussions concerning the interest of a close person etc. One initiative was submitted on account of an official person performing two functions and his failure to withdraw from performing one of the two functions that he performed simultaneously.

Also, the SCPC submitted two initiatives for the dismissal / termination of the exercise of public authority or duty against official persons that failed to take actions to remove the established situation following the submitted Decision on the Established Conflict of Interests.

The grounds for submitting these initiatives, the implemented activities and the response of the competent institutions are shown in **Annex 3** to this Report.

Verification of Declarations of Conflict of Interests

Every elected or appointed person, responsible person in a public enterprise, public institution or other legal entity that disposes of state capital, notary public, enforcement agent, category A administrative officer or a person employed with the Cabinet of the President of the Republic of Macedonia, President of the Assembly of the Republic of Macedonia, Vice Presidents of the Assembly of the Republic of Macedonia, President of the Government of the Republic of Macedonia, Deputies of the President of the Government of the Republic of Macedonia, Ministers and the Secretary General of the Government of the Republic of Macedonia, for executing the assignments of a Special Advisor, at the moment of their election, nomination, appointment, or employment, and no later than 30 days from the date of election, nomination, appointment or employment, should submit a declaration of assets and interests.

The interest declaration submitted by the persons specified above includes information about public authority and duties of those persons and of the members of their families, as well as the exercise of additional public authority and duties, trade companies and the status of those persons in such companies, civil society organisations and foundations and the status of those persons in such organisations and foundations.

In the course of 2022, out of the total of 1,276 submitted interest declaration forms, regular administrative verification was conducted on 1,005 interest declarations.

Table 10: Declarations of conflict of interests submitted

Year	2022	2021	2020
Number of submitted declarations	1,276	1,411	480

Regular verification has established violation of the LPCCI provisions, following which, at its own initiative, 28 proceedings were instituted against official persons. The remaining forms will be verified in continuation in the course of 2023.

3.4 Monitoring the Legality of the Financing of Election Campaigns

Financing of political parties and election campaigns has always been a sphere of influence, pressure and abuse of position and function in order to gain election victory and win power. Taking into account

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the irregularities in the elections conducted in previous cycles manifested through influence, pressure, attempted bribery of voters, use of illegal and anonymous sources of funding, misuse of budget funds and other resources of state institutions for party and electoral purposes, the Office for Democratic Institutions and Human Rights of the Organisation for Security and Co-operation in Europe (OSCE/ODIHR), for several years now has been issuing recommendations for strengthening the country's institutional capacities for efficient monitoring and control over both the electoral process itself and the financing of political parties and election campaigns.

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

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

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

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

The LPCCI lays down the competences, activities and deadlines for the SCPC to take actions in relation to monitoring the political parties and election campaigns.

In the course of 2022, actions were taken on 14 out of the total of 16 remaining cases formed at own initiative and based on reports relating to election irregularities in the 2021 Local Elections. For 13 cases, decision was taken to stop the proceedings, and in once case the report was rejected. In two cases, the proceedings are still on-going.

At the local elections held for the Mayors of the Municipality of Mavrovo i Rostuše, Municipality of Centar Župa and the for the Council of the Municipality of Tetovo (hereinafter: 2022 Local Elections), same as in the previous years, in the course of 2022, too, the SCPC conducted monitoring of the financing of the election campaigns of the participants and took a range of activities for organising the resources available (human, technical) with the purpose of monitoring the legality of the financing of these election campaigns:

- The SCPC published an information on its website explaining the legal limitations for all state authorities and institutions during the election process which are laid down in Articles 8-a and 8-b of the Electoral Code and Articles 34 and 36 of the LPCCI;
- The web application "Register of Vehicles of State Authorities, the Authorities of the Local Self-government, Public Enterprises and other Legal Entities Using State Capital" was made available to the public so that they can report the unauthorised use of official vehicles for election purposes;

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- It was made possible to electronically report any suspicion of the existence of irregularities and violations in the election process on an appropriate form – Report, published on the SCPC website.

Based on the financial reports submitted by the participants in these elections to the SCPC, it was established that:

- for the elections for the **Mayor of the Municipality of Centar Župa**, the financing of the election campaign was in its entirety provided from income from donations transferred from the regular account of a political party;
- for the elections for the **Mayor of the Municipality of Mavrovo i Rostuše**, the political parties provided their funds for financing the election campaign from income that was made available to their regular accounts from the Budget of RNM (61%-86%), and the rest was provided from the funds for paid political advertising;
- for the elections for the **Councillors in the Council of the Municipality of Tetovo**, the parties used their legally allowed sources of financing.

Taking into account the legal obligation to publish the reports for the donations received and the annual reports, and with regard to the finding that only two political parties fully met their obligations, whereas the remaining parties met their obligations only partially, and that certain participants in these elections do not own a website, it is indicative that, in this way, the public is denied the possibility to be timely informed about the amount of resources the parties have available, where from they provide the resources for their operation and, most important of all, on what the parties spend the citizens' resources.

The funds allocated from the Budget of RNM to paid political advertising that were spent during the 2022 Local Elections are shown in Table 11.

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Table 11: Allocated funds for paid political advertising in denars

Participants in the 2022 Local Elections	Broadcasters	Internet portals and printed media	Total funds paid
<i>Election campaign for the Mayor of the Municipality of Mavrovo i Rostuše</i>			
Coalition "The Best For My Municipality"	0	132,175	132,175
VMRO-DPMNE	0	135,300	135,300
<i>Election campaign for the Mayor of the Municipality of Centar Župa</i>			
DPTM	0	0	0
<i>Election campaign for members of the Council of the Municipality of Tetovo</i>			
Coalition "The Best For My Municipality"	2,061,063	531,624	2,592,687
VMRO-DPMNE	1,743,782	522,540	2,266,322
DPA	155,499	0	155,499
INTEGRA	76,818	0	76,818
Group of voters – Argon Zaimi*	77,007	0	77,007
ALTERNATIVA	94,341	34,993	129,334
AA	2,242,114	633,644	2,875,758
BESA	150,780	0	150,780
DPTM	147,830	0	147,830
Group of voters – Elmedina Abdullahi	78,317	0	78,317
DUI	1,964,626	669,090	2,633,716
PCER	66,080	0	66,080
LEVICA	163,961	0	163,961
TOTAL	9,022,218	2,659,366	11,414,109

Regarding the expenses made in the course of the election campaign, majority concern expenditures for advertising and propaganda, followed by expenditures for organising election assemblies as well as expenditures for printing and publishing advertising materials.

During the election period that ran from 11.06.2022 to 18.08.2022, the SCPC received no complaint from the organisers of the election campaign, nor any reports were submitted by reporters, which is why the SCPC found no legal grounds to take any competent actions under Articles 32 and 33 of the LPCCI.

Pursuant to Article 36 of the Law, on 24.11.2022, the SCPC submitted to the Assembly of the Republic of North Macedonia a Special Report on the identified abuses in the financing of the election campaign for the Local Elections for the Mayor of the Municipality of Mavrovo i Rostuše, the Mayor of the

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Municipality of Centar Župa and the Council of the Municipality of Tetovo, which is available on the SCPC website.¹

3.5 Recording and Monitoring of the Assets Status

Article 17 of LPCCI: Competences of the SCPC

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

These competences should be realised by collecting, recording and analysing the data from the form – Declaration of Assets and Conflict of Interests, which should be electronically accessible and submitted. The deadline for adoption of the new form – Declaration of Assets and Conflict of Interests, is 60 days from the date of constitution of the SCPC, i.e. 08.04.2019 (Article 119 of the LPCCI). Until then, the old acts will remain in force².

Although the form – Declaration of Assets and Conflict of Interests was prescribed by the SCPC within the legal deadline, in the absence of an application software for its electronic submission, it remained unfunctional throughout 2022. In October 2021, the Delegation of the European Union provided the necessary funds and selected an IT company, so that 2022 was a period of intensive development of this software solution. Full implementation of this software is expected to begin as of March 2023.

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

In 2022, a total of 4,423 asset forms were submitted to the SCPC, as shown in Table 12.

¹ <https://dsk.mk/mk/%do%bb%do%be%do%ba%do%bo%do%bb%do%bd%do%b8-do%b8%do%b7%do%b1%do%be%do%bd%do%b8-2022/>

² Article 119 Paragraph 2 of the LPCCI: Until the adoption of the by-laws provided for with this Law, the existing by-laws adopted in accordance with the provisions of the Law on the Prevention of Corruption (The Official Gazette of the Republic of Macedonia Nos. 28/2002, 46/2004, 126/2006, 10/2008, 161/2008, 145/10, 97/15 and 148/15) and the Law on the Prevention of Conflict of Interests (The Official Gazette of the Republic of Macedonia Nos. 70/2007, 114/2009, 6/12 and 153/15) shall apply.

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Table 12: Overview of asset declarations submitted

Grounds for submission of asset declarations	2022	2021	2020
Following election/nomination to office	2,836	908	607
Following termination of office	1,306	600	439
For changed asset status	281	498	473
Total	4,423	2,006	1,519

The SCPC continuously processes the newly submitted asset declarations and updates the data on changes in the asset status on its website (www.dksk.org.mk), so in 2022, data from asset declarations for 9,256 elected and nominated persons were published.

3.6 Verification of Data from the Declarations of Assets and Interests

The State Commission has the authority to verify the authenticity of the data from the Declaration of Assets and Interests in cases when it acts on a specific case (Article 92 of the LPCCI), as well as on the basis of an annual plan for monitoring the assets and conflict of interests (Article 19 of the LPCCI). In January 2022, an Annual Plan for monitoring of assets and conflict of interests was adopted, which provided for verification of data on assets and conflict of interests from the following categories of officials:

- Directors of public enterprises – 10;
- Directors of public health facilities – 10;
- Directors of inspectorates – 4;
- Judges – 10;
- Public prosecutors – 10 and
- Members of Parliament – 10.

Consideration of cases of selected officials is still on-going due to the long period required to provide the necessary documentation from various institutions and to make proper analysis.

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

In the course of 2022, at its own initiative, the SCPC checked whether elected and appointed persons acted in accordance with the legal obligations and submitted their Declarations of Assets and Interests within 30 days from the day of their appointment or dismissal. Also, based on the submitted reports, but also at its own initiative, the SCPC formed cases for verifying the veracity of the data specified in the asset declarations submitted by the elected and appointed persons. The results of the actions taken by the SCPC in the period from 01.01.2022 to 31.12.2022 are shown in Table 13.

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Table 13: Overview of formed cases pursuant to Articles 82, 85 and 82 of the LPCCI

Grounds for action	2022			2021		
	Own initiative	Filed reports	Total	Own initiative	Filed reports	Total
Failure to submit / late submission of asset declarations / changed asset status forms – Article 82 or 85	17	6	23	753	29	782
Verification of data from asset declarations – Article 92	9	11	20	8	22	30
2022 Annual Plan for monitoring of assets and interests	54	-	54	45	-	45
Total:	80	17	97	806	51	857

Taking into consideration that the 2021 Local Elections were held in 2021, following which many new councillors, mayors, directors of public enterprises, and members of supervising and governing boards were elected, which also implies that as many persons were dismissed, the SCPC conducted a systemic verification whether all these persons have met their obligation to submit their asset declarations on time, following their election to or dismissal from office. Following the conducted verification, in December 2021, the SCPC formed 753 cases for the failure of such persons to meet the obligations specified above, and the consideration and the deciding on these cases continued in 2022.

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

- issued 372 misdemeanour payment orders, of which:
 - ✓ 367 misdemeanour payment orders relate to the non-submission or late submission of Declarations in accordance with Article 82 of the LPCCI and
 - ✓ 5 misdemeanour payment order issued for not reporting an increase in assets, contrary to Article 85 of the LPCCI.
- For 317 cases, decisions were taken to stop the proceedings, either because the situation became resolved, that is, the fine was paid, or because the SCPC's Misdemeanour Commission took over the cases for further action.
- 56 requests were submitted to the SCPC's Misdemeanour Commission to institute misdemeanour proceedings for cases when fines were not paid.

For one case an information was submitted to the Basic PPO for their competent consideration, and for the remaining cases verification of data is still on-going.

3.7 Register of Elected and Appointed Persons

The SCPC maintains a Register of elected and appointed persons as a single database for elected or appointed persons, responsible persons in public enterprises, public institutions or other legal entities disposing of state capital, notaries public, enforcement agents, category A administrative officers determined by law or persons employed in the Cabinets of the President of RNM, the President of the Assembly of RNM, the Vice-Presidents of the Assembly of RNM, the President of the Government of

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RNM, the Deputies to the Prime Minister of the Government of RNM, the Ministers and the Secretary General of the Government of RNM as special advisors in the processes of election, nomination, appointment, i.e. employment (Article 89 of the LPCCI).

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

Since the establishment of the register³ until 31st December 2022, data for 11,468 current and former elected and appointed persons were entered in the register. This is not the exact number of elected and appointed persons due to the fact that many institutions responsible for appointments and dismissals do not fulfil their reporting obligation to the SCPC. For this reason, the SCPC does not have real and accurate data on the number of elected and appointed persons, whether they are still actively performing their function or whether their mandate has ceased, whether they have been re-elected, etc.

Keeping the register of elected and appointed persons updated is of huge importance for the SCPC in the exercise of its other competences related to the recording and monitoring of assets and interests and the verification of data from the declarations of interests. In the course of 2022, with the support from the EU through an IPA 2 project, the development of an integrated software solution with multiple related modules was commenced for the purposes of the SCPC. The core module of this software should establish and ensure a single register of current elected, nominated and appointed persons based on the data that will be generated or updated by persons that have access to this register as authorised by the institutions that perform the election, nomination or appointment. The implementation of the module for registration of current elected, nominated or appointed persons is expected to commence at the beginning of 2023.

3.8 Conducting Misdemeanour Proceedings

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

Misdemeanour proceedings are conducted in accordance with the Law on Misdemeanours and before a request for misdemeanour proceedings is submitted, a settlement procedure is conducted with issuance of a misdemeanour payment order. Authorised official persons keep records of the issued misdemeanour payment orders and the outcome of the proceedings. The form and the content of the misdemeanour payment order is prescribed by the State Commission.

During the reporting period, the authorised official persons in the SCPC issued 403 misdemeanour payment orders, of which 375 relate to violations established under Articles 82 and 85 of the LPCCI, which concern the non-submission of asset declarations, interest declarations or the changed

³ The register was established in 2016.

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assets status report form. In 243 cases, the perpetrators did act on the issued payment orders and paid half of the issued fine within the legally defined deadline.

For the failure to pay the fine issued with the payment order, the authorised persons in the SCPC submitted 66 requests for instituting misdemeanour proceedings on account of the committed misdemeanour. Pursuant to the submitted requests for instituting misdemeanour proceedings, inclusive of 31.12.2022, the SCPC's Misdemeanour Commission adopted 40 decisions to impose the misdemeanour sanction Fine (in the total amount of the denar equivalence of 13,300 euros), 3 decisions to impose the misdemeanour sanction Reprimand, 3 decisions for exemption of liability, 3 decisions to stop the misdemeanour proceedings on account of withdrawal by the requester and 2 decisions to reject the requests for instituting misdemeanour proceedings. In 3 cases the requests for instituting misdemeanour proceedings were returned with the aim of implementing a settlement procedure in accordance with the law. For the remaining cases, the proceedings are still on-going.

The perpetrators have filed lawsuits with the Administrative Court of RNM against 14 decisions of the Misdemeanour Commission.

Based on the conducted settlement procedures, fines have been collected in the total amount of the denar equivalence of 39,200 euro on all grounds.

Table 14: Proceedings of the Misdemeanour Commission in 2022

Grounds for misdemeanour proceedings	2022	2021
Non-submission / late submission of an Asset Declaration and failure to report an increase in assets pursuant to Articles 82 and 85 of the LPCCI	375	87
Cumulation of functions, Failure to report conflict of interests	28	35
Total payment orders issued	403	122
Fines paid	243	82
Fines collected in the Budget of RNM in denars	2,430,400	1,035,334
Misdemeanour proceedings instituted	66	44
- Sanction imposed – Fine	40	24
- Sanction imposed – Reprimand	3	1
- Exemption from liability	3	10
- Repeated request for instituting a settlement procedure	3	7
- Termination of misdemeanour proceedings at the request of the SCPC	3	1
- Rejected request	2	1
- Complaints filed to the Secondary Commission		-
- Lawsuits filed to the Administrative Court	14	4

3.9 Anti-corruption Review of Laws and By-laws

The anti-corruption review of legislation – ARL has been acknowledged as a strong preventive measure, which is why the SCPC, in a special procedure and with special engagement, obligation and expertise, can express its opinion on all draft texts of laws in preparation which are submitted to the SCPC for an opinion. This contributes to a timely interception and prevention of all possible points of vulnerability and risk of corruption and conflict of interests in the legal norms. Moreover, the SCPC can take its own initiative to conduct ARL for laws and by-laws which it considers may produce corruption risk.

In compliance with the Methodology for Anti-corruption Review of Legislation, the SCPC adopted the 2022 Annual Plan for ARL, and identified the laws and deadlines for conducting the anti-corruption review.

The importance of the ARL is recognized and embedded in Article 68 of the Rules of Procedure of the Government of the Republic of Macedonia⁴:

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

In order to facilitate the anti-corruption review of legislation process, an ARL software solution started to be implemented in 2022 to some of the proposed legal texts, which is expected to ensure a faster identification and determination of provisions that contain risks of corruption or conflict of interests.

Within its competences, acting on requests submitted by competent authorities, but also at its own initiative, in 2022 the SCPC started an anti-corruption review of the following laws:

- Law on Waters (The Official Gazette of the Republic of Macedonia Nos. 87/08, 6/09, 161/09, 83/10, 51/11, 44/12, 23/13, 163/13, 180/14, 146/15 and 52/16 and The Official Gazette of the Republic of North Macedonia No.151/21) – provisions of Articles 28 and 230;
- Law on the Protection of Nature – provisions regulating the procedure for declaring a category V protected area – protected landscape;
- Law on Public Procurement – provisions regulating the administrative control (The Official Gazette of the Republic of North Macedonia Nos. 24/19 and 87/21) ;
- Law on Transformation of Employment Relationship (The Official Gazette of the Republic of Macedonia No. 20/15);

⁴ The Official Gazette of the Republic of Macedonia No. 38/01, 98/02, 9/03, 47/03, 64/03, 67/03, 51/06, 5/07, 15/07, 26/07, 30/07, 58/07, 105/07, 116/07, 129/07, 157/07, 29/08, 51/08, 86/08, 114/08, 42/09, 62/09, 141/09, 162/09, 40/10, 83/10, 166/10, 172/10, 95/11, 151/11, 170/11, 67/13, 145/14, 62/15, 41/16 and 153/16

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- Law on Real Estate Cadastre (The Official Gazette of the Republic of Macedonia Nos. 55/13, 41/14, 115/14, 116/15, 153/15, 192/15, 61/16, 172/16, 64/18 and The Official Gazette of the Republic of North Macedonia No. 124/19);
- Law on Associations and Foundations (The Official Gazette of the Republic of Macedonia Nos. 52/10, 135/11, 55/16 and The Official Gazette of the Republic of North Macedonia No. 239/22);
- Law on the Use and Disposal of Assets in State Ownership and Assets in Municipal Ownership (The Official Gazette of the Republic of Macedonia Nos. 78/15, 106/15, 153/15, 190/16 и 21/18 and The Official Gazette of the Republic of North Macedonia Nos. 101/19, 275/19 and 122/21);
- Law on Donations and Sponsorships in Public Activities (The Official Gazette of the Republic of Macedonia Nos. 52/10, 135/11, 55/16);
- Law on the Protection of Children (The Official Gazette of the Republic of Macedonia Nos. 23/13, 12/14, 44/14, 144/14, 10/15, 25/15, 150/15, 192/15, 27/16, 163/17, 21/18 and 198/18 and The Official Gazette of the Republic of North Macedonia Nos. 104/19, 146/19, 275/19, 311/20 and 294/21);
- ARL of laws and by-laws and other general acts that concern the VII/1 level of qualifications under the Macedonian framework of qualifications in employment;
- Law on the Management of Confiscated Property, Proceeds and Seized Assets in Criminal and Misdemeanour Proceedings – provisions concerning the public bidding for the purposes of selling the movable and seized assets as laid down in Articles 38 and 39 of the Rulebook on the Management of Seized Property;
- Law on Concessions and Public-Private Partnership (The Official Gazette of the Republic of Macedonia Nos. 6/2012, 144/2014, 33/2015, 104/2015, 215/2015 and The Official Gazette of the Republic of North Macedonia Nos. 153/19, 261/19, 275/19 and 89/22).

Moreover, at the request from the competent institutions, the SCPC provided its opinion on:

- Proposed Law on Administrative Servants;
- Working version of the Proposed Law on Criminal Proceedings;
- Working version of the Proposed Law on the Criminal Code;
- Proposed Law on Pardoning, and
- Harmonised text of the Agreement between the Government of RNM and the Government of Romania.

Unlike the previous year, this time around it was noted that the competent authorities accept the given recommendations when amending the existing legal solutions. Annex 4 to this Report contains an overview of the status and actions of these authorities following the published report from the conducted anti-corruption review.

As part of the EU IPA Project “Support to State Reorganisation, Component 2: Improving the Framework of Discretionary Powers”, seven analysis were published in 2022 of the discretionary powers in several legislation areas, including:

- Discretionary powers in the general legislation regulating employment;
- Discretionary powers in the legislation regulating the employment in the area of healthcare;
- Discretionary powers of the legislation regulating the employment in the area of culture;
- Discretionary powers in the legislation regulating the employment in education;
- Discretionary powers in the legislation regulating the issuance of licences for practicing healthcare activities upon public call;

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- Discretionary powers in the legislation regulating the issuance of various types of licences and permits in the area of the environment; and
- Strengthening the control systems, including legal amendments, for application of discretionary powers when issuing permits and in the employment.

The recommendations given in all of the specified analysis were marked according to the “traffic lights” principle, depending on the risk they create, to facilitate the prioritisation during their enhancement and implementation.

In 2022, the competent institutions in coordination with the Government of RNM were expected to start implementing the recommendations from the conducted analyses, and the SCPC was supposed to monitor the implementation. As no information was provided as to whether the Government has developed an Action Plan for incorporating the recommendations for enhancement of the legal framework regarding discretionary powers in the national legislation, the SCPC held a work meeting in the last quarter of 2022 with the Secretary General of the Government of the Republic of North Macedonia, to better coordinate the future activities regarding the implementation of the given recommendations.

In the course of 2022, supported by the OSCE Mission to Skopje, the Aarhus Centre Skopje in coordination with the SCPC carried out monitoring of the implementation of recommendations for amending and supplementing the environmental protection legislation with the aim to enhance the national legal framework and prevent the corruption in this area, as continuation of the 2021 activities when, again supported by the OSCE Mission to Skopje, the anti-corruption review of legislation in the area of the environment was conducted. The report from this monitoring is expected to be finalised in the course of the first quarter of 2023.

3.10 Analyses of Corruption Risks in Different Sectors

Under Article 17 Paragraph 1 Point 17 of the LPCCI, the SCPC has the competence to prepare analyses of corruption risks in different sectors.

For the purposes of exercising this competence in the area of employment, within the project “*Vulnerability of legislation with regard to corruption, assessment of employment practices and procedures with a special focus on nepotism, cronyism and clientelism*” implemented by Transparency International – Macedonia, an analysis of 31 laws and by-laws was carried out and in October 2020 a final report “*Vulnerability assessment of corruption in employment policies and procedures, with a special focus on nepotism, cronyism and clientelism*” was published.

From the total of 42 recommendations given and the 151 activities proposed, which were deemed necessary to overcome the vulnerable points in this area, above all by amending certain legal solutions, in the period up to October 2021, quarterly monitoring was conducted of the implementation of the recommendations, and it was established that 2% of the recommendations were fully implemented, 73% were partially implemented, and 25% were not implemented.

Unfortunately, the period of 2022 has seen stagnation of the situation, because many of the proposed laws were once again amended and published on ENER in said period, for which final draft versions have not been prepared yet. Therefore, the level of realisation of the recommendations in 2022 remains identical with the 2021 level of realisation: 2% – fully implemented, 73% – partially implemented,

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and 35% – not implemented. No coordination has been established between the institutions with regard to monitoring the implementation of the recommendations and providing the required data, that is, it has not been identified to which institution the materials which concern the implementation of the recommendation are to be sent.

The SCPC will continue, within its capacities, monitoring the implementation of the recommendations from the report.

Within the context of realising the recommendations that concern employment, the SCPC made a total of 20 recommendations during the anti-corruption review of the Proposed Law on Administrative Servants, which was last published on ENER in September-October 2022.

In the area of urbanism, same as with 2021, with the financial support of CEP – USAID, Transparency International Macedonia implemented the project "Assessment of the Vulnerability to Corruption in State Institutions and Authorities for Spatial Planning, Urbanism and Construction" by analysing the legal framework in the areas of spatial planning, urbanism and construction, where 25 risks were identified.

In the course of 2022, the SCPC monitored the process of implementation of the recommendations from the analysis, for which three quarterly reports were developed (the fourth quarterly report will be published by February 2023). From the monitoring conducted in 2022, out of the total of 36 given recommendations, 5% were partly implemented, and 95% were not implemented. Addressing the recommendations given, and upon initiative from the SCPC, public debates were organised which led the process of dialogue between the concerned institutions, local self-government units, and third-party stakeholders in this area.

3.11 Strengthening the Personal and Institutional Integrity

In the course of 2022, the SCPC started exercising another important competence stipulated in Article 17 Point 18 of the LPCCI, so it implemented a range of activities aimed at strengthening the personal and institutional integrity.

The establishment and implementation of the integrity system elements is covered in the National Anti-corruption Strategy 2021-2025, the Public Administration Reform Strategy 2018-2022 with its Action Plan, and the new Public Administration Reform Strategy 2023-2030. With the purpose of fulfilling the competences and obligations laid down in these strategic documents, the SCPC works effectively on implementing the integrity system elements in the central government authorities and in the local self-government.

The SCPC activities in 2022 were aimed at continuously strengthening the three levels of integrity: institutional, personal and sectoral.

- ⇒ **Sectoral integrity** – strengthening the sectoral integrity through monitoring the implementation of the measures and activities from the National Strategy for Prevention of Corruption and Conflict of Interests in the sectors. To efficiently monitor the realisation of the activities, a web application was developed to gather and analyse the data about the level of implementation of the planned activities submitted to the competent institutions. In support of this activity, a methodology was developed for assessing the integrity in the vulnerable sectors – the Integrity Index – a tool that ensures quality assessment of effects from the implementation of activities from the National Strategy.

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- ⇒ **Institutional integrity** – the SCPC called upon the public sector institutions, both from the central and local level, to start the process of introducing the integrity system by signing an Integrity Policy and appointing an Integrity Officer. By the end of 2022, out of the 85 public sector institutions, Integrity Policy was signed and Integrity Officers were appointed by the following:
- 18 central level institutions and
 - 67 local self-government units.

Also, a series of trainings were delivered to the ministries, to some of the autonomous state authorities and to the local self-government units. Moreover, many documents were prepared to facilitate the process of implementation of the integrity system in the public sector institutions, including:

- Handbook for Integrity Officers;
- Guidelines for Institutional Corruption Risk Assessment in the Republic of North Macedonia;
- Guidelines for Code of Ethics Development for Institutional Operations;
- Instruction for Using Official Vehicles and Realising Official Travels;
- Instructions for Developing Internal Acts on Conflict of interests Management;
- Instructions for Managing Gifts, Benefits and Hospitalities in the Public Sector; and
- Methodology for Sectoral Integrity and Corruption Risk Assessment, covering the sectors / areas related to the public institutions' activities.

At the beginning of 2022, a round table was held with the executive power officers on the topic of "Culture of Integrity – Road to Success in the Fight against Corruption" to underline the commitment of all institutions to fully introduce the integrity system, to correctly implement the Law on the Protection of Whistle-blowers and to successfully implement the GRECO recommendations for detecting and managing conflict of interests. A meeting was held with the mayors, in order to ensure the continuity in implementation of the integrity system elements in the local self-government units. Moreover, in the period between 9-13 May 2022, in cooperation with the OSCE Mission to Skopje, the SCPC delivered one more cycle of the education process with the local self-government representatives.

In the period between 16-19 May 2022, trainings were delivered on the implementation of the integrity system for Integrity Officers appointed by the Government and by the ministries that had signed the Integrity Policy. Moreover, in the second half of October 2022, these trainings were held for the Integrity Officers from the central and local government institutions.

- ⇒ **Personal integrity** – At the beginning of 2022, the SCPC conducted the Integrity Campaign aimed at raising the public awareness about the importance of the ethical conduct of official persons together with promoting the developed tools and procedures for preventing and reporting the corruption and conflict of interests, and using the right to free access to public information. To this end, the SCPC delivered a series of trainings on implementation of the Integrity Policy for state institutions and local self-government units as well as a training cycle on monitoring the implementation of the integrity system elements through the web application.

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To implement its competences more efficiently, in the course of 2022, the SCPC developed an e-learning platform which represents an integrated portal where all stakeholders and interested parties may get educated on topics in the area of corruption and integrity. Moreover, the SCPC Training Centre was equipped and started its operation within the SCPC premises.

In line with improving the transparency in its operation, a software solution was developed for the purposes of the SCPC – the Communication Portal – the purpose of which is to ensure the provision of timely and correct information from the SCPC to all institutions in the area of integrity and anti-corruption. In December 2022, a questionnaire concerning the application of the integrity system was published on the SCPC's Communication Portal so as to obtain the relevant information about the level of implementation of the Integrity Policy. Having evaluated the responses, the SCPC developed the report from the implemented monitoring of implementation of the integrity system in the public sector institutions of the Republic of North Macedonia in 2022. The report will be published on the SCPC website, and some of its important sections have been presented in Annex 5 to this Report.

Testing the "Integrity Policy" Project

Five public sector institutions were selected as pilot institutions to assess the introduction of the integrity system, including: the SCPC, the State Audit Office, the Ministry of Information Society and Administration, the Inspection Authorities Council and the Agency for the Protection of the Right to Free Access to Public Information. To this end, five-day trainings were delivered by external experts to the selected institutions' employees who elaborated all the Integrity Policy elements. The piloting process was finalised with the Report on the Implementation of the Integrity Policy in the Pilot Institutions, which is published on the SCPC website.

Implementing the Integrity System in the SCPC

The SCPC is one of the institutions that took on to apply the Integrity Policy, and having signed the Integrity Policy and having appointed the Integrity Officer and his deputy, the SCPC formed a working group for introducing the integrity system in the SCPC by developing the Integrity Policy elements. As a result of these activities, in addition to the existing acts, in the course of 2022 additional internal acts were developed which arise from the individual elements of the Integrity Policy, including:

- Report on the Corruption Risk Assessment;
- Register of Corruption Risks; and
- Rules for Managing Gifts, Benefits and Hospitalities in the SCPC.

Moreover, in the last quarter of 2022, with the support from ReSPA (the Regional School for Public Administration), activities were initiated in the SCPC for implementing the Common Assessment Framework (CAF) as part of the Quality Management elements. A working group was formed for introducing the Common Assessment Framework, which was provided with an appropriate training by experts secured with the help of ReSPA.

Educational and Awareness-raising Activities on Corruption and Conflict of Interests

Continuous education is one of the key priorities and tools in identifying and managing corruption, but also in encouraging ethical conduct, preventing conflict of interests and creating the conditions for people's greater trust in the public sector.

Pursuant to its competences laid down in Article 17 Paragraph 1 Point 19 of the LPCCI, in the course of 2022, too, the SCPC used campaigns and public debates to raise the awareness of the general public about the importance and significance of integrity in general, and particularly among public office holders and other official persons. The SCPC worked actively on education by delivering trainings in the areas of corruption and conflict of interests to the public sector institutions' employees:

- for the inspectors employed with the State Administrative Inspectorate;
- for the tax officers at managerial positions in the local offices of the Public Revenue Office, implemented through the PRO's Tax Academy;
- for the employees of the National Bank of the Republic of North Macedonia.

The crises caused by the COVID-19 pandemic imposed a new mode of communication and distance learning. This method of learning allowed for greater access to education for many people who could not attend physically. Building on the lessons learned and the new trends, the SCPC developed an e-learning system accessible through the SCPC's website. These lessons are available to all interested citizens, but are primarily available to the public sector employees. After completion of the educational segment, the registered users have the possibility to obtain a certificate of completed course after they take a short test/quiz. By the end of 2022, with the support from the European Union, through the IPA project "Promotion of Transparency and Accountability of the Public Administration in North Macedonia", four lessons were developed:

- ✓ "Integrity System",
- ✓ "Conflict of Interests",
- ✓ "Corruption Prevention", and
- ✓ "Protection of Whistle-blowers".

The development of the fifth lesson is in its final stage of completion with the support from the OSCE Mission to Skopje: "Transparency as a Component of the Integrity Policy".

The e-learning platform will be continuously upgraded with new lessons, which will ensure sustainability of these activities. To improve, promote and encourage the process of education of the public administration, to raise the awareness and enhance the knowledge in the area of prevention of corruption and conflict of interests, whistle-blowers protection, ethics and integrity, to strengthen the personal and institutional integrity and also to raise the awareness about corruption and conflict of interests in the public sector, the SCPC signed a Memorandum of Cooperation with the Ministry of Information Society and Administration, which will ensure that the e-learning lessons become integrated in the MISA's LMS platform.

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The SCPC pays continuous attention on raising the awareness of and educating the primary school pupils about the importance of the fight against corruption and promotion of integrity. In December 2022, at the occasion of the Patron's Day of the Municipal Primary School "Nevena Georgieva Dunja" in Kisela Voda, the SCPC held a workshop for the 9th grade children on the topic of corruption and integrity. The workshop was an interactive one, where the pupils were presented with dilemmas and asked questions by the president, Biljana Ivanovska, and the school's professor of Ethics and Civil Education, Sreten Rogov, and the pupils were invited to provide their answers on the topic, as a form of evaluation of what they had learned from the lecture. The SCPC believes that raising the awareness and enhancing the knowledge of the youngest ones about the harm from corruption, and building a youth with integrity, are of particular importance for the future of our country,

Organisation of Public Debates

Following the reactions of the public, the media and the civil society organisations regarding certain situations that have been identified as threatening to or violating the constitutionality guaranteed civil rights, in 2022, too, the SCPC organised a number of public debates on the topics of:

- "Integrity in Higher Education – Encouraging the Fight Against Corruption" – January 2022;
- "Amendments to the Urban Planning Regulations – Is It Needed or Is It Risk from Corruption" – February 2022, and
- "Discretionary Powers in Adopting By-laws as a Corruption Risk in Urban Planning" – June 2022.

The public debates were attended by and saw the active participation of renowned experts in the specific areas, university professors, ministers and directors of institutions from the specific sectors, civil society organisations, journalists and other interested parties. As the result from these debates, conclusions were defined and submitted to the line ministries, as points of risk that need to be taken into account and overcome when designing new or amending the existing legal solutions. As the result from the public debate on the discretionary powers in adopting by-laws as corruption risk in the urban planning, the Ministry of Transport and Communications held two coordination meeting in July and October 2022, attended by relevant institutions, with the objective of amending the Rulebook on the Urban Planning and the Proposed Law on Physical Planning.

3.12 Application of the Law on the Protection of Whistle-blowers – LPW

Respecting the principles of legality, transparency, accountability and responsibility, in line with the provisions of Article 15 Paragraph (2) of the Law on the Protection of Whistle-blowers⁵, the SCPC presented within this Report, for the third consecutive year, the Annual Report on the reports received from whistle-blowers in 2021 as an integral part of the SCPC's 2022 Annual Work Report.

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

This Report illustrates the status of activities undertaken in relation to the implementation of the LPW and the by-laws by the SCPC and other public sector institutions since the beginning of the application of the LPW until 31st December 2022.

Legal Regulations

⁵The Official Gazette of the Republic of Macedonia Nos. 196/2015, 35/18

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The Law on the Protection of Whistle-blowers was adopted on 09.11.2015 and came into force on 18.03.2016. To implement the law, by-laws were adopted⁶ which regulated the manner of action related to the protected internal and external reporting in the public and private sector institutions. The by-laws arising from the LPW came into effect concurrently with the LPW on 18.03.2016.

The SCPC Actions in the Implementation of the LPW

Acting in accordance with the competences laid down in the LPW and in the by-laws arising from it, the SCPC undertook specific actions to establish a system of whistle-blowers protection, so that as of April 2016, an authorised person was appointed for receipt of whistle-blower reports for protected internal and protected external reporting in accordance with the prescribed requirements. An internal procedure on the form and the manner of receipt of whistle-blower reports for protected internal and protected external reporting was adopted and is published on the SCPC website.

Since the entrance into force of the LPW and the by-laws arising from it, Annual Reports on whistle-blower reports received for the years 2016, 2019, 2020 and 2021 were submitted to the Assembly of the Republic of North Macedonia, which are published on the SCPC website (the last three reports are contained in the SCPC's Annual Work Report). For 2017 and 2018, no Annual Reports were submitted to the Assembly of RNM due to the dysfunctionality of the SCPC.

Register of Authorised Persons for Receipt of Whistle-blowers' Reports

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

Article 15 of the Law on the Protection of Whistle-blowers:

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

Starting from 18th March 2016, public and private sector institutions shall submit to the SCPC notifications of appointment of authorised persons for receipt of whistle-blower reports in those institutions with their contact details. In accordance with the obligations laid down in Article 17 Paragraph 1 Point 21 of the LPCCI, and based on the data received from the institutions, the SCPC has established a Register of Authorised Persons for Receipt of Whistle-blower Reports, which is regularly updated. Table 15 shows the number of institutions that acted in accordance with the LPW.

⁶ Rulebook on the Protected Internal Reporting in Public Sector Institutions; Rulebook on the Protected External Reporting; and Rulebook on the Guidelines for Adoption of Internal Acts for Protected Internal Reporting in the Private Sector Legal Entities.

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Table 15: Number of Institutions and authorised persons under the LPW

Year	Number of institutions	Number of institutions and authorised persons	Number of authorised persons	In %
2020	1,324	113	115	8.5%
2021	1,324	178	179	13.44%
2022	1,324	200	201	15.18%

In March 2021, the Government of RNM adopted the Anti-corruption Plan – “Action 21”, where in Point 9 – Appointment of an Authorised Person for Receipt of Whistle-blower Reports, it reads that all state administration bodies are obligated, all institutions that do not have the status of a state administration body are instructed, and all local self-government units are recommended to appoint an authorised person for receipt of whistle-blower reports in order to establish protected internal reporting under the Law on the Protection of Whistle-blowers and to publish the information on their websites.

The insight into the websites of the institutions shows that most of them acted on the guidelines of the Government and established a system of protected internal reporting,⁷ but did not fulfil the obligation for reporting to the SCPC, i.e. did not submit a notification of appointment of an authorised person with his/her contact details, as a result of which the Register of Authorised Persons, which is regularly updated by the SCPC, contains data on a small number of institutions, which is also evident from Table 16. The situation did not significantly change in 2022 either.

Reporting on Whistle-blower Reports Received

The public sector institutions have an obligation to submit semi-annual reports on received whistle-blower reports, which should contain general statistics and data on formed cases per received reports, in accordance with Article 15 of the LPW. Although the obligation to submit semi-annual reports does not apply to private sector entities, it is noteworthy that a number of them submit semi-annual reports at their own initiative. Table 16 shows the number of reports submitted to the SCPC by year.

Table 16: Semi-annual reports submitted to the SCPC

Year	Period	Public sector institutions	Private sector legal persons	Total	Institutions that have received reports	Submitted reports
2020	01.01-30.06	54	6	60	5	10
	01.07-31.12	66	7	73	3	11
2021	01.01-30.06	75	8	83	4	25
	01.07-31.12	75	7	82	3	19
2022	01.01-30.06	103	10	113	4	17
	01.07-31.12	118	5	123	5	7

The comparison of the data for the submitted reports with the data from the Register indicate that, although the majority of the institutions have established a system of protected internal reporting, they

⁷ An authorised person for receipt of whistle-blower reports has been appointed, contact details on authorised persons for receipt of whistle-blower reports have been published, internal procedures for protected internal reporting have been published.

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have not fulfilled their obligation to submit a semi-annual report to the SCPC for the reason that they have not received reports from whistle-blowers.

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

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

Analysis of the Semi-annual Reports Received

In the semi-annual reports submitted in the first half of 2022, four (4) institutions reported that the authorised persons in those institutions received a total of 17 reports from whistle-blowers on which action and measures were taken in accordance with the Law on the Protection of Whistle-blowers and the by-laws.

In the second half of 2022, five (5) institutions reported that they received 7 reports from whistle-blowers on which they took actions in accordance with the Law.

Compared to previous years, the 2022 data indicate that there is a slight improvement in the application of the LPW in terms of protected internal reporting. Starting from the fact that the LPW identifies two main channels of protected reporting: protected internal reporting (in all public sector institutions) and protected external reporting (Ministry of Interior, competent public prosecutor's office, the SCPC, Ministry of Interior, Ombudsman), the increased number of submitted reports through the internal reporting channel shows that there is increased confidence among citizens to use this opportunity for reporting suspicions of illegal practices or irregularities in the operation of public institutions, which is a small step forward in the implementation of the LPW.

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

SCPC Actions on Whistle-blowers' Reports Received in 2022

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

The person authorised for receipt of whistle-blower reports within the SCPC, as well as from the SCPC members, presented in various ways, including through direct communication at different gatherings, workshops, conferences or through statements in the media, numerous information about the actions taken by the SCPC on such reports. This resulted in the submission to the SCPC of a significant number of reports alleging suspicion or knowledge of illicit, punishable, unethical or unlawful practices in the institutions in which they are or were employed in the past or of which they learnt from other sources (provision of services or another type of business cooperation). The increased level of reporting to the SCPC is also due to existence of suspicion that institutions where they work or used to work will not act on their reports, as well as to the well-founded fear of the possibility of harmful consequences that whistle-blowers or their family members might suffer in cases of internal reporting.

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Content of the Reports Received

In 2022, 10 reports were submitted to the SCPC containing allegations of suspected illicit, illegal and unethical actions by the responsible persons or other official persons in the institutions where they work or used to work or which were obtained otherwise (by providing services or implementing another type of business cooperation). All whistle-blower reports to the SCPC were submitted through the protected external reporting channel, i.e. they contain allegations of knowledge or suspicions of illegal acts committed by responsible or official persons in other public sector institutions, which is a result of the trust the public has gained in the SCPC, as well as on account of suspicion that their reports will not be processed in the institutions where they work or used to work.

Form and Manner of Receipt of the Reports

Under the Rulebook on Protected External Reporting in Public Sector Institutions, the whistle-blower can perform protected external reporting orally as per minutes or in writing, or submit it personally or by post or via email to the authorised person. The analysis of reports received from whistle-blowers showed that of the 10 written reports received,

- nine were submitted in writing by post and
- one report was submitted via an e-mail.

Whistle-blower Anonymity / Confidentiality Data

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

Regarding the anonymity or confidentiality data, of the 10 reports received, five reports were submitted by confidential whistle-blowers (their identity is known to the authorised person for receipt of whistle-blower reports), while four were submitted by anonymous whistle-blowers.

Category of Persons Appearing in the Capacity of Whistle-blowers

In line with the established categorisation of persons who can appear as whistle-blowers in accordance with Article 2 Paragraph (3) of the LPW:

- three whistle-blowers were persons who were employed in the institution, i.e. the legal entity which is being reported,
- two whistle-blowers were former employees in the institution which is being reported, and
- five whistle-blowers were anonymous and their category could not be determined in accordance with Article 2 Paragraph (3) of the LPW.

Actions Taken

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

Acting in accordance with its competences, the authorised person for protected external reporting in the SCPC formed ten (10) cases, performed an assessment of the content of each of the reports and adopted conclusions for verification of the allegations contained therein as well as for determining the factual situation. As part of the process, a total of 12 requests were submitted to other institutions for:

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

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

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

Status of Cases and Effects of Actions Taken

Table 17 shows the effects of the SCPC's action in relation to the cases formed following whistle-blower reports until 31st December 2022.

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Table 17: The SCPC actions on whistle-blower reports

Activity description	2022	2021	2020	2019
Number of reports received	10	9	6	19
Number of reports resulting in cases being opened	10	9	6	19
ACTIONS TAKEN BY THE SCPC				
Reports submitted to other institutions of protected external reporting in accordance with the LPW for further action			1	
Decisions taken	5	9	17	
- Unconfirmed allegations	3	5	12	
- No legal grounds for actions by the SCPC			4	
- Factual situation changed		4		
- At the request of the person filing the report, the case was submitted for regular action by the SCPC	1		1	
Actions of the SCPC is on-going	13	8	5	
INITIATIVES SUBMITTED				
Initiatives to a competent authority to determine liability of an official person and Initiative to the PPO RNM	1		1	
Indication with guidelines for taking measures and actions to a responsible person in the institution; the SCPC's action on the case is ongoing			1	

After having verified the allegations and established the factual situation in five (5) cases, the SCPC found the following:

- ✓ In one case, after the administrative verification of the allegations was carried out based on the data and documentation obtained from other institutions, an initiative for establishing disciplinary liability was submitted to a public enterprise concerning one official person – an employee of that public enterprise, a member of the Commission for Selection of Candidates pursuant to a public call, as this person had participated in all stages of selection, without reporting the existence of a private interest with regard to the reported candidate and without asking to be exempted from the further course of the procedure once aware of the existence of the conflict of interests;
- ✓ In three cases, it was established that the allegations were not confirmed and the SCPC decided that there exist no elements for further actions in the specific cases, for which the whistle-blowers were accordingly informed.
- ✓ The action on one of the cases was stopped on account that the submitted report did not include sufficient elements that could qualify the report as being submitted by a whistle-blower in accordance with Article 2 of the Law on the Protection of Whistle-blowers, so the SCPC continued the consideration of this case in a regular procedure pursuant to the LPCCI.

In addition to the activities specified above which are related to the implementation of the LPW, in the course of 2022, and as part of three different projects, the SCPC organised and delivered seven

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trainings to the authorised persons for the protected reporting and the employees of the public sector institutions, which were attended by more than 60 participants. Also, through the European Union project “Breaking the Silence: Enhancing the Whistle-blowing Policies and Culture in Western Balkans and Moldova” implemented by the Regional Anti-corruption Initiative (2020-2023), an assessment of the institutional capacities was made for the protection of whistle-blowers in the countries of the Western Balkans and Moldova, and trainings were implemented with the authorised persons, expert counselling and annual meetings were held with the stakeholders, and a public information campaign was conducted on the protected reporting aimed at the general public, the professional community and the youth in all jurisdictions covered by the Project.

Application of the Law on Lobbying

Same as with the Law on the Protection of Whistle-blowers and the Electoral Code, the SCPC has the competence to implement the new Law on Lobbying adopted on 01.06.2021, and which came into force with delay on 11.06.2022. Registration of a lobbyist, or a lobbying organisation, is carried out by filing an application with the State Commission, which makes an assessment whether legal requirements for registration have been met.

Under this law, the SCPC has the following competences:

- ✓ keeps the Register of Lobbyists, Lobby Organisation and Lobbying;
- ✓ takes decisions for registering lobbyists / lobby organisations in the Register;
- ✓ adopts resolutions for deleting lobbyists / lobby organisations from the Register, in cases laid down in the law;
- ✓ supervises the application of the provisions from the Law; and
- ✓ conducts misdemeanour proceedings and imposes misdemeanour sanctions.

Within the legally defined deadline, at its 56th session held on 10.12.2021, the SCPC adopted the following by-laws, which were published in The Official Gazette of RNM No. 17/22:

1. Rulebook on the Form and the Manner of Keeping the Register of Lobbyists, Lobby Organisations and Lobbying;
2. Rulebook on the Form and the Content of the Application and Declaration Forms for Registration in the Register of Lobbyists, Lobby Organisation and Lobbying;
3. Rulebook on the Form and the Content of the Minutes Form for the Contact Established for the Purposes of Lobbying;
4. Rulebook on the Form and the Content of the Report Form for Lobbying Activities; and
5. Rulebook on the Form and the Content of the Misdemeanour Payment Order.

Moreover, the SCPC prepared a model internal act that can serve as an example to the lobbied bodies in fulfilling their obligations laid down in Article 24 of the Law on Lobbying. The State Commission submitted the model internal act in electronic form to the Assembly and the local self-government units, as well as to the Cabinet of the Deputy President of the Government in charge of good governance policies, from where it was forwarded to the state administration authorities.

A total of 31 internal acts were submitted by the lobbied bodies by the end of 2022.

In accordance with Article 8 of the Law, the SCPC developed and commissioned a software solution – an electronic Register of Lobbyists, Lobby Organisation and Lobbying, which can be accessed at the link <https://lobisti.dksk.mk/> published on the SCPC website.

With the purpose of familiarising with the concept of lobbying, international lobbying standards and the SCPC competences established under the Law on Lobbying, in May 2022 a training was delivered to

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all SCPC employees. Moreover, in June 2022, the SCPC delivered a special training to the lobbied bodies on the development of internal acts, which, under Article 24 of the Law, are obliged to have them developed and submitted to the SCPC. The Law on Lobbying, its by-laws and other materials and information related to lobbying are available on the SCPC website, on the page dedicated to lobbying.

3.13 *Taking Action on Requests for Access to Public Information*

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

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

In 2022, 31 requests for access to public information were submitted to the SCPC and were processed within the deadline prescribed by the Law. Of the total of 31 submitted requests for access to public information, 30 requests were answered positively, and one request was rejected with a decision, because the applicant failed to act pursuant to SCPC request and did not complete their application within the legal deadline. The rejected request has not been appealed to the competent Agency.

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

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

The primary document is certainly the European Commission's Progress Report on RNM for 2022, which states that *"North Macedonia has achieved some level of preparation / is moderately prepared to apply the EU acquis and European standards. Although the SCPC continues to carry out its mandate proactively, corruption still remains prevalent in many areas and is an issue of concern."*

As regards the SCPC, the Report states that the Commission is particularly proactive in preventing corruption due to great number of open cases, including those involving high-level officials from across the political spectrum. The adoption of the National Strategy for Prevention of Corruption and Conflict of Interest 2021-2025 and the Action Plan by the Assembly of RNM is recognised as consolidating the country's commitment to prevent corruption and to sanction corrupt behaviour. The recommendations remain for the authorities to invest greater efforts to fully implement the conclusions from the SCPC' reports.

Transparency International's 2022 Report on the Corruption Perceptions Index notes progress in the fight against corruption. According to the published list evaluating the country's progress in the fight against corruption, North Macedonia ranks 85th with 40 index points.

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

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

- hampered work of the Assembly due to political polarisation, which delayed the adoption of many laws;
- limited progress in implementing the recommendations regarding the public administration reforms. The delayed adoption of legislation concerned the organisation and work of state administration bodies and the new legal framework on human resources management (revision of the Law on Administrative Servants and the Law on the Public Sector Employees and the new Law on High Managerial Office);
- slow pace of implementation of human resources strategies in the judiciary and public prosecution;
- unimplemented recommendations of OSCE/ODIHR through a wide consultation process and with the objective of reforming the electoral legislation.

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All this indicates that the situation with corruption is serious and further steps are necessary to strengthen the material / technical and human capacities of competent institutions, their independence and proactivity in taking actions, and most of all, commitment and effective political will to overcome such a situation.

5 Ensuring Working Conditions for the SCPC

5.6 Training Centre

In the course of 2022, the SCPC made efforts to adapt its premises and use the available equipment to set up a Training Centre which will cover the areas of anti-corruption, conflict of interests, integrity of public sector employees. To this end, with the support from USAID, technical equipment was provided for simultaneous interpreting to be used by the Training Centre.



5.7 Education of the SCPC Employees

The increased number of SCPC employees imposed the need to organise adequate trainings for the employees so that they can acquire the necessary skills and knowledge, or improve the existing skills, to effectively execute their work assignments. To this end, following trainings were organised and delivered:

- “Basic Communication – Convincing by Communicating”, organised within the IPA 2020 project “Rule of Law” as part of the component III and component IV;
- “Introduction to the Lobbying Process”, as part of the IPA 2020 project “Rule of Law” together with the employees of the Cabinet of the Deputy Prime Minister in charge of good governance policies, with the objective of enhancing the cooperation and good communication;
- The SCPC mandate arising from the new Law on Lobbying, for which lobbying-related training videos were produced in compliance with general and international regulations and practices of GRECO.

5.8 Software Solutions

For the purposes of improving the work of the SCPC, in the course of 2021, mostly with the support from the European Union’s IPA projects, started the development of several software solutions for improving the efficiency of the SCPC’s work, enhancing the communication with other institutions and expediently obtaining the necessary documents from various institutions. The use of some of the software started already in 2021, but due to the complexity of the processes, it was proposed that in the course of 2022 the following should be developed:

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

The application of the DMS software started in March 2022, following a test period and the necessary training of the employees. This software allows for the movement of cases within the institution to be monitored by direct link with the archives records. Moreover, this software solution was upgraded with a performance monitoring system of each unit or sector, by automatically providing the data from each of these, and monitoring them over particular periods, in specific reports pursuant to the needs and requests. This segment of the software solution is in its test period and will soon become fully operational.

➤ **Software Solution – Communication Portal**

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

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

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

The software has been operational since March 2022.

➤ **Software solution – Register of Elected and Appointed Persons, electronic submission of declarations of assets and interests, their publication, a system for collecting data from other institutions, their processing, document management module and maintenance of the overall system**

In order to exercise its competences, Article 25 of the Law on the Prevention of Corruption and Conflict of Interests allows the SCPC to have access to databases held by 22 other authorities and institutions by way of data exchange through web services and data media, free of charge. Also, in accordance with Article 85 Paragraph 5 of the same Law, the declaration of assets and interests should be submitted electronically and the data should be made publicly available.

After the unsuccessful attempts to implement this software in 2019 and 2020, with the support from the EU through the IPA 2 project – Transparency and Responsibility of the Public Administration, the SCPC selected an IT company to develop the software, and in November 2021 started its implementation.

The software solution consists of two modules, with a possibility for its linking and upgrading with new ones, depending on the needs of the SCPC. This software solution will enable electronic submission of declarations of assets and interests, their publication, a system for collecting data from other institutions, their processing, a document management module and maintenance of the entire system,

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thus contributing to modernisation of the SCPC information system by establishing efficient connection and data exchange with other institutions.

The module – Register of Elected and Appointed Persons – will allow the SCPC to receive data in real time on the elected and appointed persons by the authorities performing the appointment / dismissal. The test period for this module started in December 2022, and will become fully operational in February 2023.

To make the second module operational, the module for electronic submission of the declarations of assets and interests, the SCPC concluded agreements for cooperation and data exchange in electronic form through the web services and data media of: the Central Registry of RNM, the Ministry of Interior, the Agency for Real Estate Cadastre, the Ministry of Justice and the Public Revenue Office. Following the expiry of the test period, this system is expected to become fully operation as of April 2023.

6. Cooperation with Public Sector Institutions in the Republic of North Macedonia

The SCPC is in everyday communication with the public sector institutions in the country with the purpose of strengthening the preventive and repressive mechanisms in the fight against corruption, taking activities for promotion of the rule of law, introducing integrity system elements on central and local level and, in general, implementing activities for enhancing the institutional cooperation.

In the course of 2022, the SCPC improved its cooperation with nine institutions by signing a Memorandum of Cooperation:

- National Bank of RNM,
- Faculty of Architecture of the Skopje University,
- Primary School SUGS Kočo Racin,
- Inspection Authorities Council,
- Human Rights Institute,
- Central Registry of RNM,
- University for Information Science and Technologies "Sv. Apostol Pavle" Ohrid,
- MOI,
- MISA.

Participation in the Development of the Public Administration Reform Strategy 2023-2030 with Action Plan

In the course of 2022, the SCPC took an active part in developing the new Public Administration Reform Strategy 2022-2030 with Action Plan, where MISA plays the coordination role, that is, is the designer of the public administration reform policy.

Towards the European Union Membership

In 2022, the Republic of North Macedonia started the preparations for membership negotiations with the European Union. As an independent institution, and within its competences in the area of anti-corruption policies, the SCPC followed the Explanatory Session where the European Commission made a detailed presentation of the EU acquis on the political criteria – public administration reform. By the end of 2022, Bilateral Sessions were held, where the stakeholder institutions reported on the progress made in each area separately. The SCPC was part of the Cluster 1 Bilateral Sessions on the chapters: 05 – Public procurement, Democratic institutions, Economic criteria; 23 – Judiciary and fundamental rights; 24 – Justice, freedom, security; and 32 – Financial control; where it presented the anti-corruption policies for these areas, that is, for the sectors where the involved institutions belong.

The Civil Society Organisations Anti-corruption Platform

The Civil Society Organisations Anti-corruption Platform, formed by 16 civil society organisations,⁸ gives continuous support to the SCPC's work in exercising its competences established under the Law on the Prevention of Corruption and Conflict of Interests, the Law on

⁸Association for Democratic Initiatives, Institute for Democracy "Societas Civilis" – Skopje, Civil Society Research Centre, Coalition "All for Fair Trials", Macedonian Centre for International Cooperation, MOST, Metamorphosis, Ohrid Institute, Transparency International Macedonia, Transparency Macedonia, Foundation Open Society – Macedonia, Forum CSRD, Centre for Civil Communication, Centre for Research and Policy Making, EUROTHINK – Centre for European Strategies, Helsinki Committee for Human Rights, SCOOP – Centre for Investigative Journalism.

Lobbying, and the Law on Whistle-blowers, securing the financial support from various sources in the form of projects that were implemented, and which were related to the SCPC's work.

6.1. Cooperation with International Organisations

The international community's support to the SCPC was provided also in 2022, with several activities that helped realise a number of important SCPC competences.

European Commission

The SCPC realised many activities with the support from the European Commission through the IPA pre-accession instrument:

- in 2022, the IPA project "Promoting Transparency and Accountability of the Public Administration in North Macedonia" was completed, the beneficiary of which was the SCPC. The main objectives that were achieved include: strengthened functionalities, enhanced integrity and ethics of the public institutions, as well as improved transparency and accountability of the public administration;
- IPA 2020 "Rule of Law" –the main objective was to strengthen the rule of law in the Republic of North Macedonia. The support that was provided to the SCPC was aimed at establishing a lobbying system compliant with the Law on Lobbying;
- IPA 2 "Support to State Reorganisation", where the SCPC was the main beneficiary of Component 2 – "Improving the discretionary powers framework" implemented by revising the system of discretionary powers and applying them in a legal and fair manner.

Italian National Anti-corruption Authority – ANAC

In the period between 05.07.2022 and 08.07.2022, the delegation of the SCPC went on a study visit to Rome, Republic of Italy, organised by the National Anti-corruption Agency of the Republic of Italy (ANAC). The purpose of this study visit was to acquire and exchange experiences in the field of establishing and improving the integrity system in public institutions, and acquiring new experiences and positive practices in the area of whistle-blowers protection system based on the experiences and the practices of: the Financial Police, the Agency for the Management of Seized Assets, the Ministry of Public Administration, the National School for Public Administration, the Centralised Body for Transparency and Competitiveness in the Public Procurements "CONSIP", and the Audit Court.

OSCE Mission to Skopje

The long-standing cooperation with the OSCE Mission in Skopje continued in 2022 in line with:

- enhancing the transparency and capacity building of the SCPC,
- strengthening the integrity and promoting the active transparency on the local level – ELS,
- researching the gender-based forms of corruption in particular sectors,
- monitoring the implementation of the recommendations for corruption risk reduction in the area of the environment,
- Implementing the corruption risk assessment in the judiciary,
- analysing the implementation of the Law on the Protection of Whistle-blowers.

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Council of Europe

With the project on combating the economic crime, realised by the Council of Europe as part of the European Union's and the Council of Europe's Horizontal Facility for the Western Balkans and Turkey, in the course of 2022, trainings were organised for the employees of the SCPC's Unit for Assets and Interests Monitoring on the topic of "Identifying, Analysing and Managing the Risks from Corruption and Money Laundering when Awarding Loans and Credits", with the purpose of learning the best practices, applicable tools and useful approaches in assessing the risks from corruption and money laundering when loans are awarded by the financial institutions. The end-user transparency was also discussed as a useful tool in managing such risks, as well as the specific risks relevant with regard to the politically exposed persons. The project also organised two trainings for the future trainers of the SCPC's Training Centre on the topic of "Managing the Conflict of Interests" and "Ethics and Integrity". The purpose of these anti-corruption trainings that will be implemented by the SCPC's Training Centre was to improve the understanding and a more efficient implementing of the preventive measures, as education on corruption and conflict of interests is considered to be the key tool in resolving these issues.

UNDP

The United Nations Development Programme in Skopje, a constant partner to the SCPC in its fight against corruption, provided its full support in 2022 to the jubilee event "20 Years of the SCPC" held in November 2022 at the Museum of Macedonian Struggle. This event held huge importance for the promotion of activities and results that the institution has achieved in the period from its formation until today, underlining the commitment to the future and an even more active commitment to preventing the corruption, conflict of interests and awareness raising about integrity of all public sector employees, elected and appointed persons and the general public.

The already mentioned Corruption Vulnerability Assessment regarding the public enterprises owned by the Republic of North Macedonia, the municipalities and the City of Skopje, and the joint stock companies with dominant state ownership, is also part of the support that was agreed and extended by the UNDP in 2022.

USAID – CEP

With the support from USAID within CEP, the support was provided in setting up the SCPC's Training Centre. Partners in implementing these project activities were Transparency International Macedonia (TI-M), with their expert contribution in developing two 2022 quarterly reports on monitoring the implementation of the recommendations given in the document "Corruption Vulnerability Assessment regarding the State Institutions and Authorities on Physical Planning, Urbanism and Construction".

As part of the capacity building component, through TI-M, USAID – CEP provided their support in the development of two guides to be used by the SCPC: a Guide to Implementing the Monitoring of the Recommendations from the Corruption Vulnerability Assessment Report regarding the state institutions and local authorities in the area of physical planning, urbanism and construction; and a Guide to Implementing the Monitoring of the Recommendations from the Corruption Vulnerability Assessment Report regarding the state institutions and local authorities in the area of physical planning, urbanism and construction.

Regional School for Public Administration – ReSPA

The SCPC works continuously on improving the integrity elements, so by using the in-country mechanism, the Regional School for Public Administration – ReSPA, it launched the new project on implementation of CAF-2020 in the SCPC. The improvement of CAF-2020 – as one of the quality management instruments, will help the institution detect the weaknesses in its overall functioning, including the people, leadership, strategy, planning etc., and take activities for their improvement. This

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is a continuous process, and the SCPC strives to follow the trends of the modern European institutions, with emphasis on digitalisation, agility, diversity and sustainability.

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7. Budget, Annual Statement of Accounts and Financing

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

Table 18 shows the funds from the Budget of RNM planned for the needs of the SCPC during 2021 and 2022.

Table 18: SCPC budget in denars

Item	2022			2021		
	Budget	Realisation	Realisation of the budget in %	Budget	Realisation	Realisation of the budget in %
40 - Salaries and benefits	35,614,000	35,275,473	99.0	30,339,000	28,008,681	92.3
42 - Goods and services	9,531,000	8,062,941	84.6	12,100,000	5,846,385	48.3
46 - Transfers	340,000	312,982	92.1	360,000	56,876	15.8
48 - Capital expenditures	1,339,000	998,902	74.6	3,718,000	1,997,540	53.7
Total:	46,824,000	44,650,298	95.4	46,517,000	35,909,482	77.2

Table 19 shows the planned expenditures during 2022 by purpose and individual spending from the expenditure items.

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Table 19: Planned and realised expenditures of the SCPC

Expenditures	2022		2021	
	Budget	Realised	Budget	Realised
401 - Basic salaries	25,267,000	25,039,696	21,885,000	19,889,282
402 - Social security contributions	9,947,000	9,839,777	8,094,000	7,822,399
404 - Allowances	400,000	396,000	360,000	297,000
420 - Travel and per diem expenses	1,230,000	934,652	500,000	388,016
421 - Utilities, heating, communication and transport	4,365,000	3,948,251	3,500,000	2,320,454
423 - Supplies and small inventory	750,000	676,691	800,000	553,797
424 - Repairs and on-going maintenance	2,074,000	1,902,938	3,800,000	782,056
425 - Contract services	776,000	296,922	3,000,000	1,630,656
426 - Other current expenditures	336,000	303,487	500,000	171,406
464 - Various transfers	340,000	312,982	360,000	56,876
480 - Purchase of equipment and machinery	910,000	900,817	238,839	133,839
482 - Other building structures	0	0	3,268.781	1,693,781
483 - Purchase of furniture	330,000	0	210,000	169,920
485 - Investment and non-financial assets	99,000	98,085	380	0
TOTAL:	46,824,000	44,650,298	46,517,000	35,909,482

For the most part, the planned funds are earmarked for the payment of salaries and taxes and salary contributions for 46 civil servants and seven elected members of the Commission.

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

There has been a noted increase in the expenditures made for:

- salaries, taxes and contributions, as the number of employees has increased by 14 people;
- travel expenses and per diems, due to the increased price of fuel, and the increased travels abroad for the participation of SCPC representatives in the bilateral sessions held in Brussels;
- utilities and on-going maintenance, due to the increased price of electricity;
- purchase of equipment and machines, for the procurement of new computers to be used by the employees,

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The 2021 Annual Plan for Public Procurements was three times amended in the course of 2022, so from the initially planned 24 procurements, in the course of 2022, only 15 procurements were made, and the remaining nine procurements did not materialise. Most of planned public procurement funds, in an estimated amount of 6,690,000 denars without VAT, earmarked for the procurement of a systemic software – database, remained unused and returned to the Budget of RNM for other purposes, because the preparations of the tender documentation for this procurement did not start on time, so this procurement was not realised.

8. Conclusions

In the course of 2022, the SCPC adapted its premises and provided the equipment for setting up a Training Centre for the areas of anti-corruption, conflict of interests and public sector employees' integrity.

The SCPC increased the number of the Secretariat employees and provided them with adequate trainings so that they can acquire the necessary skills and knowledge and improve the already existing skills for an effective execution of their work assignments.

The realisation of the planned activities from the National Strategy 2021-2025, which were supposed to be implemented in 2022, and also the activities which were not implemented or were only commenced in 2021 and were transferred for 2022, is very low and stands at 10%. This is indicative of an insufficient commitment of the institutions to execute the planned activities on time.

As a result from this, 2022 saw no significant changes in the legal regulations and no reduction in the misuse of the legal solutions, on account of unprecise or unclear provisions, so the influences exerted along the partisan, familial or friendly relations continue to dominate the area of public sector employment.

The abuse of mandates and discretionary powers is still present when issuing various permits, approvals, contracts, creating the conditions for favouring particular companies, etc. The unlawful building on state or private land, which is allowed through the provisions from the laws in the area of urbanism, construction, environment, and the failure of the inspection services to take proper actions and their clientelism towards the centres of political power and the business elites does not leave any room for the citizens, even before the courts, to defend their constitutionally guaranteed rights to equal opportunities in employment, to protection of property, and to clean environment.

The reports of corruption that were received by the SCPC in the course of 2022 were in most part concerned with these phenomena, as well as reports on actions taken by judges and public prosecutors.

The establishment and implementation of the integrity system elements is covered in the National Anti-corruption Strategy 2021-2025, the Public Administration Reform Strategy 2018-2022 with its Action Plan, and the new Public Administration Reform Strategy 2023-2030. With the purpose of fulfilling the competences and obligations laid down in these strategic documents, the SCPC works effectively on implementing the integrity system elements in the central government authorities and in the local self-government.

Continuous education is one of the key priorities and tools in identifying and managing corruption, but also in encouraging ethical conduct, preventing conflict of interests and creating the conditions for people's greater trust in the public sector.

With a number of campaigns and public debates, in 2022, too, the SCPC worked on raising the awareness of the general public about the importance and the significance of the integrity in general, and particularly of the public office holders and other official persons. The SCPC worked actively on

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education by delivering trainings in the areas of corruption and conflict of interests to the public sector institutions' employees:

The cooperation of the SCPC with the civil society organisations is continuously promoted and getting stronger, and the support the SCPC is receiving from international bodies and organisations has been maximally materialised for conducting campaigns, delivering trainings to the employees and, most important of all, providing the necessary software solutions for the on-going exercise of its competences.

The State Commission continued exercising its competences efficiently, within the available capacities.

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9. Annexes

Initiative to institute proceedings for criminal proceedings in corruption cases	Annex 1
Initiatives before competent authorities to institute proceedings for determining liability of official persons	Annex 2
Submitted initiatives for liability and dismissal of official persons due to the existence of conflict of interests	Annex 3
Overview of the status and actions of institutions following the issuance of the reports on the conducted verifications	Annex 4
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ИНИЦИЈАТИВА ЗА ПОВЕДУВАЊЕ ПОСТАПКА ЗА КРИВИЧНО ГОНЕЊЕ ПО ПРЕДМЕТИ ОД ОБЛАСТА НА КОРУПЦИЈАТА

No.	The initiative is		Grounds for the initiative	The initiative requires	Effects from the actions taken
	submitted to	date of submission			
1	BPPO – Skopje	28.02.2022	Situations have been identified of violation of the provisions from the Law on Building, the LPCCI, the Law on the Local Self-Government by the former Mayor of the Municipality of // due to their failure to take actions to prevent and sanction the unlawful construction of a structure and issuance of construction permits following the completion of the construction, which indicates to the existence of the grounds for suspected commission of the criminal offence "Abuse of Official Position and Authorisation" referred to in Article 353 Paragraph 1 of the Criminal Code during their mandate as the Mayor of the Municipality of //.	Initiative to institute proceedings for criminal prosecution against the former Mayor of the Municipality of //, on account of their failure to perform their duty, and their failure to act on the adopted resolutions and prevent the investor's construction of the illegal structure in question, thus acting contrary to Article 244-a Paragraph 1 of the Criminal Code.	The pretrial procedure is undertaken for the case, and after its completion, if elements of criminal offence are established, the BPPO will act in accordance with its legal compliances.
2	BPPO POCC – Skopje	25.02.2022	The SAO Audit Report identified several situations that give rise to the suspected commission of criminal offences by the Mayor of the Municipality of // in 2020. The identified situations indicate to a suspected abuse of the official position and authorisation by the Mayor of the Municipality of // in a public procurement procedure for the repair and on-going maintenance of streets and roads and construction of water supply, sewerage and stormwater drainage network, that is, that the procedure has not been implemented in accordance with the provisions of the Law on Public Procurement, failing to ensure fair competition, equal and undiscriminating position of bidders, transparency and publicity and a reasonable assurance for rational and efficient use of resources, thus damaging the budget of the municipality.	Initiative to institute proceedings for criminal prosecution against the Mayor of the Municipality of //, on account of suspected commission of criminal offences referred to in Article 353 Paragraph (5), Article 353-c Paragraph (5) and Article 244-a of the Criminal Code.	The procedure is on-going – the case has been formed and an order has been issued to the Ministry of Interior of RNM – the Criminal Investigations Department – the Financial Crime Unit to gather the necessary documentation.
3	BPPO POCC – Skopje	18.02.2022	Against an official person, Head of the Urbanism Unit of the Municipality of //, three persons former Mayors of the Municipality of //, Manager of the Single-Member LLC // from the Municipality of // and the Single-Member LLC from the Municipality of //, on account of the suspected commission of the criminal offence referred to in Article 353-c Paragraph 5 in connection with Article 357 Paragraph 1 of the Criminal Code, due to the unlawful legalisation procedure concerning a structure which was rented by //; failure to take due measures to collect the rent and enable the legalisation of the structure, thus allowing the legal entity to acquire illicit proceeds and generate debt for the Municipality.	Initiative to institute proceedings for criminal prosecution against a Head in the Municipality of //, three former Mayors, the Manager of the trade company and the trade company, on account of criminal association due to violation of the articles of the Criminal Code.	No information has been received on the activities taken.

ИНИЦИЈАТИВА ЗА ПОВЕДУВАЊЕ ПОСТАПКА ЗА КРИВИЧНО ГОНЕЊЕ ПО ПРЕДМЕТИ ОД ОБЛАСТА НА КОРУПЦИЈАТА

4	BPPO – Skopje	18.03.2022	In a public procurement procedure for installation and maintenance of lifts by the service provider Single-Member LLC //, falsified documents have been enclosed instead of certificates issued by authorised certifiers for installation and maintenance of lifts, thus committing the criminal offence referred to in Article 275-c of the Criminal Code in connection with Article 8 Paragraph 8 and Article 71 of the Law on the Prevention of Corruption and Conflict of Interests.	Initiative to institute proceedings for criminal prosecution, on account of suspected commission of the criminal offence referred to in Article 275-c of the Criminal Code, with Information to the Government and request to notify / warn the authorities to exclude the trade company from the public procurement procedure, that is, to take into account that said trade company bids with falsified documents.	The case has been formed, and order has been issued to the Financial Police Office to take measures and activities and a request has been submitted to the Institute for Accreditation of RNM. After receiving the information, the BPPO will take further actions to establish the committed criminal offence etc. Also, we have been informed that the BPPO has had another case, dated 16.03.2022, pursuant to a report from a physical person, against the firm //, and the Financial Police Office has formed a case on which it is taking actions. The procedure is on-going, and the SCPC will be additionally informed about the adopted prosecutorial decision.
5	BPPO POCC – Skopje	28.07.2022	Damage has been inflicted to the Budget of RNM due to hiring a large number of external advisors and disbursement of high fees based on copyright contracts whereby no reasonable assurance exists for the need for their hiring as well as evidence of the work performed, due to activities by the Secretary-General of the Government of the Republic of North Macedonia in the period between June 2017 and November 2020, and the Secretary-General of the Government of the Republic of North Macedonia in the period between November 2020 and April 2022, on account of suspected commission of the criminal offence referred to in Article 353-c Paragraph (5) of the Criminal Code “Unscrupulous Operation within the Service”.	Initiative to institute proceedings for criminal prosecution against two Secretaries General of the Government of RNM, on account of suspected commission of the criminal offence referred to in Article 353-c Paragraph (5) of the Criminal Code, “Unscrupulous Operation within the Service”.	The procedure is on-going after the case has been formed in the BPPO POCC.
6				Initiative to institute proceedings for criminal prosecution, on account of suspected commission of the criminal offence referred to in Article 353-c Paragraph (5) of the Criminal Code, “Unscrupulous Operation within the Service” against the State // of RNM.	No information has been received on the activities taken.
7				Initiative to institute proceedings for criminal prosecution against the Mayor of the Municipality of //, on account of suspected commission of the criminal offence referred to in Article 353-c Paragraph (5) of the Criminal Code, “Unscrupulous Operation within the Service”.	No information has been received on the activities taken.

ИНИЦИЈАТИВА ЗА ПОВЕДУВАЊЕ ПОСТАПКА ЗА КРИВИЧНО ГОНЕЊЕ ПО ПРЕДМЕТИ ОД ОБЛАСТА НА КОРУПЦИЈАТА

8	BPPO POCC – Skopje	22.06.2022	Identified situations that indicate to the connection of the State // of RNM and the Mayors of the Municipality of //, Municipality of //, Municipality of // and Municipality of // for hiring a physical person based on a service contract for providing PR services, whereby all these services in all these institutions have been provided in the same period. Suspicions concern the commission of the criminal offence “Unscrupulous Operation within the Service”, on account of which budget funds have been disbursed by the specified budget users.	Initiative to institute proceedings for criminal prosecution against the Mayor of the Municipality of //, on account of suspected commission of the criminal offence referred to in Article 353-c Paragraph (5) of the Criminal Code, “Unscrupulous Operation within the Service”.	No information has been received on the activities taken.
9				Initiative to institute proceedings for criminal prosecution against the Mayor of the Municipality of //, on account of suspected commission of the criminal offence referred to in Article 353-c Paragraph (5) of the Criminal Code, “Unscrupulous Operation within the Service”.	The procedure is on-going. The initiative, and the documents enclosed therein, have been submitted to the Basic Public Prosecutor’s Office – Skopje, as the public prosecution service that has the subject matter and territorial jurisdiction to take actions.
10				Initiative to institute proceedings for criminal prosecution against the former Mayor of the Municipality of //, on account of suspected commission of the criminal offence referred to in Article 353-c Paragraph (5) of the Criminal Code, “Unscrupulous Operation within the Service”.	The BPPO – Tetovo has adopted a resolution to reject the initiative because, in the specific case, for the reported criminal offence to exist, the action of unscrupulous operation needs to consist of actions that violate any formal regulation, which results in the abuse of discretionary powers of the perpetrator, or a formal or material abuse needs to have taken place.
11	BPPO POCC – Skopje	16.09.2022	The Mayor of the Municipality of // and the Authorised State Inspector in the Municipality of // have failed to take actions and press criminal charges against a person for constructing a structure for which no construction permit has been issued, which indicates to “Unscrupulous Operation” and “Abuse of Official Position and Authorisation” as referred to in Article 353-c in connection with Article 364 of the Criminal Code.	Initiative for criminal prosecution against the Mayor of the Municipality of // and the Authorised Construction Inspector in the Municipality of //, on account of “Unscrupulous Operation” and “Abuse of Official Position and Authorisation” as referred to in Article 353-c in connection with Article 364 of the Criminal Code.	The BPPO – Gostivar informed that they have rejected the application because the reported actions do not constitute a criminal offence that needs to be prosecuted by virtue of office.
12	BP – Kumanovo	08.11.2022	The former Manager of the Public Enterprise for Utilities and Infrastructure // from //, during the 2021 Local Elections, has made a disbursement of holiday pay from the public enterprise’s funds, contrary to the prohibitions laid down in Article 8-a Paragraph 1 Indent 2 of the Electoral Code, on account of which it is considered that there has been commission of the criminal offence referred to in Article 165-c of the Criminal Code.	Initiative for criminal prosecution for committed criminal offences referred to in Article 165-c of the Criminal Code against the former Manager of the Public Enterprise for Utilities and infrastructure.	The procedure is on-going. The case has been formed and an order for intelligence gathering has been submitted to the MOI, the Internal Affairs Department – Kumanovo, the Police Station with General Competence – Kratovo.

No.	The initiative is		Grounds for the initiative	The initiative requires	Effects from the actions taken
	submitted to	date of submission			
1	Government of RNM – President of the Government of RNM and Member of the Government of RNM in charge of good governance policies	20.01.2022	Official persons attended a partisan event – connected with the construction of a water supply network in the Skopje village of Dolno Količani, instead of being at their workplaces (22.09.2021), during the 2021 Local Elections campaign, thus violating the Article 13 Paragraph 2 of the Code of Ethics for the members of the Government and the public office holders appointed by the Government.	Initiative to institute proceedings for establishing liability of the Deputy Director of //, the Deputy Director of //, the Deputy Minister of //, the Deputy Minister of //, and the Minister of //.	No response
2	Director of // – Bitola	01.02.2022	Instituting disciplinary proceedings against an official person – an employee in //, on account of committed disciplinary offence referred to in Article 73 Paragraph (3) of the Law on Administrative Servants (a post was shared on the personal profile of an official person on the social network Facebook, in which support was expressed to then current candidate for Mayor of the Municipality of // of the Coalition lead by VMRO-DPMNE, as well as support to the political party VMRO-DPMNE).	The Director of // should institute appropriate proceedings that will examine the circumstances of the case, and which will establish whether the official person has committed the disciplinary offence referred to in Article 73 Paragraph (3) of the Law on Administrative Servants.	// informed that they cannot institute disciplinary proceedings against the reported official person, with reference to Article 78 Paragraph 2 of the Law on Administrative Servants, on account of the fact that three months have passed from the day when the violation of the official mandate has been committed.
3	Government of RNM	22.06.2022	Institute proceedings for establishing liability of the State // of RNM, on account of the existence of grounds for suspicion that they have abused their official position and authorisation as referred to in Article 353-c of the Criminal Code of the Republic of North Macedonia, concerning the simultaneous hiring of a physical person by several institutions in the capacity of a PR officer.	Initiative to Institute proceedings for establishing liability of the State // of RNM.	The Government of the Republic of North Macedonia, at its session held on 23.08.2022, dismissed the State // of RNM.
4	Ministry of // of RNM	24.06.2022	Institute proceedings for establishing liability of an official person, State Secretary of the Ministry of //, on account of suspected commission of violation of the provisions of the Law on the Army Service; of the Rulebook on the Method for Professional Evaluation of // of the Republic of North Macedonia, the Manner of Keeping Records Required for the Professional Evaluation and the Types of Evaluation Forms; and of the Law on the Prevention of Corruption and Conflict of Interests, in executing the function of the State Secretary of the Ministry of //.	Initiative to institute proceedings for establishing liability of an official person, State Secretary of the Ministry of //, on account of suspected commission of violation of the provisions of the Law on the // Service.	No response

5	Director of the State ///// Inspectorate and the Inspection Authorities Council	07.09.2022	Incorrectly established factual situation with the disbursement of holiday pay when conducting the inspection supervision in the Joint Stock Company ///// in 2021 by two official persons employed with the State ///// Inspectorate at the work positions of Senior ///// Inspector and ///// Inspector.	Initiative to institute proceedings for establishing liability of two official persons employed with the State ///// Inspectorate at the work positions of Senior ///// Inspector and ///// Inspector, on account of incorrect application of the legal regulations.	The State ///// Inspectorate set up a Disciplinary Proceedings Commission that took actions against the two persons, whereby: a Resolution was adopted to impose a disciplinary measure against the Senior ///// Inspector, and the procedure is now considered by the Second-Instance Commission of the Administration Agency; whereas in relation to the second person, after the procedure was completed, a Resolution was adopted to reject the proposal for instituting disciplinary proceedings.
6	Council of Public Prosecutors of RNM	16.09.2022	The Public Prosecutor of the Basic Public Prosecutor's Office – ///// failed to take due actions and measures, thus delaying the criminal proceedings at the harm of the known applicant of the 2019 case.	Initiative for establishing liability of the Public Prosecutor of the Basic Public Prosecutor's Office – /////, on account of failure to take due actions and measures.	No response

No.	The initiative is		Grounds for the initiative	The initiative requires	Effects from the actions taken
	submitted to	date of submission			
1	The School Board of the Primary Municipal School in the Municipality of //	19.05.2022	It has been established that there exists conflict of interests of the Director of the primary school on account of employing two close persons, following which a Decision was submitted to said person for an established conflict of interests. The Director failed to act in accordance with Article 77 Paragraph 1 of the Law on the Prevention of Corruption and Conflict of Interests and did not remove the situation of conflict.	The School Board of the school was requested to dismiss / terminate the public authority or duty of the Director	The Municipality of // took measures pursuant to the submitted initiative, upon which the official person handed in irrevocable resignation to the Municipality of //, which was accepted, and a Resolution for Dismissal of the Director was adopted.
2	The School Board of the Primary Municipal School in the Municipality of //	26.05.2022	The SCPC established the existence of conflict of interests of the Director of the primary school on account of employing a person close to them – their daughter in law, and signed a resolution for transforming the employment relationship into a permanent one of a person close to them – their son. The Director failed to act in accordance with Article 77 Paragraph 1 of the Law on the Prevention of Corruption and Conflict of Interests and did not remove the situation of conflict.	The School Board of the school was requested to dismiss / terminate the public authority or duty of the Director	The School Board of the school informed the SCPC that the official person has already acted pursuant to the decision submitted by the SCPC, which is why they have stopped the proceedings against them. Namely, the person informed the SCPC before that they have submitted a Declaration for withdrawing their signature from the adopted resolution for employment of a person close to them, and for withdrawing their signature from the resolution for employment relationship transformation into permanent one of a person close to them, after which the two resolutions were signed again, by the President of the School Board of the school and by the secretary.
3	The Ministry of //	31.05.2022	An official person that executes two functions simultaneously, as follows: Member of the Council of the Municipality and Director of a public institution, and despite being submitted a request to renounce one of the two functions, this person continued to violate the provisions of Article 44 Paragraph 2 and Paragraph 4 of the LPCCI, and has not given up on performing any of the two functions.	The Ministry of // should institute proceedings for establishing liability of the person that refuses to renounce one of the two functions	No response was received from the Ministry, even upon submitted urgency
4	The Teaching and Scientific Council of the Faculty of //	05.08.2022	An official person – // participated in the discussions of a body which was deciding on issues in which a person close to them had private interest, who was therefore obliged to report the existence of this interest and exempt themselves from the discussion, not later than before the beginning of the decision-making. This person acted contrary to Article 73 Paragraph 1 and Article 75 Paragraph 1 of the Law on the Prevention of Corruption and Conflict of Interests.	The Teaching and Scientific Council of the Faculty should institute proceedings for establishing liability of the person	The Teaching and Scientific Council of the Faculty rejected the initiative because they have not established liability on their part.

5	The Inspection Authorities Council of RNM	13.09.2022	An official person – Inspector, when conducting an extraordinary inspection supervision in a firm where a person close to them was employed, failed to act in accordance with Article 72 and Article 75 Paragraph 1 of the LPCCI, that is, they failed to exempt themselves and they failed to report the conflict of interests, thereby also violating Article 17 of the Code of Ethics of the Inspectors, according to which, when they learn of actions that may indicate to the existence of a conflict of interests, the inspectors are obliged to immediately request to be exempted and stop their actions.	The Inspection Authorities Council of RNM should institute proceedings for establishing liability of the person	The Inspection Authorities Council of RNM has confirmed that the allegations specified in the initiative are well-founded, upon which they will propose adequate proceedings against the inspector in accordance with the Law on Inspection Supervision.
6	The School Board of the Secondary State School of //	13.09.2022	The Director of the school failed to act in accordance with Article 75 Paragraph 1 of the Law on the Prevention of Corruption and Conflict of Interests and failed to exempt themselves from participating in the employment procedure of their wife through a takeover procedure from another school and signed the takeover agreement.	The School Board of the school should institute proceedings for establishing liability of the person	The School Board of the school informed that they have no competence to institute proceedings for establishing liability against the Director. This action was reported to the Minister of Education, from where no answer has been received in return.
7	The School Board of the Primary Municipal School in the village of //	28.11.2022	The Director of the school failed to act in accordance with Article 75 Paragraph 1 of the Law on the Prevention of Corruption and Conflict of Interests, that is, they failed to exempt themselves from signing the resolution for employment relationship transformation of a person close to them – their wife, from fixed-term to a permanent one.	The School Board of the school should institute proceedings for establishing liability of the person	The School Board of the school issued the disciplinary measure reprimand against the Director.
8	The School Board of the Primary Municipal School in the village of //	28.11.2022	The Director of the school failed to act in accordance with Article 75 Paragraph 1 of the Law on the Prevention of Corruption and Conflict of Interests and failed to exempt themselves from the employment procedure of a person close to them – their wife, and signed the employment contract.	The School Board of the school should institute proceedings for establishing liability of the person	The School Board of the school issued the disciplinary measure reprimand against the Director.

**OVERVIEW OF THE STATUS AND ACTIONS TAKEN BY AUTHORITIES
FOLLOWING THE ISSUANCE OF
THE REPORTS FROM THE CONDUCTED ANTI-CORRUPTION REVIEW OF LEGISLATION**

ANNEX 4

Legal Act Subject to the ARL	Coverage	Grounds	Status	Actions taken on recommendations
Law on Waters	Article 28 and Article 230 of the Law on Waters	At own initiative	Report issued	Recommendations are accepted
Law on the Protection of Nature	Provisions regulating the procedure for declaring a Category V protected area – protected landscape	Own initiative from working on a case	Draft Report	
Proposed Law on Pardoning	The entire Proposed Law	At the request of the Ministry of Justice	Report issued	Recommendations are accepted
Proposed Law on Administrative Servants	The entire Proposed Law	At the request of MISA	Report issued	No response
Proposed Law on Criminal Proceedings	The entire Proposed Law	At the request of the Ministry of Justice	Report issued	No comments
Proposed Criminal Code	The entire Proposed Law	At the request of the Ministry of Justice	Report issued	No comments
Agreement between the Government of RNM and the Government of Romania	The entire Agreement	At the request of MOI	Report issued	No response
Law on Public Procurement	The section on administrative control	At own initiative	Report issued	No amendments to the law
Law on Transformation of the Employment Relationship	The entire law and the comparative analysis with other laws regulating the employment relationship	Own initiative from working on a case	Report issued	No response
Draft Law on Metrology	The entire law	At request	On-going	

**OVERVIEW OF THE STATUS AND ACTIONS TAKEN BY AUTHORITIES
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ANNEX 4

Law on the Real Estate Cadastre	The entire law	Own initiative from working on a case	Report issued	Recommendations are partly accepted
Law on Associations and Foundations	The entire law	Annual Plan on ARL for 2022	Report issued	No response
Law on the Use and Disposal of Assets in State Ownership and Assets in Municipal Ownership	The entire law	Annual Plan on ARL for 2022	Report issued	No response
Law on Donations and Sponsorship in Public Activities	The entire law	Annual Plan on ARL for 2022	Report issued	No response
Law on the Protection of Children	The entire law	Annual Plan on ARL for 2022	Proposed Report	
The law, by-laws and other general acts concerning the VII/1 level of qualifications according to the Macedonian National Qualifications Framework in employment	VII/1 level of qualifications according to the Macedonian National Qualifications Framework in employment	At own initiative	On-going	
Law on the Management of Confiscated Property, Proceeds and Seized Assets in Criminal and Misdemeanour Proceedings	The section on public bidding for the sale of movable and seized assets and Articles 38 and 39 of the Rulebook on the Management of Seized Property	At own initiative	Proposed Report	
Law on Concessions and Public-Private Partnership	The section on transparency	At own initiative	On-going	

**Excerpt from the Report on the Conducted Monitoring
of the Application of the Integrity System
in the Public Sector Institutions
of the Republic of North Macedonia in 2022**

March 2023

INTRODUCTION

Pursuant to Article 17 Indent 18 of the Law on the Prevention of Corruption and Conflict of Interests (The Official Gazette of the Republic of Macedonia No. 12/19), the State Commission for Prevention of Corruption (hereinafter: "State Commission" or "SCPC") has the competence to take actions aimed at strengthening the personal and institutional integrity.

As part of the project "Promoting the Transparency and Accountability of the Public Administration", funded by the European Commission for the purposes of the State Commission, the Guidelines for Applying the Integrity Policy in the State Authorities and Public Sector Institutions and the Handbook for Integrity Officers were developed.

In order to set up the framework for applying the integrity system in the local self-government units, the State Commission developed the Guidelines for Applying the Integrity Policy in the Local Self-Government Units.

In the course of 2021 and 2022, the SCPC called upon the public sector institutions, including 21 institutions from the central government and 81 from the local self-government units, to start the process of introducing the integrity system by signing an Integrity Policy and appointing an Integrity Officer.

By 31.12.2022 inclusive, a total of 85 public sector institutions signed the Integrity Policy and appointed an Integrity Officer, as follows:

- 18 institutions from the ranks of the state administration authorities, autonomous state authorities and other state authorities and
- 67 local self-government units.

In the course of the specified period, the Integrity Officers received several training cycles on introduction and application of the integrity system in the institutions where they work.

The State Commission performs the monitoring of the application of the integrity system in the public sector of the Republic of North Macedonia in compliance with the Methodology for Monitoring the Application of the Integrity System. The State Commission implements the process of monitoring the application of the integrity system by way of publishing an electronic Questionnaire on the Application of the Integrity System through the State Commission's Communication Portal <https://portal.dsk.mk/> for the appointed Integrity Officers that have been registered with the portal.

The State Commission implemented the first cycle of monitoring the application of the integrity system in the public sector in the period between 01.12.2022 and 31.12.2022, by publishing the Questionnaire on the Application of the Integrity System for the appointed Integrity Officers in the institutions that have signed the Integrity Policy.

Since 2022 was the pilot period for implementing the State Commission's Communication Portal, it is particularly important to note that, in the process of monitoring the application of the integrity system in the public sector, the State Commission was faced with many challenges, mainly technical in nature, which prevented the full implementation of this process in all of the institutions that have signed the Integrity Policy. Taking into account that the Questionnaires on Application of the Integrity System can be completed only electronically through the Communication Portal, following the last training held in October 2022 on monitoring the integrity system, the State Commission called upon the institutions, multiple times, whose appointed Integrity Officers have not registered themselves with the Communication Portal, to do so, thereby providing them with guidelines for registration.

Out of the total of 85 institutions that have signed the Integrity Policy, 60% have met fulfilled their obligation to complete the Questionnaire on the Application of the Integrity System, and 4% have only partially completed the Questionnaire on the Application of the Integrity System. This means that, of the total of 18 institutions from the ranks of state administration authorities, autonomous state authorities and other state authorities that have signed the Integrity Policy, only 16 have completed the Questionnaire on the Application of the Integrity System, whereas from the total of 67 local self-government units that have signed the Integrity Policy, 35 have fully completed the

Questionnaire on the Application of the Integrity System, and 3 local self-government units have partly met this obligation.

Following the evaluation of the level of implementation of the integrity system in the public sector in 2022, in the course of 2023, the SCPC will take on to revise and improve the Methodology for Monitoring the Implementation of the Integrity System as well as the Questionnaire on the Application of the Integrity System for the public sector institutions on the central and local level.

I. IMPLEMENTATION OF THE INTEGRITY SYSTEM IN THE STATE ADMINISTRATION AUTHORITIES, AUTONOMOUS STATE AUTHORITIES AND OTHER STATE AUTHORITIES

1. LEVEL OF IMPLEMENTATION OF THE INTEGRITY SYSTEM AS A WHOLE

Integrity is crucial for building strong institutions and for earning the trust of citizens. Integrity allows the public sector to use the powers and resources that have been entrusted to it to the benefit of the public interest and to contribute effectively and efficiently to accelerating the economic and social development and the people's prosperity. By applying the integrity system, state institutions regulate the protection of the public interest and the prevention of the conflict of interests; the ethical conduct; human resources management based on a system of merits and qualifications; the purposeful, rational and efficient management of public resources; transparency and access to public information; quality management; and they ensure the protected reporting by whistle-blowers.

1.1. Description of the importance of implementing an integrity system:

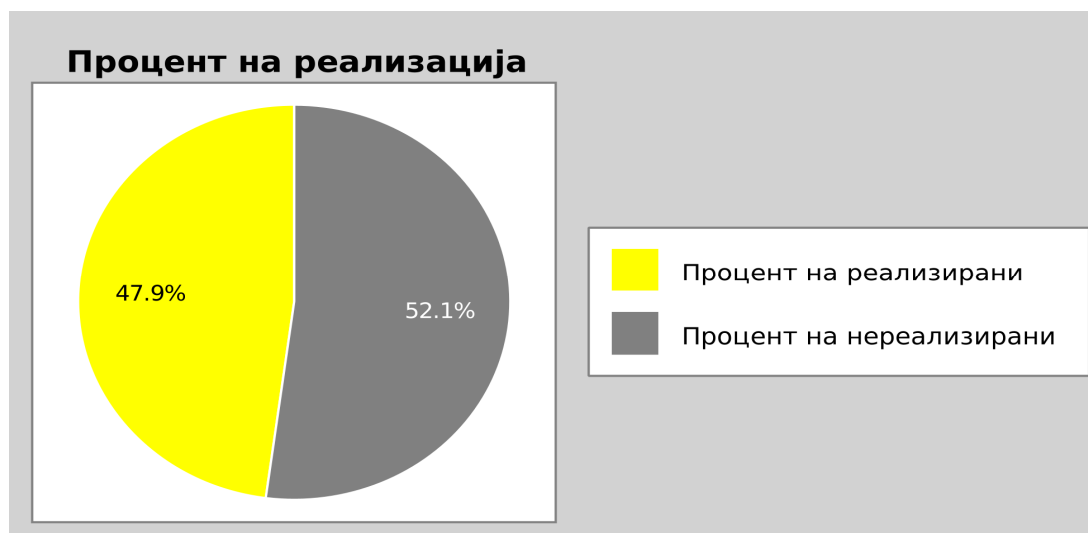
The level of implementation of the integrity system by the monitored institutions is calculated through a relative indicator – percentage of fulfilment of all stipulated obligations. This is a key parameter to measure the application of the integrity system in the country, and in the first year of conducting the monitoring, it gives us an image of the actual situation, whereas in the later years, it allows for measuring the progress.

1.2. Calculation of the level of implementation:

The fulfilment of the obligation to implement an integrity system is evaluated through the following five levels of categorisation:

80-100% fulfilment – 'very good'
60-80% fulfilment – 'good'
40-60% fulfilment – 'average'
20-40% fulfilment – 'poor'
0-20% fulfilment – 'very poor'

The percentage of realisation of the integrity system as a whole in the 18 monitored institutions on the central level is: 48%



2. LEVEL OF IMPLEMENTATION OF THE INTEGRITY SYSTEM ON THE LEVEL OF INSTITUTIONS

All institutions should fully meet the obligations arising from the integrity system. It is justified to expect that different institutions will employ different approaches in this process, and it is therefore important to single out the ones which have done most in building their integrity, but also to indicate the ones which have not invested proper efforts. In order to obtain the information which institutions have done the most in applying the integrity system, and which have done the least, it is necessary to measure the level of implementation of the system on the level of institutions and correspondingly rate the results achieved.

2.1. Level of implementation of the integrity system by all monitored institutions

In 2022, out of the total of 21 invited institutions from the ranks of the state administration authorities, autonomous state authorities and other state authorities, 18 signed the Integrity Policy, appointed Integrity Officers, received the necessary training and were subject to this monitoring, as follows:

- The Government of the Republic of North Macedonia;
- Ministry of Information Society and Administration;
- Ministry of Finance;
- Ministry of Economy;
- Ministry of Interior;
- Ministry of Justice;
- Ministry of Labour and Social Policy;
- Ministry of Local Self-Government;
- Ministry of Culture;
- Ministry of Environment and Physical Planning;
- Ministry of Agriculture, Forestry and Water Economy;
- Ministry of Health;
- Ministry of Education and Science;
- Ministry of Transport and Communications;
- State Commission for Prevention of Corruption;
- State Audit Office;
- Agency for the Protection of the Right to Free Access to Public Information; and

- Inspection Authorities Council.

Of the specified institutions, a total of 16 have fully answered the Questionnaire on the Application of the Integrity Policy, and 2 have not.

The Integrity Policy was not signed by the Ministry of Political System and Inter-Community Relations of the Republic of North Macedonia, the Ministry of Foreign Affairs and the Ministry of Defence, which, on its part, has established an integrity system under the so-called NATO standards.

2.1.1 description of the importance of the obligation:

Each institution is scored based on calculation of points awarded and this result is correlated to the maximum score (130 points) to calculate the percentage of fulfilment of the obligations, corresponding to the above table of fulfilment and the five levels of categorisation.

2.1.2. Calculation of the level of implementation:

Score-based ranking of the institutions according to the percentage of fulfilment of the obligations:

Institutions	Score
Ministry of Labour and Social Policy	107,5
Ministry of Interior	95,5
Ministry of Information Society and Administration	92,5
Ministry of Finance	79,5
Inspection Authorities Council	75,5
State Commission for Prevention of Corruption	75,0
Ministry of Justice	74,5
Ministry of Local Self-Government	68,0
Ministry of Culture	67,0
Agency for the Protection of the Right to Free Access to Public Information; and	61,5
Ministry of Economy	60,0
Ministry of Environment and Physical Planning	59,0
Ministry of Agriculture, Forestry and Water Economy	52,5
Ministry of Education and Science	52,0
The Government of the Republic of North Macedonia	52,0
Ministry of Health	49,0
State Audit Office	0,0
Ministry of Transport and Communications	0,0

The institutions specified in the tabular overview as scoring 0.0 have not completed the Questionnaire on the SCPC's Communication Portal.

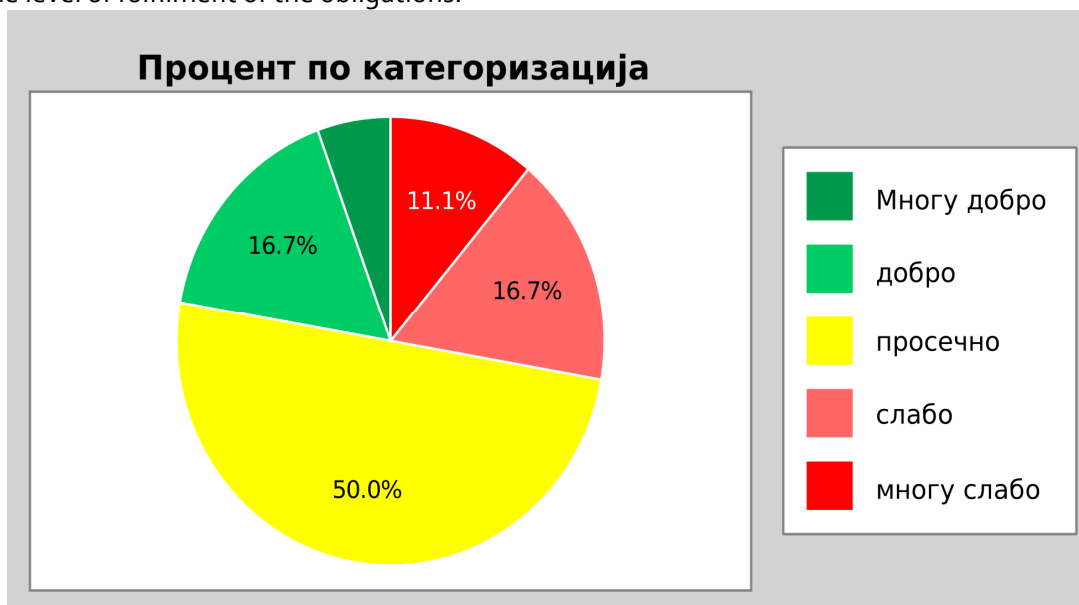
Graphical representation of the score-based ranking of the institutions according to the percentage of fulfilment of the obligations:



Share of institutions distributed into a particular category according to the level of fulfilment of the obligations:

Category	Share of institutions as %
Very good	5,56
Good	16,67
Average	50,0
Poor	16,67
Very poor	11,11

Graphical representation of the share of institutions distributed into a particular category according to the level of fulfilment of the obligations:



3. LEVEL OF FULFILMENT OF OBLIGATIONS IN THE THREE SEGMENTS OF INTEGRITY SYSTEM

The integrity system relies on three important segments covered with the 60 questions in the Questionnaire on the Application of the Integrity System on the central level, as follows:

- Establishment of the integrity system (questions 1 through 33);
- Implementation of and support to the integrity system (questions 34 through 51); and
- Monitoring of and reporting on the application of the integrity system (questions 52 through 60).

The information about the level of fulfilment of the obligations and the progress made in the different segments will allow the SCPC to assess where to direct the future efforts in implementing the integrity system. By comparing the levels of fulfilment of the obligations per segments it is possible to analyse where the biggest progress has been made by the institutions, and where the greatest weaknesses lie. Corresponding to these findings, the SCPC will be able to make its recommendations to the institutions, underlining the importance of individual segments of the integrity system.

The integrity system should be established in such a way as to allow the state institutions to operate abiding by the laws and in compliance with the highest ethical standards. In this way, the integrity system enables and harmonises the implementation of laws, ethical codes and policies, thereby creating a framework and functional mechanisms for protection of integrity.

3.1. Level of fulfilment of obligations for the segment “establishment of the integrity system”

3.1.1. Description of the importance of the obligation:

The establishment of the integrity system covers the obligations which fulfilment is reflected in answers to questions 1 through 33. The level of fulfilment of the obligations in this segment is taken as a whole. The percentage of realisation of the obligations is not related to the basic categorisation of the implementation of the integrity system; rather, the SCPC analysis is guided simply by commenting the situation in the sense that institutions are expected to fully meet the obligations stipulated for this segment.

3.1.2. Calculation of the level of implementation:

The fulfilment of the obligation to implement an integrity system is evaluated through the following five levels of categorisation:

80-100% fulfilment – ‘very good’
60-80% fulfilment – ‘good’
40-60% fulfilment – ‘average’
20-40% fulfilment – ‘poor’
0-20% fulfilment – ‘very poor’

Graphical representation of the level of fulfilment of obligations for the segment “establishment of the integrity system”

The percentage of realisation of the segment “establishment of the integrity system” is 55%.



In order to ensure an efficient implementation of the integrity system, the institutions should be committed to building the capacity of all official persons in the process of fulfilling the obligations that arise from the application of the Integrity Policy; they should further appoint Integrity Officers to support the process, regularly assess the risks from corruption and take appropriate measure for managing the risks, and ensure the unhampered reporting of any failure of fulfilment of the obligations arising from the integrity system.

3.2. Level of fulfilment of obligations for the segment “implementation of and support to the integrity system”

3.2.1. Description of the importance of the obligation:

The implementation of and the support to the integrity system covers the obligations which fulfilment is reflected in answers to questions 34 through 51. The level of fulfilment of the obligations in this segment, too, is taken as a whole. The percentage of realisation of the obligations is not related to the basic categorisation of the implementation of the integrity system; rather, the SCPC analysis is guided simply by commenting the situation in the sense that institutions are expected to fully meet the obligations stipulated for this segment.

3.2.2. Calculation of the level of implementation:

The fulfilment of the obligation to implement an integrity system is evaluated through the following five levels of categorisation:

80-100% fulfilment – ‘very good’
60-80% fulfilment – ‘good’
40-60% fulfilment – ‘average’
20-40% fulfilment – ‘poor’
0-20% fulfilment – ‘very poor’

Graphical representation of the level of fulfilment of obligations for the segment “implementation of and support to the integrity system”

The percentage of realisation of the segment “implementation of and support to the integrity system” is 44%.



3.3. Level of fulfilment of obligations for the segment “monitoring of and reporting on the application of the integrity system”

The institutions should ensure a two-tier system of monitoring the application of the integrity system. First, at the level of the very institutions; and second, through the monitoring by the State Commission for Prevention of Corruption.

3.3.1 Description of the importance of the obligation:

The monitoring of and reporting on the integrity system covers the obligations which fulfilment is reflected in answers to questions 52 through 60. Again, the level of fulfilment of the obligations in this third segment is taken as a whole. The percentage of realisation of the obligations is not related to the basic categorisation of the implementation of the integrity system; rather, the SCPC analysis is guided simply by commenting the situation in the sense that institutions are expected to fully meet the obligations stipulated for this segment.

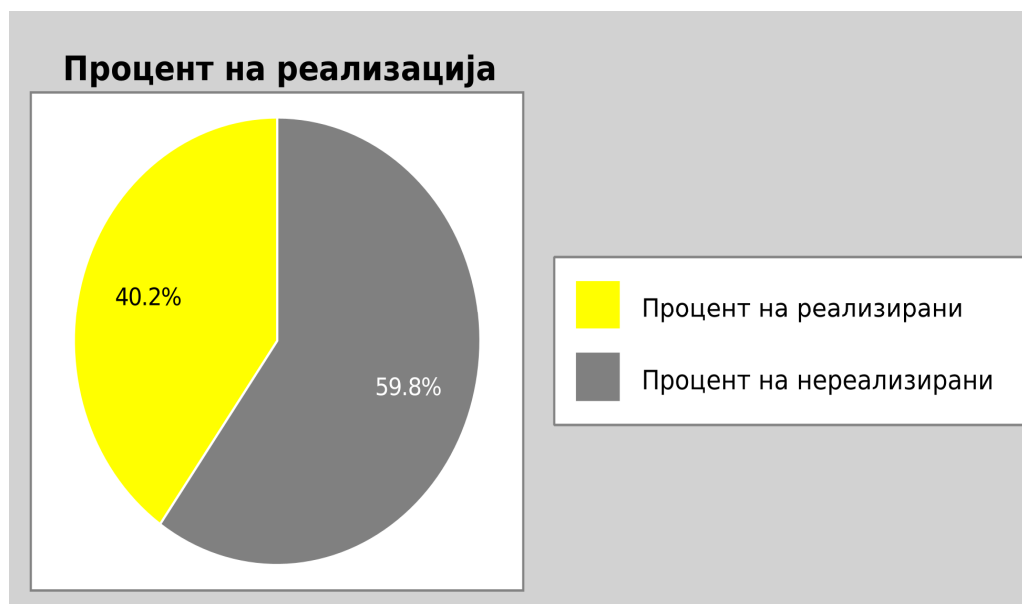
3.3.2. Calculation of the level of implementation:

The fulfilment of the obligation to implement an integrity system is evaluated through the following five levels of categorisation:

80-100% fulfilment – ‘very good’
60-80% fulfilment – ‘good’
40-60% fulfilment – ‘average’
20-40% fulfilment – ‘poor’
0-20% fulfilment – ‘very poor’

Graphical representation of the level of fulfilment of obligations for the segment “monitoring of and reporting on the application of the integrity system”

The percentage of realisation of the segment “monitoring of and reporting on the application of the integrity system” is 40%.



II. IMPLEMENTATION OF THE INTEGRITY SYSTEM IN THE LOCAL SELF-GOVERNMENT UNITS

1. LEVEL OF IMPLEMENTATION OF THE INTEGRITY SYSTEM AS A WHOLE

Integrity is crucial for building a strong local self-government and for earning the trust of citizens, that is, residents of local self-government. Integrity, as on the central level, also allows the local-level public sector to use the powers and resources that have been entrusted to them to the benefit of the public interest and to contribute effectively and efficiently to accelerating the economic and social development and the people’s prosperity. By applying the integrity system, local self-government units regulate the protection of the public interest and the prevention of the conflict of interests; the ethical conduct; human resources management based on a system of merits and qualifications; the purposeful, rational and efficient management of public resources; transparency and access to public information; quality management; and they ensure the protected reporting by whistle-blowers. Further information about the importance of integrity may be found in the document adopted by the State Commission for Prevention of Corruption “Guidelines for Applying the Integrity Policy in the Local Self-Government Units”.

1.1. Description of the importance of implementing an integrity system:

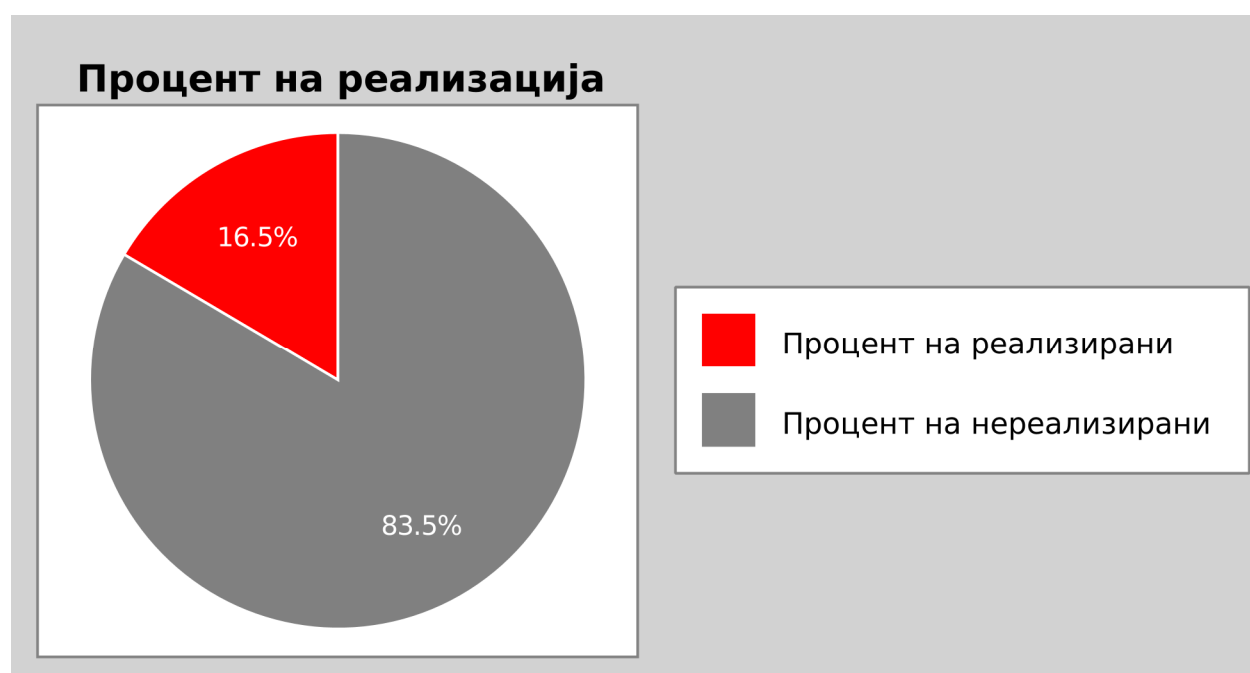
The level of implementation of the integrity system by the monitored local self-government units is calculated through a relative indicator – percentage of fulfilment of all stipulated obligations. This is a key parameter to measure the application of the integrity system in the country, and in the first year of conducting the monitoring, it gives us an image of the actual situation, whereas in the later years, it allows for measuring the progress on the local level.

1.2. Calculation of the level of implementation:

The fulfilment of the obligation to implement an integrity system is evaluated through the following five levels of categorisation:

80-100% fulfilment – 'very good'
60-80% fulfilment – 'good'
40-60% fulfilment – 'average'
20-40% fulfilment – 'poor'
0-20% fulfilment – 'very poor'

The percentage of realisation of the integrity system as a whole in the 67 monitored local self-government units is: 17%.



2. LEVEL OF IMPLEMENTATION OF THE INTEGRITY SYSTEM ON THE LEVEL OF LOCAL SELF-GOVERNMENT UNITS

All local self-government units should fully meet the obligations arising from the integrity system. It is justified to expect that different local self-government units will employ different approaches in this process, and it is therefore important to single out the ones which have done most in building their integrity, but also to indicate the ones which have not invested proper efforts. In order to obtain the information which local self-government units have done the most in applying the integrity system, and which have done the least, it is necessary to measure the level of

implementation of the system on the level of local self-government units and correspondingly rate the results achieved.

2.1. Level of implementation of the integrity system by all monitored local self-government units

In 2022, of the total of 81 invited local self-government units, 67 signed the Integrity Policy, appointed Integrity Officers, attended the necessary trainings and were subject to this monitoring, as follows:

Municipality of Aerodrom;	Municipality of Kruševo;
Municipality of Berovo;	Municipality of Kumanovo;
Municipality of Bitola;	Municipality of Lozovo;
Municipality of Bogdanci;	Municipality of Mavrovo i Rostuše;
Municipality of Bogovinje;	Municipality of Makedonska Kamenica;
Municipality of Bosilovo;	Municipality of Makedonski Brod;
Municipality of Brvenica;	Municipality of Mogila;
Municipality of Valandovo;	Municipality of Negotino;
Municipality of Vasilevo;	Municipality of Novaci;
Municipality of Vevčani;	Municipality of Ohrid;
Municipality of Veles;	Municipality of Pehčevo;
Municipality of Vrapčište;	Municipality of Plasnica;
Municipality of Gazi Baba;	Municipality of Prilep;
Municipality of Gevgelija;	Municipality of Radoviš;
Municipality of Gradsko;	Municipality of Rankovce;
Municipality of Debar;	Municipality of Resen;
Municipality of Debarca;	Municipality of Saraj;
Municipality of Delčevo;	Municipality of Sveti Nikole;
Municipality of Demir Hisar;	Municipality of Sopište;
Municipality of Dojran;	Municipality of Staro Nagoričane;
Municipality of Borče Petrov;	Municipality of Struga;
Municipality of Želino;	Municipality of Strumica;
Municipality of Zrnovci;	Municipality Studenilčani;
Municipality of Ilinden;	Municipality of Tearce;
Municipality of Jegunovce;	Municipality of Tetovo;
Municipality of Karbinci;	Municipality of Centar;
Municipality of Karpoš;	Municipality of Centar Župa;
Municipality of Kisela Voda;	Municipality of Čair;
Municipality of Konče;	Municipality of Čaška;
Municipality of Kočani;	Municipality of Češinovo-Obleševo;
Municipality of Kratovo;	Municipality of Čučer Sandevo;
Municipality of Kriva Palanka;	Municipality of Štip;
Municipality of Krivogaštani;	Municipality of Šuto Orizari;
	City of Skopje.

Of the specified local self-government units, 35 fully answered the Questionnaire on the Application of the Integrity Policy, and 3 answered it partly.

2.1.1 Description of the importance of the obligation:

Each local self-government units is scored based on calculation of points awarded and this result is correlated to the maximum score (136 points) to calculate the percentage of fulfilment of the obligations, corresponding to the above table of fulfilment and the five levels of categorisation.

2.1.2. Calculation of the level of implementation:

Score-based ranking of the local self-government units according to the percentage of fulfilment of the obligations:

Institutions	Score
Municipality of Demir Hisar	104,5
Municipality of Centar Župa	75
Municipality of Bitola	72,5
Municipality of Želino	70
Municipality of Strumica	68,5
Municipality of Kumanovo	65
Municipality of Karbinci	62,5
Municipality of Čair	56
Municipality of Kočani	55,5
Municipality of Tetovo	54,5
Municipality of Bosilovo	54,5
Municipality of Brvenica	54
City of Skopje	47,5
Municipality of Kriva Palanka	46
Municipality of Mavrovo i Rostuše;	45,5
Municipality of Negotino	45,5
Municipality of Kisela Voda	39,5
Municipality of Kratovo	36,5
Municipality of Berovo	36
Municipality of Gradsko	35,5
Municipality of Sveti Nikole	33,5
Municipality of Kruševo	33,5
Municipality of Ilinden	33
Municipality of Pehčevo	30
Municipality of Sopište	24,5
Municipality of Debar	24
Municipality of Lozovo	23

Municipality of Tearce	22
Municipality of Makedonski Brod	18,5
Municipality of Makedonska Kamenica	16
Municipality of Mogila	13,5
Municipality of Debarca;	13,5
Municipality of Bogovinje	12,5
Municipality of Konče	9,5
Municipality of Rankovce	7,5
Municipality of Češinovo-Obleševo	0
Municipality of Borče Petrov	0
Municipality Studenilčani	0
Municipality of Čučer Sandevo	0
Municipality of Valandovo	0
Municipality of Vrapčište	0
Municipality of Aerodrom	0
Municipality of Delčevo	0
Municipality of Gazi Baba	0
Municipality of Karpoš	0
Municipality of Krivogaštani	0
Municipality of Vasilevo	0
Municipality of Prilep	0
Municipality of Struga	0
Municipality of Veles	0
Municipality of Plasnica	0
Municipality of Zrnovci	0
Municipality of Centar	0
Municipality of Vevčani	0
Municipality of Resen	0
Municipality of Gevgelija	0
Municipality of Bogdanci	0
Municipality of Dojran	0
Municipality of Radoviš	0
Municipality of Jegunovce	0
Municipality of Čaška	0
Municipality of Šuto Orizari;	0
Municipality of Saraj	0
Municipality of Štip	0

Municipality of Staro Nagoričane	o
Municipality of Novaci	o
Municipality of Ohrid	o

The local self-government units specified in the tabular overview as scoring o.o have not completed the Questionnaire on the SCPC's Communication Portal.

Share of local self-government units distributed into a particular category according to the level of fulfilment of the obligations:

Category	Share of local self-government units as %
Very good	0%
Good	1,49%
Average	14,93%
Poor	19,4%
Very poor	64,18%

Graphical representation of the share of local self-government units distributed into a particular category according to the level of fulfilment of the obligations:



3. LEVEL OF FULFILMENT OF OBLIGATIONS IN THE THREE SEGMENTS OF INTEGRITY SYSTEM

The integrity system, in the local self-government units, too, relies on three important segments covered with the 67 questions in the Questionnaire on the Application of the Integrity System on the local level, as follows:

- Establishment of the integrity system (questions 1 through 42);
- Implementation of and support to the integrity system (questions 43 through 57); and
- Monitoring of and reporting on the application of the integrity system (questions 58 through 67).

The information about the level of fulfilment of the obligations and the progress made in the different segments will allow the SCPC to assess where to direct the future efforts in implementing the integrity system on local level. By comparing the levels of fulfilment of the obligations per segments it is possible to analyse where the biggest progress has been made by the local self-government units, and where the greatest weaknesses lie. Corresponding to these findings, the SCPC will be able to make its recommendations to the local self-government units, underlining the importance of individual segments of the integrity system.

The integrity system on the local level should be established in such a way as to allow the local self-government units to operate abiding by the laws and in compliance with the highest ethical standards. In this way, the integrity system enables and harmonises the implementation of laws, ethical codes and policies, thereby creating a framework and functional mechanisms for protection of integrity.

3.1. Level of fulfilment of obligations for the segment “establishment of the integrity system”

3.1.1. Description of the importance of the obligation:

The establishment of the integrity system covers the obligations which fulfilment is reflected in answers to questions 1 through 42. The level of fulfilment of the obligations in this segment is taken as a whole. The percentage of realisation of the obligations is not related to the basic categorisation of the implementation of the integrity system; rather, the SCPC analysis is guided simply by commenting the situation in the sense that institutions are expected to fully meet the obligations stipulated for this segment.

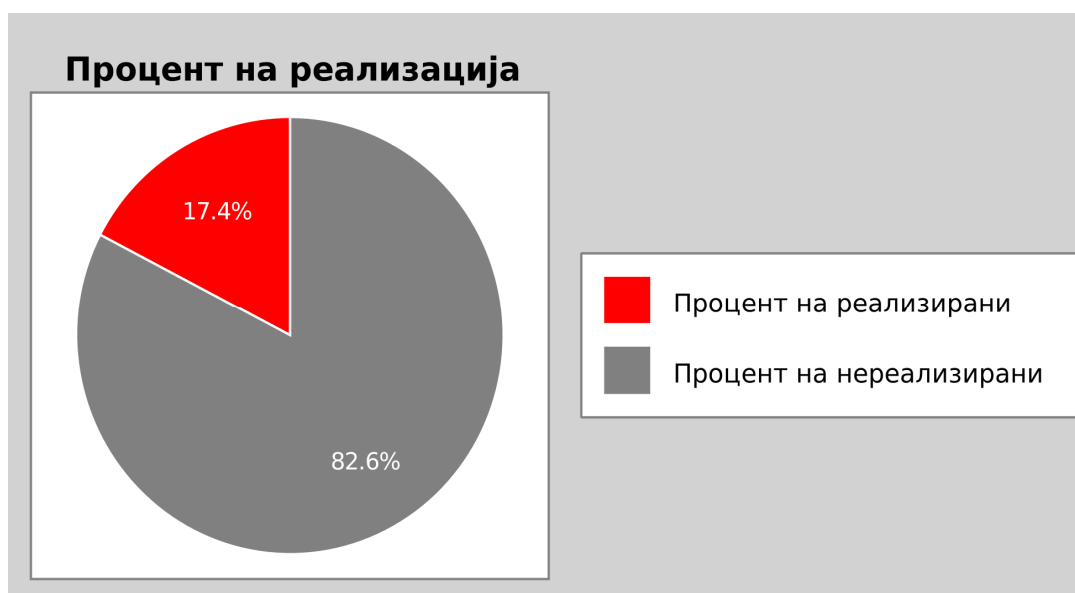
3.1.2. Calculation of the level of implementation:

The fulfilment of the obligation to implement an integrity system is evaluated through the following five levels of categorisation:

80-100% fulfilment – ‘very good’
60-80% fulfilment – ‘good’
40-60% fulfilment – ‘average’
20-40% fulfilment – ‘poor’
0-20% fulfilment – ‘very poor’

Graphical representation of the level of fulfilment of obligations for the segment “establishment of the integrity system”

The percentage of realisation of the segment "establishment of the integrity system" is 17%



In order to ensure an efficient implementation of the integrity system, the local self-government units should be committed to building the capacity of all official persons in the process of fulfilling the obligations that arise from the application of the Integrity Policy; they should further appoint Integrity Officers to support the process, regularly assess the risks from corruption and take appropriate measure for managing the risks, and ensure the unhampered reporting of any failure of fulfilment of the obligations arising from the integrity system.

3.2. Level of fulfilment of obligations for the segment "implementation of and support to the integrity system"

3.2.1. Description of the importance of the obligation:

The implementation of and the support to the integrity system covers the obligations which fulfilment is reflected in answers to questions 43 through 57. The level of fulfilment of the obligations in this segment is taken as a whole. The percentage of realisation of the obligations is not related to the basic categorisation of the implementation of the integrity system; rather, the SCPC analysis is guided simply by commenting the situation in the sense that institutions are expected to fully meet the obligations stipulated for this segment.

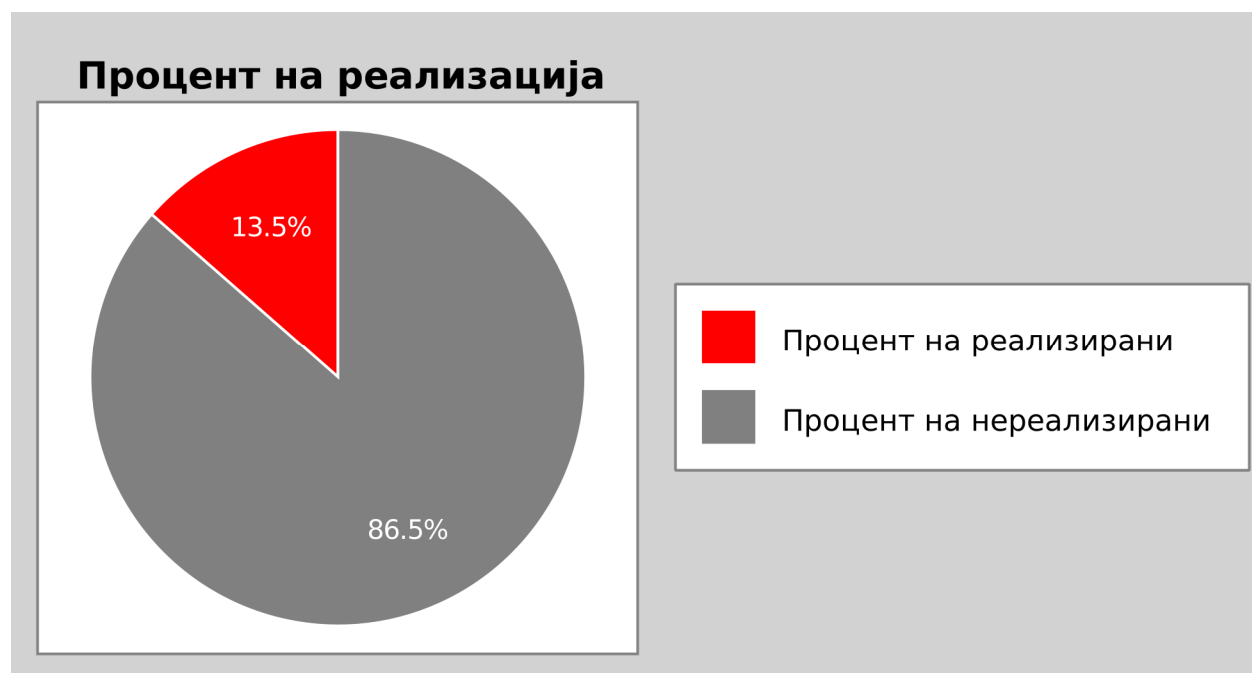
3.2.2. Calculation of the level of implementation:

The fulfilment of the obligation to implement an integrity system is evaluated through the following five levels of categorisation:

80-100% fulfilment – 'very good'
60-80% fulfilment – 'good'
40-60% fulfilment – 'average'
20-40% fulfilment – 'poor'
0-20% fulfilment – 'very poor'

Graphical representation of the level of fulfilment of obligations for the segment “implementation of and support to the integrity system”

The percentage of realisation of the segment “implementation of and support to the integrity system” is 14%



3.3. Level of fulfilment of obligations for the segment “monitoring of and reporting on the application of the integrity system”

The local self-government units should ensure a two-tier system of monitoring the application of the integrity system. First, at the level of the very local self-government units; and second, through the monitoring by the State Commission for Prevention of Corruption.

3.3.1 Description of the importance of the obligation:

The monitoring of and reporting on the integrity system covers the obligations which fulfilment is reflected in answers to questions 58 through 67. In this segment, too, the level of fulfilment of the obligations is taken as a whole. The percentage of realisation of the obligations is not related to the basic categorisation of the implementation of the integrity system; rather, the SCPC analysis is guided simply by commenting the situation in the sense that institutions are expected to fully meet the obligations stipulated for this segment.

3.3.2. Calculation of the level of implementation:

The fulfilment of the obligation to implement an integrity system is evaluated through the following five levels of categorisation:

80-100% fulfilment – 'very good'
60-80% fulfilment – 'good'
40-60% fulfilment – 'average'
20-40% fulfilment – 'poor'
0-20% fulfilment – 'very poor'

Graphical representation of the level of fulfilment of obligations for the segment "monitoring of and reporting on the application of the integrity system"

The percentage of realisation of the segment "monitoring of and reporting on the application of the integrity system" is 8%.



[archival seal of the State Commission for Prevention of Corruption No. 05-1195/5 dated 21.02.2023]



Period

Controller

5 1 0

0 5 8 8 5 0 4 3

0 2 0 0 3 6 0 0 4 6 6 3 7 1 9

1 2 3
Type of Job

4 5 6 7 8 9 10 11
Personal Identification Number (PIN)

12 13 14 15 16 17 18 19 20 21 22 23 24 25 26
Backup codes

Name of the entity
Address, headquarters and
telephone
Tax number

State Commission for Prevention of Corruption
Presveta Bogorodica No. 3, Skopje 02/3146-700

BALANCE SHEET

4 0 3 0 0 0 4 5 1 5 6 4 2 on 31.12.2022

Name of the user
Email address

207150325

sozr.finansovo@sozr.gov.mk

(in denars)

Ord. No.	Account group or account	POSITION	AOP designation	Amount			
				Last year	Current year		
					Gross	Impairment	Net (6-7)
1	2	3	4	5	6	7	8
A) ASSETS: FIXED ASSETS (112+113+114+122+123)			111	229.805.903	298.435.152	30.622.354	267.812.798
1.	00	I. INTANGIBLE ASSETS	112	12.796.018	21.386.604	9.960.322	11.426.282
2.	010, 011, 012 and 015	MATERIAL GOODS AND NATURAL RESOURCES MATERIAL ASSETS (115 TO 121)	113 114	217.009.885	277.048.548	20.662.032	256.386.516
3.	020 and 029d	Construction buildings	115				
4.	021 and 029d	Apartments and commercial buildings	116	204.127.725	247.212.060	5.139.166	242.072.894
5.	022 and 029	Equipment	117	11.674.701	23.657.995	12.070.141	11.587.854
6.	023 and 029d	Perennial plantations	118				0
7.	024 and 029d	Basic herd	119				0
8.	025 and 029	Other material assets	120	1.207.459	6.178.493	3.452.725	2.725.768
9.	026 and 029d	Advances for material assets	121				0
10.	030	111 -1. MATERIAL ASSETS IN PREPARATION	122				0
11.	04	IV. LONG-TERM CREDITS AND LOANS GIVEN BO THE COUNTRY AND ABROAD AND TERM ASSETS	123				0
B) CASH AND ACCOUNTS RECEIVABLE (125+134+135+140+141+142+143+144+145+146)			124	2.802.727	3.977.176	0	3.977.176
		I. CASH (126 to 133)	125	0	0	0	0
12.	100	Account	126				0
13.	101	Teller's counter	127				0
14.	102	Allocated cash funds	128				0
15.	103	Open letters of credit	129				0
16.	104	Foreign currency account	130				0
17.	105	Foreign currency letters of credit	131				0
18.	106	Foreign currency teller's counter	132				0
19.	108	Other cash assets	133				0
20.	11	II. SECURITIES	134				0
		III. ACCOUNTS RECEIVABLE (136 to 139)	135	0	0	0	0
21.	120	Claims from the budget	136				0
22.	121	Claims from the fund	137				0
23.	122 and 129d	Accounts receivable from domestic customers	138				0
24.	123 and 129d	Accounts receivable from customers abroad	139				0
25.	13	IV. CLAIMS FOR ADVANCES, DEPOSITS AND BAILS	140	40.511			0
26.	14	V. SHORT-TERM FINANCIAL CLAIMS	141				0
27.	15	VI. CLAIMS FROM EMPLOYEES	142				0
28.	16	VII. FINANCIAL ACCOUNTING RELATIONS	143				0
29.	17	VIII. CLAIMS FROM THE STATE AND OTHER INSTITUTIONS	144				0
30.	190 to 197	IX. DEFERRED ACCOUNTS RECEIVABLE	145				0
31.	198	Other deferred accounts receivable	146	2.762.216	3.977.176		3.977.176
C) MATERIALS, SPARE PARTS AND SMALL INVENTORY (148 to 153)			147	0	0	0	0
32.	31	Materials					0
33.	32	Spare parts	149				0
34.	36	Small inventory	150				0
35.	60	Production	151				0
36.	63	Finished products	152				0
37.	65, 66 and 67	Goods, advances, deposits and bails	153				0
		D) UNCOVERED EXPENSES AND OTHER LONG-TERM CREDITS AND LOANS (155 to 157)	154	0	0	0	0
38.	090	Uncovered expenses from previous years	155				0
39.	092	Uncovered expenses	156				0
40.	095	Received long-term credits and loans	157				0

41.	08	III. OTHER ASSETS	158				0
TOTAL ASSETS (111+124+147+154+158)			159	232.608.630	302.412.328	30.622.354	271.789.974
42.	990 to 994	OFF-BALANCE SHEET RECORDS-ASSETS	160				0
1. LIABILITIES: SOURCES OF CAPITAL FUNDS (162+163)			161	229.805.903		267.812.798	
43.	900	State-public capital	162	229.805.903		267.812.798	
44.	901	Other capital (inventories of materials, spare parts, small inventory and securities)	163				
45.	91	II. Revaluation reserve	164				
III. LONG-TERM LIABILITIES (166 to 172)			165				
46.	920	Obligations for long-term loans	166				
47.	922	Investments by foreign persons	167				
48.	923	Loans from banks in the country	168				
49.	924	Other loans in the country	169				
50.	925	Loans from abroad	170				
51.	927	Long-term liabilities for received deposits and bails	171				
52.	928	Other long-term liabilities	172				
IV. CURRENT LIABILITIES (174+175+180+181+189+195+196+197+198)			173	2.802.727		3.977.176	
53.	21	a) Short-term liabilities based on securities	174				
b) Short-term liabilities to suppliers (176 to 179)			175	183.012		772.308	
54.	220	Liabilities to suppliers in the country	176	183.012		772.308	
55.	221	Liabilities to suppliers abroad	177				
56.	224	Liabilities to suppliers for uninvoiced commodities, materials and services	178				
57.	225	Liabilities to suppliers - citizens	179				
58.	23	c) Received advances, deposits and bails	180				
d) Short-term financial liabilities (182 to 188)			181	0		0	
59.	240	Liabilities from joint operation with the entities	182				
60.	241	Credit liabilities in the country	183				
61.	242	Credit liabilities abroad	184				
62.	243	Liabilities for funds invested in the country	185				
63.	245	Other short-term financial liabilities	186				
64.	246	Liabilities towards workers	187				
65.	247	Liabilities after termination of workers	188				
e) Liabilities towards the state and other institutions (190 to 194)			189	0		0	
66.	250	Value Added Tax Liabilities	190				
	251	Liabilities for excise duties	191				
67.	252	Liabilities for customs and customs duties	192				
68.	253	Liabilities for taxes and contributions under contract for work and author's work	193				
69.	255	Liabilities for other taxes and contributions	194				
70.	26	f) Financial and accounting relations	195				
71.	27	g) Liabilities for taxes and contributions from profit	196				
72.	28	h) Short-term obligations for salaries and other obligations towards employees	197	2.579.204		3.204.868	
73.	29	i) Deferred accounts payable	198	40.511			
TOTAL LIABILITIES (161+164+165+173+199)			200	232.608.630		271.789.974	
75.	955 to 999	OFF-BALANCE SHEET RECORDS - LIABILITIES	201				

In Skopje
The day is 28.02. 2023 year

Person responsible for compiling the balance sheet
Valentin Petrushevski [signature-illegible]

MP
[seal]

Manager
Biljana Ivanovska [signature-illegible]

5 1 0			0 5 8 8 5 0 4 3								0 2 0 0 3 6 0 0 4 6 6 3 7 1 9								
1 2 3			4 5 6 7 8 9 10 11								12 13 14 15 16 17 18 19 20 21 22 23 24 25 26								
Type of Job			Personal Identification Number (PIN)								Backup codes								

Name of the entity
Address, headquarters and telephone
Tax number
Email address

State Commission for Prevention of Corruption
Presveta Bogorodica No. 3, Skopje 02/3146-700

4 0 3 0 0 4 5 1 5 6 4 2

207150325

INCOME AND EXPENSES
during the year - Income statement
from January 1 to December 31, 2022

(in denars)

Ord. 6p.	Account group or account	POSITION	AOP designatio n	Amount	
				Last year	Current year
1	2	3	4	5	6
EXPENSES:					
I. CURRENT EXPENSES (002+007+012+020+024+029+033+039)			001	33.911.942	43.651.396
		a) SALARIES AND BENEFITS (from 003 to 006)	002	28.008.681	35.275.473
1.	401	Salaries and benefits	003	19.889.282	25.039.696
2.	402	Social security benefits	004	7.822.399	9.839.777
3.	403	Other contributions from salaries	005		
4.	404	Benefits	006	297.000	396.000
		b) RESERVES AND UNDEFINED EXPENSES (from 008 to 011)	007	0	0
5.	411	Financing of new programs and subprograms	008		
6.	412	Permanent reserve (unforeseen expenses)	009		
7.	413	Current reserves (miscellaneous expenses)	010		
8.	414	Reserves for capital expenses	011		
		c) GOODS AND SERVICES (from 013 to 019)	012	5.846.385	8.062.941
9.	420	Travel and daily expenses	013	388.016	934.652
10.	421	Utilities, heating, communication and transport	014	2.320.454	3.948.251
11.	423	Materials and small inventory	015	553.797	676.691
12.	424	Repairs and ongoing maintenance	016	782.056	1.902.938
13.	425	Contract services	017	1.630.656	296.922
14.	426	Other current expenses	018	171.406	303.487
15.	427	Temporary employment	019		
		d) CURRENT TRANSFERS TO EXTRA-BUDGETARY FUNDS (from 021 to 023)	020	0	0
16.	431	Transfers to the PENSION AND DISABILITY INSURANCE FUND	021		
17.	432	Transfers to the Employment Agency	022		
18.	433	Transfers to the Health Insurance Fund	023		
		e) CURRENT TRANSFERS TO ELS (from 025 to 028)	024	0	0
19.	441	Subsidies from VAT	025		
20.	442	Dedicated subsidies	026		
21.	443	Block subsidies	027		
22.	444	Subsidies for delegated separate competences	028		
		f) INTEREST PAYMENTS (from 030 to 032)	029	0	0
23.	451	Interest payments to non-resident creditors	030		
24.	452	Interest payments to domestic creditors	031		
25.	453	Interest payments to other government levels	032		
		g) SUBSIDIES AND TRANSFERS (from 034 to 038)	033	56.876	312.982
26.	461	Subsidies for public enterprises	034		
27.	462	Subsidies for private enterprises	035		
28.	463	Transfers to non-governmental organizations	036		
29.	464	Miscellaneous transfers	037	56.876	312.982
30.	465	Payments for enforceable documents	038		
		h) SOCIAL BENEFITS (from 040 to 043)	039	0	0
31.	471	Social benefits	040		
32.	472	Payment of benefits from the PENSION AND DISABILITY INSURANCE FUND	041		
33.	473	Payment of benefits from the Employment Agency	042		
34.	474	Payment of benefits from the Health Insurance Fund	043		
II. CAPITAL EXPENSES (from 045 to 054)			044	1.997.540	998.902
35.	480	Purchase of equipment and machinery	045	133.839	900.817
36.	481	Construction buildings	046		
37.	482	Other construction buildings	047	1.693.781	
38.	483	Purchase of furniture	048	169.920	
39.	484	Strategic goods and other reserves	049		
40.	485	Investments and non-financial assets	050		98.085

41.	486	Purchase of vehicles	051		
42.	487	Capital transfers to extra-budgetary funds	052		
43.	488	Capital subsidies to ELS	053		
44.	489	Capital subsidies for enterprises and non-governmental organizations	054		
III. REPAYMENT OF PRINCIPAL (from 056 to 058)			055	0	0
45.	491	Repayment of principal to non-resident creditors	056		
46.	492	Repayment of principal to domestic institutions	057		
47.	493	Repayment of principal to other government levels	058		
		A. TOTAL EXPENSES (001 + 044 + 055)	059	35.909.482	44.650.298
		B. REALIZED SURPLUS OF INCOME - PROFIT BEFORE TAX (103 minus 059)	060	0	0
48.	811, 812 and 813	C. TAXES, CONTRIBUTIONS AND OTHER CHARGES FROM EXCESS INCOME - PROFIT BEFORE TAX	061	0	0
		G. NET SURPLUS OF INCOME - PROFIT AFTER TAX (060 minus 061)	062	0	0
		D. DISTRIBUTION OF NET SURPLUS OF INCOME - PROFIT (from 064 to 066)	063	0	0
49.	830	To cover a loss	064		
50.	831	For return to the budget or fund	065		
51.	833	For transfer in the next year	066		
		F. TOTAL (059+060)=105 if 061 is greater than 060 then (059+061)=105	067	35.909.482	44.650.298
INCOME:					
I. TAX REVENUES (from 069 to 076)			068	0	0
52.	711	Income, profit and capital gains tax	069		
53.	712	Social security benefits	070		
54.	713	Property taxes	071		
55.	714	Domestic taxes on commodities and services	072		
56.	715	International trade and transaction tax (customs and duties)	073		
57.	716	One-off special fees	074		
58.	717	Taxes on specific services	075		
59.	718	Fees for use or permits for performing an activity	076		
II. NON-TAX INCOME (from 078 to 082)			077	0	0
60.	721	Enterprising income and property income	078		
61.	722	Fines, court and administrative fees	079		
62.	723	Fees and charges	080		
63.	724	Other government services	081		
64.	725	Other non-tax income	082		
III. CAPITAL INCOME (from 083 to 087)			083	0	0
65.	731	Sale of capital assets	084		
66.	732	Sale of goods	085		
67.	733	Sale of land and intangible investments	086		
68.	734	Income from dividends	087		
IV. TRANSFERS AND DONATIONS (from 089 to 092)			088	35.909.482	44.650.298
69.	741	Transfers from other government levels	089	35.909.482	44.650.298
70.	742	Donations from abroad	090		
71.	743	Capital donations	091		
72.	744	Current donations	092		
V. DOMESTIC BORROWING (from 094 to 096)			093	0	0
73.	751	Short-term loans from the country	094		
74.	753	Long-term bonds	095		
75.	754	Other domestic borrowing	096		
VI. BORROWING ABROAD (from 098 to 100)			097	0	0
76.	761	International development agencies	098		
77.	762	Foreign governments	099		
78.	769	Other borrowings abroad	100		
79.	771	VII. SALE OF SECURITIES Sale of securities	101		
80.	781	VIII. INCOME FROM REPAYMENT OF LOANS Income from collected loans given	102		
		A. TOTAL INCOME (068+077+083+088+093+097+101+102)	103	35.909.482	44.650.298
81.	890	B. UNCOVERED EXPENSES (059+061 minus 103)	104	0	0
		C. TOTAL: (103+104=067)	105	35.909.482	44.650.298

82.		G. SPECIAL DATA: Average number of employees based on hours worked in the accounting period (whole number)	106	37	47
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In Skopje
The day is 28.02. 2023 year

Person responsible for compiling the balance sheet
Valentin Petrushevski [signature-illegible]

MP
[seal]

Manager
Biljana Ivanovska [signature-illegible]

5 1 0			0 5 8 8 5 0 4 3									0 2 0 0 3				6 0 0 4 6 6 3 7 1 9					
1 2 3			4 5 6 7 8 9 10 11									12 13 14 15				16 17 18 19 20 21 22 23 24 25 26					
Type of Job			Personal Identification Number (PIN)									Backup codes									

Name of the entity	State Commission for Prevention of Corruption
Address, headquarters and telephone	Presveta Bogorodica No. 3, Skopje 02/3146-700
Email address	sozr.finansovo@sozr.gov.mk
Tax number	207150325

SPECIAL DATA
for state records for the users of funds
from the Funds Budget

for 31.12.2022

207150325

(in denars)

Ord. No.	Account group, account, D=part	POSITION	AOP designation	Amount	
				Last year	Current year
1	2	3	4	5	6
		A. INTANGIBLE ASSETS			
1.	000	Acquisition value of founding expenditures	601		
2.	008 d	Value adjustment (revaluation) of founding expenditures	602		
3.	009 d	Accumulated amortization (impairment) of founding expenditures	603		
4.		Present value of start-up expenditures (< or = AOP 112 from BS)	604	0	0
5.	001	Acquisition value of expenditures in research and development	605		
5.1.		Salary and salary allowances of employees who work directly on research and development	606		
5.2.		Costs for materials and services 1 used or consumed in research and development	607		

1) Costs for raw materials and materials, costs for energy, costs for small inventory, costs for packaging, costs for spare parts and materials for maintenance of facilities and equipment, intellectual services and other services that are a requirement for research and development for own purposes.

Ord. No.	Account group, account, e=part	POSITION	Designation on AOP	Amount	
				Last year	Current year
1	2	3	4	5	6
5.3.		Amortization of real estate, plants and equipment used in research and development	608		
5.4.		Amortization of patents and licenses used in research and development	609		
6.	008d	Value adjustment (revaluation) of expenditures in research and development	610		
7.	009d	Accumulated amortization (impairment) of expenditures in research and development	611		
8.		Present value of research and development expenditures (< or = AOP 112 from BS)	612	0	0
9.	002d	Acquisition value of patents, licenses, concessions and other rights	613		
10.	008d	Value adjustment (revaluation) of patents, licenses, concessions and other rights	614		
11.	009d	Accumulated amortization (impairment) of patents, licenses, concessions and other rights	615		
12.		Present value of patents, licenses, concessions and other rights (< or = AOP 112 from BS)	616	0	0
13.	002d	Acquisition value of software with license	617	17.824.440	21.386.604
14.	008d	Value adjustment (revaluation) of software with license	618		
15.	009d	Accumulated amortization (impairment) of software with license	619	5.028.422	9.960.322
16.		Present value of software with license (< or = AOP 112 from BS)	620	12.796.018	11.426.282
17.	002d	Purchase value of software developed for own use	621		
18.	008d	Value adjustment (revaluation) of software developed for own use	622		
19.	009d	Accumulated amortization (impairment) of software developed for own use	623		
20.		Present value of software developed for own use (< or = AOP 112 from BS)	624	0	0
21.	002d	Purchase value of acquired databases	625		
22.	008d	Value adjustment (revaluation) of acquired databases	626		
23.	009d	Accumulated amortization (impairment) of acquired databases	627		
24.		Present value of acquired databases (< or = AOP 112 from BS)	628	0	0
25.	003d	Acquisition value of databases developed for own use	629		
26.	008d	Value adjustment (revaluation) of databases developed for own use	630		
27.	009d	Accumulated amortization (impairment) of databases developed for own use	631		
28.		Present value of databases developed for own use (< or = AOP 112 from BS)	632	0	0
29.	003	Acquisition value of other intangible rights	633		
30.	008d	Value adjustment of other intangible rights (revaluation)	634		
31.	009d	Accumulated amortization (impairment) of other intangible rights	635		
32.		Present value of other intangible rights (< or = AOP 112 from BS)	636	0	0
		B. MATERIAL GOODS AND NATURAL RESOURCES			

33.	010	Property	637		
34.	018d	Value adjustment (revaluation) of property	638		
35.		Present value of property (< or = AOP 113 of BS)	639	0	0
36.	011	Forests	640		
37.	018d	Value adjustment (revaluation) of forests	641		
38.		Present value of forests (< or = AOP 113 of BS)	642	0	0
39.	018	Value adjustment (revaluation) of material goods and natural resources	643		
		C. MATERIAL ASSETS			
40.	022d	Acquisition value of information and telecommunication equipment ²¹	644	368.401	368.401
41.	028d	Value adjustment (revaluation) of information and telecommunication equipment	645		
42.	029d	Accumulated amortization (impairment) of information and telecommunication equipment	646	368.401	368.401
43.		Present value of information and telecommunications equipment (< or = AOP 117 from BS)	647	0	0
44.	22	Acquisition value of computer equipment ³¹	648	19.569.372	23.657.995
45.	028d	Value adjustment (revaluation) of computer equipment	649		

2) Devices with electronic control, as well as electronic components that are part of these devices (radio, television and communication equipment and devices)

3) Hardware and peripheral units, data processing machines, printers, scanners and the like.

Ord. No.	Account group, account, D=part	POSITION	AOP designation	Amount	
				Last year	Current year
1	2	3	4	5	6
46.	029d	Accumulated amortization (impairment) of computer equipment	650	7.894.671	12.070.141
47.		Present value of computer equipment (< or = AOP 117 from BS)	651	11.674.701	11.587.854
48.	025	Acquisition value of other material assets	652	4.050.90	6.178.493
49.	028d	Value adjustment (revaluation) of other material assets	653		
50.	029d	Accumulated amortization (impairment) of other material assets	654	2.843.443	3.452.725
51.		Present value of other material assets (< or = AOP 120 of BS)	655	1.207.459	2.725.768
52.		Precious metals and stones	656		
53.		Antiques and other works of art	657		
54.		Other valuables	658		
		G. SHORT-TERM OBLIGATIONS FOR SALARIES AND OTHER OBLIGATIONS TO THE EMPLOYEES			
55.	280	Obligations for salaries and allowances from salaries (< or = AOP 197 of BS)	659	2.579.204	3.204.868
56.	281	Obligations for net salaries (< or = AOP 197 of BS)	660	1.704.684	2.122.878
57.	282	Net salary allowances (< or = AOP 197 of BS)	661		
58.	284	Taxes on salaries and allowances (< or = AOP 197 of BS)	662	151.563	185.704
59.	285	Contributions from salaries and allowances from salaries (< or = to AOP 197 from BS)	663	722.957	896.286
		D. EXPENSES			
		1. Utilities, heating, communication and transport			
60.	421d	Electric energy (< or = on AOP 014 from BPR)	664	422.204	1.909.866
61.	421d	Water supply and sewage (< or = on AOP 014 from BPR)	665	13.104	55.315
62.	421d	Mail, telephone, telefax and other communication costs (< or = on AOP 014 from BPR)	666	1.226.455	1.724.797
63.	421d	Fuels and oils (< or = AOP 014 from BPR)	667		
		11. Materials and small inventory			
64.	423d	Uniforms (< or = AOP 015 from BPR)	668		
65.	423d	Shoes (< or = AOP 015 from BPR)	669		
66.	423d	Food and beverages (< or = AOP 015 from BPR)	670	173.410	284.969
67.	423d	Medicines (< or = AOP 015 from BPR)	671		
		III. Contract services			
68.	425d	Commission for payment transaction and bank commission (< or = AOP 017 from BPR)	672		
69.	425d	Consulting Services (Royalty Expenditures) (< or = AOP 017 from BPR)	673	9.500	
70.	425d	Real estate and rights insurance (< or = AOP 017 from BPR)	674	350.634	148.825
71.	425d	Payment for health organizations from the Ministry of Health (< or = AOP 017 from BPR)	675		
72.	425d	Health services abroad (< or = AOP 017 from BPR)	676		
		IV. Other current expenses			
73.	426d	Other operating expenses (< or = on AOP 018 from BPR)	677	12.004	64.884
		V. Miscellaneous Transfers			
74.	464d	State awards and decorations (< or = on AOP 037 from BPR)	678		
75.	464d	Retirement Transfers (< or = on AOP 037 from BPR)	679	56.876	
		VI. Social benefits			

76.	471d	One-time financial aid and aid in kind (< or = on AOP 040 from BPR)	680		
77.	471d	Child allowance (< or = on AOP 040 from BPR)	681		
78.	471d	Help for the health protection of plants and animals < or = on AOP 040 from BPR)	682		
79.	471d	Nutrition for the homeless and other social persons (< or = on AOP 040 from BPR)	683		
		1. Fees and charges			
80.	723d	Rents (< or = on AOP 079 from BPR)	684		
		II. Transfers from other government levels			
81.	741d	Transfers from the Budget of the Republic of Macedonia (< or = on AOP 088 from BPR)	685	35.909.482	44.650.298
82.	741d	Transfers from fund budgets (< or = on AOP 088 from BPR)	686		
83.	741d	Block grants to the municipality for separate purposes (< or = on AOP 088 from BPR)	687		
		E. SPECIAL DATA			
84.		Average number of employees based on the balance at the end of the month	688	37	47

In Skopje

The day is 28.02. 2023 year

Person responsible for compiling the balance sheet

Valentin Petrushevski [signature-illegible]

MP

[seal]

Manager

Biljana Ivanovska [signature-illegible]

MP of CRM and date of receipt

The control was carried out by:

5 1 0			0 5 8 8 5 0 4 3											0 2 0 0 3 6 0 0 4 6 6 3 7 1 9											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Type of Job			Personal Identification Number (PIN)											Backup codes											

Name of the entity: State Commission for Prevention of Corruption
Address, headquarters and telephone: Presveta Bogorodica No. 3, Skopje 02/3146-700
Email address: sozr.finansovo@sozr.gov.mk
Tax number: 207150325

STRUCTURE OF INCOME BY ACTIVITIES (SPD-RECAPITULAR)
in the period from January 1 to 31.12. 2022

207150325

NCA (National Classification of Activities)			Realized income (in denars)3
Ord. number	Class 1	Name2	
1.	84.11	General activities of the administration	44.650.298
2.			
3.			
4.			
5.6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			

- 1) In the "Class" column, enter a numerical code for the class according to the NCA for the activity from which the subject earns income.
- 2) In the "Name" column, enter the descriptive name of the activity according to NCA from which the subject earns income.
- 3) In the "Realized income" column, enter the amount of realized income by activities.

REGISTERED MAIN ACTIVITY (Co-designation of the code and name of the class of the activity determined by NCA)
| | | |

REALIZED INCOME MAINLY FROM _____ ACTIVITY - | | | |
(By specifying the code and name of the activity class determined by the NCA)

Person responsible for compiling the form:
Name and surname: Valentin Petrushevski
Signature [signature-illegible]

In Skopje On 28.02. 2023 year [seal] MP Biljana Ivanovska
Name and surname of the legal representative
Signature [signature-illegible]

* For commercial companies, it is not mandatory to use the official seal according to the Law on Commercial Companies.

[PRO Logo]

**TAX BALANCE
for profit taxation**

DB

* Completed by the Public Revenue Office

Special tax status Protective companies TIRZ Penitentiaries

Tax number 4 0 3 0 0 4 5 1 5 6 4 2

Abbreviated name and address of the actual Skopje headquarters for contact State Commission for Prevention of Corruption of RNM,
st. Presveta Bogorodica No. 3 Skopje

Tax period
from 01.01.2022 to 31.12.2022

Submission deadline 28.02.2023

DB correction

telephone 102/3146-700

e-mail sozr.finansovo@sozr.gov.mk

DETERMINATION OF INCOME TAX

'no denis'

	AOP	
I. Financial result in the Income Statement	01	
II. Unrecognized expenses and underreported income for tax purposes (total from AOP 03 to AOP 39)	02	
1. Expenses that are not related to the performance of the subject's activity, that is, they are not a direct condition for the performance of the activity and are not a consequence of the performance of the activity	03	
2. Reimbursements of expenses and other personal income from employment above the established amount	04	
3. Reimbursements of employee expenses that are not determined by article 9 paragraph (1) point 2) of the Profit Tax Law	05	
4. Costs for organized meals and transportation above the amounts established by law	06	
5. Costs for hotel accommodation in the amount of more than MKD 6,000 per day per person and costs for transportation of persons who are not documented	07	
6. Food costs for employees who work at night, above the amounts established by law	08	
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COMPILER INFORMATION

Name / Name and Surname	Valentin Petrushevski		
Tax Number/PIN	0101960450311	Date of filling	28.02.2023
Property	Head of department	Signature	[signature-illegible]

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PIN	2809964455032	Date of filling	28.02.2023
Property	President of the Committee for the Prevention of Corruption of the RNM	Signature	[signature-illegible]

* Completed by the Public Revenue Office

Processing data	
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