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Government of the Republic of North Macedonia

**„ACTION 21 “**  
**- ANTI-CORRUPTION PLAN -**

March, 2021



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## **1. Staffing and digitalization of the Public Prosecutor's Office as well as the investigation centers in the Basic Public Prosecutor's Offices**

The Cabinet of Deputy Prime Minister in charge of Fight against Corruption and Crime, Sustainable Development and Human Resources has detected the need for staffing and digitalization of the investigation centers in the Public Prosecutor's Office. Out of 23 Basic Public Prosecutor's Offices in the country (together with the Basic Public Prosecutor's Office for Prosecuting Organized Crime and Corruption), only 4 Public Prosecutor's Offices have investigation centers which, although operational, do not have the necessary capacities, are not staffed, nor are digitalized. Existing, functional, staffed and digitalized investigation centers would significantly contribute to the fight against corruption and crime.

Additionally, the strategy of the State Commission for Prevention of Corruption 2021-2025 envisages an increase in the staff in the Public Prosecutor's Offices, the same has been noted in the report of the Bertelsmann Foundation TI - BF which is one of the 7 reports used by Transparency International to determine the corruption index.

## **2. Digitalization of the Registers of Births, Marriages and Deaths and issuing electronic certificates from the Registers of Births, Marriages and Deaths**

Taking into consideration that the basic data needed by the anti-corruption authorities are the identification data of individuals, it is undoubtedly clear that the Office for Management of Registers of Births, Marriages and Deaths has an essential function. This statement is derived from its competence to keep registers of births,



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marriages and deaths. Additionally, and having in mind that in accordance with the Law on Electronic Management and Electronic Services and the Law on Central Population Register, it is undoubtedly clear that the competent anti-corruption authorities should take over the data contained in these three registers from the Office for Management of Registers of Births, Marriages and Deaths through the National Interoperability Platform, through which they access the data contained in the Central Population Register. Due to these facts, the Office for Management of Registers of Births, Marriages and Deaths in 2017 was obliged to submit information to the Government regarding the status and needs for establishing a complete electronic record of these databases. Additionally, for a certain period of time in 2020, it issued birth certificates through the National Portal for Electronic Services in the form of electronic documents.

### **3. Alignment of the legislation in the area of digitalization as a mechanism in the fight against corruption**

In order to use the capacities of the systems managed by the Ministry of Information Society and Administration in the direction of facilitation of the procedures conducted by the citizens before the competent authorities, but also in the direction of an automated process of issuing acts which means shorter waiting time for a certain document, simultaneous and coordinated amendment of several laws is also needed. Additionally, such activity is necessary in order to overcome the identified systemic weaknesses.

Weaknesses identified: In many of the laws, the conditions for exercising a right or fulfilling an obligation are either too general or vague. This leaves space for manipulation of evidence of fulfillment of conditions or impossibility of proving. It is typical for the Macedonian legislation that it lacks terminological consistency. This terminological inconsistency is a problem in establishing the evidence register,



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which is a module within the system establishing the National Portal for Electronic Services. Such an evidence register is necessary for the digitization of processes.

In the following period there will be created a working group by the Government of the Republic of North Macedonia, which will be in charge of preparing draft texts for amending laws to digitize the processes and this working group will be coordinated by the Cabinet of the Prime Minister and the Cabinet of Deputy Prime Minister in charge of Fight against Corruption and Crime, Sustainable Development and Human Resources, having members from all ministries.

An appropriate accompanying document has been submitted for this item, with appropriate analysis of the application of the Law on Central Population Register, the Law on Electronic Management and Electronic Services and the Law on Electronic Documents, Electronic Identification and Confidential Services. This analysis, from which the identified need for this activity arises, also has a purpose of clarifying this item and the conclusions regarding it.

#### **4. Increase of the use of the National Interoperability Platform for the needs of the competent anti-corruption authorities**

“Interoperability” is a national platform for secure exchange of databases and registers among the institutions in a single secure digital environment managed by the Ministry of Information Society and Administration. The project “Interoperability” should cover all state institutions. At the moment, 32 institutions are connected to the platform, but only 15 institutions use it regularly. The main purpose would be for the institutions (including all 28 inspection services in the country) not only to be formally part of the project, but to actually use the platform, by being able to receive and send information. In order to achieve this, a detailed analysis/assessment of the institutions' background systems, their IT human resources, as well as an assessment of the hardware owned by the institutions should be conducted, as the biggest problem they face is the lack of IT equipment



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needed to connect with the platform. Following the assessment, it will be necessary to procure the necessary hardware and software for the institutions to be able to connect to the platform.

At the moment, we are analyzing which institutions (7 Anti-corruption) download and exchange data through Interop or otherwise. Additionally, an analysis of the technical equipment and capacities of human resources is made, in order for all relevant institutions to develop web services and to digitize the registers or databases that they keep so that all communication takes place through Interop and in real time.

### **5. Establishment of an electronic inspection system “E-Inspector”**

The planned electronic inspection system would enable electronic connection and operation of all 28 inspection services under the jurisdiction of the Inspection Council. This system would enable electronic distribution of inspections by inspectors, monitoring the implementation of inspections and generating reports and decisions, generating monthly plans and coordination of inspectors from different inspection services. This system would reduce the subjective influence of the inspector during the inspection. This system would contribute to the improvement of institutional capacities - the overall performance of the inspection services would be improved by electronic distribution of inspections (the system would monitor which inspection service performs inspections and the day of inspection), and the reports and decisions of the performed inspections would be generated during of the performed inspection. Additionally, the introduction of this system would increase institutional cooperation. The commissioning of the electronic system “E-inspector” would facilitate the communication among the inspection services, as well as with the Public Revenue Office, the Customs Administration, the Employment Agency, the Central Registry etc. By the support of USAID, in November 2019, a Memorandum of Cooperation for development of



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pilot software solution for automatization of the inspection procedure and inspection operation, was signed between the Ministry of Information Society and Administration and the Center for Development Policies IDEAS DePo Skopje, as an organization that in the Republic of North Macedonia implements the Project “Modernization of Inspection Services” funded by the United States Agency for International Development (USAID).

The need for a pilot project arises from the existence of a large and substantial change in the manner of work that has effects on the overall operation of the inspection services. Due to the fact that the system should support more than 1,000 users (inspectors) of the BPMS system, the experts' suggestions are that for the purposes of the pilot project at least 10% of the total planned number of users should be provided. In that context, three inspection services were selected, as follows:

1. State Market Inspectorate (SMI)
2. State Labor Inspectorate (SLI) and
3. State Administrative Inspectorate (SAI).

The pilot project which currently includes only a few modules (inspection planning based on risk assessment, conducting the inspection and IT help desk) is in the final stage of implementation.

In order to include the inspection services (State Labor Inspectorate, State Market Inspectorate and State Administrative Inspectorate) the pilot platform needs to provide appropriate hardware for the inspection services included in this project.

**6. Strategy for strengthening the capacities for conducting financial investigations and confiscation of property 2021-2023 and establishing a National Commission for monitoring the implementation of the Action Plan of the Strategy for strengthening the capacities for conducting financial investigations and confiscation of property 2021-2023**



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According to the European Commission's Macedonia 2020 report, "Confiscation of criminal property should become a strategic priority in the fight against organized crime, terrorism and high-level corruption in the country." Country tools for freezing, managing and confiscating criminally acquired property are not effective enough. Systematic use of confiscation or extended confiscation is required for a limited list of offenses."

The Government of the Republic of North Macedonia, in August 2017, adopted a decision to adopt a Strategy for strengthening the capacity for conducting financial investigations and confiscation of property with an Action Plan for its implementation in the period from 2018 to 2020. The Strategy is a document that ranks the priorities and defines the activities to be undertaken, in order to improve the capacities for conducting financial investigations and the system of confiscation of property and contains a comprehensive approach to financial investigations, for the implementation of which the Public Prosecutor's Office, Ministry of Interior, the Customs Administration, the Financial Police Office and other competent bodies are competent. The strategy includes five strategic goals: I. Efficient bodies for conducting financial investigations; II. Strengthened and efficient inter-ministerial cooperation; III. Strengthening and harmonizing the legal framework; IV. Capacity building through training and V. Protection of human rights. The Government adopted the strategy in January 2018, and its implementation was delayed and slowed down due to the lack of a decision to establish a National Commission, as a body to oversee the implementation of the strategy, composed of representatives of institutions responsible for conducting financial investigations. This body, according to the strategy, should have been competent to prepare and submit to the Government of RNM quarterly reports on the course of implementation of the strategy. Also, the National Commission was supposed to analyze the problems and coordinate the activities for effective implementation of the strategy. In the past three years, no budget has been determined for the implementation of the strategy.



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It has been noted that there is no strategy for integrated access to multiple services and parallel financial and criminal investigation. Financial investigations are almost without exception conducted before the start of a criminal investigation and serve as a basis for initiating a criminal investigation. Such investigations are not only conducted without coordination with the Public Prosecutor's Offices, but also lack proper monitoring of the flow of money, as well as detection of possible conversion, transfer and concealment of illegally acquired property. Due to this reason, it is necessary to work on strengthening the coordination of the Public Prosecutor's Offices with the Financial Police, the Ministry of Interior and the other services, as well as to work on strengthening the capacities of the investigative bodies.

The lack of professional services and the limitation of the institutional capacities in the Ministry of Interior, Ministry of Finance - Financial Police Office and Ministry of Finance - Customs Administration are pointed out as the main reason for the insufficient implementation of the legal provisions regarding the previous measures for seizure and freezing of property as well as the confiscation measure.

It has been detected that the imposition of the measure of confiscation by the basic courts in Macedonia is absent, with the exception of the Basic Criminal Court Skopje, even in cases when it is necessary, which is an additional indicator of the inflexibility of the courts and law enforcement bodies that still dominantly oblige the convicted person to return the illegally acquired amount.

## **7. Governing and supervisory boards**

The weaknesses detected regarding governing and supervisory boards are: discretionary decision-making for the number of members in the governing board of some of the bodies; non-transparent procedure for their appointment; there is no





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uniformity in terms of the number of members of the governing board and the supervisory board, the type of education that the members should have, the work experience after graduation, the fee that is paid to them.

In the following period we will propose that the number of members of the Governing Board cannot be more than 5 members; to determine precise conditions for appointment of members to governing and supervisory boards and their responsibility; the members of the governing and supervisory board should be experts in the field of the subject of the operation of the public enterprise, to request a special type of education in accordance with the activity of the body whose governing board they are members of and work experience; to regulate the selection procedure, the fee should be paid once a month, if sessions have been held.

### **8. Amendment to the Law on Prevention of Corruption and Conflict of Interest**

The analysis of the information available on the website of the State Commission for the Prevention of Corruption shows that it maintains only a register of appointed and elected persons. There is no glossary, it does not distinguish between appointed and elected persons, it does not list incompatible functions. Based on the decisions that are published it cannot influence nepotism or incompatibility of functions. Insufficiently precise definition of the term public office, appointed person, elected person, functionary, manager, managing body, authorized person, responsible person, which complicates the action when applying control mechanisms. Inaccuracy in determining the conflict of interest between an appointed or elected person and performance of another profession. Lack of information to the citizens, employees and institutions regarding these terms and their incompatibility. Possibility to make an unsubstantiated decision, which can be challenged in court proceedings.

Recommendations: To incorporate a provision in the Law on Prevention of Corruption and Conflict of Interest or supplement the competence that the State



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Commission for Prevention of Corruption will provide guidance to the institutions that are part of the public sector for the preparation of an Integrity Plan in each institution. The Ministry of Justice and the State Commission for Prevention of Corruption will supervise whether a plan for integrity, objectivity and quality has been adopted and the degree of implementation of measures and activities for improving integrity. State Commission for Prevention of Corruption should prepare a manual for preparation of an integrity plan. State Commission for Prevention of Corruption should prepare a list for all public office holders. To list all persons who are considered functionaries, with an emphasis on the persons appointed by the Government and to specify the procedure for their appointment. State Commission for Prevention of Corruption should prepare a brochure containing legal terms. To specify the conflict of interests, especially in the part that refers to performing two or more public functions, from which body the person receives a salary, from which functional fee, a list of the persons who should submit an asset declaration to the Commission for Prevention of Corruption. Familiarizing certain persons with their rights and obligations for the possibility of reporting in the State Commission for Prevention of Corruption after taking a certain position and for the occurrence of a conflict of interests in performing incompatible functions.

### **9. Appointment of an authorized person to receive reports from whistleblowers**

All state administration bodies are obliged, the institutions that do not have the status of state administration bodies are instructed and it is recommended to the local self-government units to appoint an authorized person to receive reports submitted for protected internal reporting according to the Law on Whistleblower Protection and publish the appointment on their websites. This will make our institutions more transparent and open to reporting corruption and other irregularities.



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## 10. Public procurement

### 10.1. Weaknesses detected:

#### I. Problems identified in:

- Adoption of the annual plans for public procurement - need for proper determination and explanation of the procurement needs in terms of type, quality, quantity and deadline for delivery of goods, services and works, which will be subject to procurement.
- Determination of the real estimated value - the need to conduct market research before making public procurement plans and making procurement decisions.
- Increased monitoring of the consistent observance of the Law on Public Procurement when publishing notifications for concluded, implemented contract, amendments to the contracts, including the contracts from procedures conducted by negotiations without making an announcement.
- Consistent monitoring of the implementation of the contracts.
- Respect for the principle of transparency, as well as accountability and integrity in the implementation of public procurement.
- Determination of conditions for participation and criteria for selection of the most favorable bid.
- The source code for all pieces of software supplied by contracting authorities is not protected
- Procurement of goods, in terms of procurements carried out by almost all contracting authorities, and they prepare different technical specifications for the same type of procurement.

#### Recommendation:

Obligation for all contracting authorities at both central and local level to prepare internal procedures for the implementation of public procurement procedures and implementation of contracts, in accordance with the form of internal procedures



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which is an integral part of the Practical guide through public procurement issued in 2020.

**10.2. Risks of corruption by setting discriminatory conditions for bidders' participation, discriminatory technical specifications and discriminatory criteria for selection of the most favorable bid.**

Recommendation: Complete staffing with appropriate professional staff of the organizational unit in the Public Procurement Bureau that works on the administrative control.

Recommendation: The administrative control of the Public Procurement Bureau should be comprehensive and it should include as mandatory the conditions for participation, technical specifications and selection criteria, also the deadline for conducting the administrative control should be shortened, i.e. the Public Procurement Law should provide a deadline within which the Public Procurement Bureau will start administrative control counting from the day of making the decision for selection (e.g. 3 working days). This will achieve efficiency in the implementation of administrative control and timely completion of procedures.

Recommendation: Use of anti-corruption tools in the Electronic Public Procurement System (such as red flags) with strengthened inter-institutional cooperation (Public Procurement Bureau to use the public procurement database at the national level in order to prepare various types of statistical reports, as well as indicators of corruption) and exchange of data from the procedures with other competent authorities (State Commission for Prevention of Corruption, Commission for Protection of Competition, State Audit Office, etc.).

Recommendation: Taking steps for professionalization in public procurement not only for persons directly working on public procurement, but also beyond (related professions such as judges, auditors, etc.) and modernizing the public procurement education process organized by the Public Procurement Bureau through innovative, interactive solutions or e-learning tools involving academic collaboration.



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### **10.3. Cooperation of the Public Procurement Bureau with the contracting authorities regarding the application of the provisions of the law**

The Public Procurement Bureau, in order to overcome the detected weaknesses, needs to consistently comply with Article 45 paragraph 1 line 3 of the Public Procurement Law. The frequently asked questions that are currently published on the Bureau's website are not sufficient to meet the statutory obligation of the Public Procurement Bureau under the law.

### **11. Drafting a Law Amending the Law on Use and Disposal of Goods Owned by the State and Municipalities**

Amendments to the law should provide a unified and unique way of managing individual databases for the use of official vehicles in state and municipal ownership, based on established standards and procedures, so that a vehicle register will be introduced. This would regulate the manner of use and prevent the misuse of official vehicles.

### **12. Preparation of an annual Anti-corruption program**

The Anti-corruption program has the purpose of establishing an effective system of measures that will enable prevention and fight against corruption as a main strategic priority of the Government of the Republic of North Macedonia.

The identified program activities should include:

- preparation of analysis for risk areas for corruption within the scope of operation of state bodies as well as detected shortcomings in the laws,



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- identification of the causes, conditions and factors that enable corruption,
- strengthening the capacities of the institutions with special emphasis on strengthening the integrity of the employees,
- timely action regarding the realization of the necessary services to the legal entities and natural persons,
- compliance with the legal regulations, the Code of Ethics for members of the Government and public office holders appointed by the Government as well as the Code for Administrative Servants,
- strengthening the trust of the citizens in the institutions and motivating them to report corruption,
- strengthened control and supervision of public procurement,
- strengthening inter-institutional cooperation and cooperation in the fight against corruption through the Interoperability platform,
- strengthening the tools for accountability and transparency in the work of the ministries and state administration bodies.

The state bodies are obliged to publish the Anti-corruption program on their website.

### **13. Plan for amending the regulations in the field of administrative servants and public sector employees**

The final report of the project "Vulnerability to Corruption Assessment of the Employment Policies and Procedures, with a Special Focus on Nepotism, Cronyism and Clientelism" of the State Commission for Prevention of Corruption and Transparency International pointed to certain weaknesses in the field of public service. The report has noted some weaknesses, but it also contains recommendations. Therefore, in order to overcome the identified situations, it is



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necessary for the Ministry of Information Society and Administration, in cooperation with the Administration Agency, as the most affected by these recommendations to prepare a plan that will determine the manner of implementation of the recommendations in the respective acts.

The weaknesses, ie the recommendations for overcoming them refer to:

Procedures for filling vacancies through employment, promotion and mobility. According to the recommendations it is necessary to: redefine the term work experience in the profession; in the announcement to list all the necessary documents to be submitted by the candidate; verification of the reliability of the evidence to be performed in the first phase; the commission for selection of candidates not to reject the application as untidy without giving the candidate the opportunity to edit the application beforehand; to reduce the discretion and to establish clear criteria for announcing an internal announcement (preparation of a form with measurable criteria with points), for the promotions not to require individual consent from the Ministry of Finance but to be foreseen in the annual plan and in the budgets of the institutions, ; amending the law on public sector employees by restricting changes to the rulebooks and mandatory functional analysis before changing the rulebook on systematization; standardization of rules for internal organization and systematization of jobs.

Adoption of a Law on Public Sector Wages. According to the recommendations it is necessary to: specify the value of a salary point in each institution and precise criteria and competent institutions that can influence and give consent to change the amount of the point; establishing unique criteria for calculating salaries and allowances for public sector employees; limiting discretionary decisions on salaries and the amount of allowances in the material regulations for the establishment of independent bodies and regulatory bodies and in public enterprises.



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Discretionary decisions in the procedure for employee mobility and efficient functioning of the transfer list for possible takeovers. According to the recommendations, it is necessary: Each of the institutions that will abolish a certain organizational unit or when an entire body is abolished, the employees who will remain unallocated to other institutions to report them and submit the data on the employee in the transfer list for possible takeovers. Additionally, it is necessary for the institution to first address the Ministry of Information Society and Administration in order to check whether there is an unassigned civil servant in the transfer list who meets the conditions for the specific job; to request the consent of the employee if he / she is assigned or taken to a job that is not at the same level as the employee was before and to regulate the situation if the employee does not give his / her consent.

#### **14. Central database for issuing licenses and permits**

At the moment, the state does not have a central database for issuing licenses and permits that companies need to own and maintain depending on the activities they perform. The work is dispersed in a number of competent agencies both at central and local level, regulated by different laws regarding the subject matter for a certain activity. At the moment, there is not even a comprehensive list of all government agencies involved in issuing licenses and permits.

The Central Registry of the Republic of North Macedonia through its daily work has created a list of licenses/permits issued by various Government agencies, but the list is not final. On the one hand, the Government does not have a comprehensive overview of the issued licenses and permits, their validity, etc., whereas the companies are not able to easily access information regarding the applications for obtaining certain licenses and permits. There is also a lack of transparency in the process of issuing, maintaining and renewing licenses and permits.





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Additionally, the Central Registry of the Republic of North Macedonia through its daily operation has created a list of licenses/permits issued by various instances of the Government, but the list is not final.

In the following period we will create a central platform for recording issued licenses and permits that would be integrated in the current company extract. The platform should provide access to all competent instances in the public sector for access and update of information related to licenses/permits under their competence. The platform should provide a central database of all licenses and permits issued at a given time, with their validity, expiration, the conditions under which the license is issued, as well as any subsequent changes to it (revocation, extension, etc.).

The data in the company license together with the corporation data will add value to the information on certain company for the future and current partners.

### **15. Coordination with the institutions**

In order to establish an effective system for prevention and fight against corruption, it is necessary to strengthen inter-institutional coordination and cooperation. One of the coordination implementation mechanisms will be nomination of focal points from the 7 anti-corruption institutions (Ministry of Interior, Ministry of Justice, Intellectual Council, Financial Police, Financial Intelligence, Public Revenue Office, Customs Administration) in order for better coordination and communication with the Cabinet of Deputy Prime Minister in charge of Fight against Corruption and Crime, Sustainable Development and Human Resources Nikolovski but also among them.

### **16. System for monitoring of cases and complaints**



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The introduction of a call center through which legal entities and individuals will be able to report untimely actions of the competent institutions regarding their submitted requests as well as potential corruption in sectors is ongoing. The purpose of this call center would be to monitor case requests and complaints submitted by individuals and legal entities to the state administration bodies upon which they act in accordance with the regulations or given deadlines. Detecting system weaknesses and points susceptible to corruption in the system will serve as a starting point for systemic problem solving and the corruption.

### **17. Code of Ethics for Administrative Servants**

The administration should perform its tasks in a quality, efficient, transparent and responsible manner, while applying the ethical standards and rules in the conduct with the parties/citizens, colleagues and superiors. As one of the commitments of the Government is to restore trust in the institutions, and on the other hand, the Code as a bylaw since its adoption in 2014, has not been assessed in regard to its implementation, the need for such activity has arisen. For that purpose, in the next period, it will be revised and its application will be strengthened.

### **18. Register of granted state aid**

In the Republic of North Macedonia, there is no state aid register with detailed data on the granted aid, beneficiaries, grounds for granting etc. which prevents the insight by the citizens and the interested parties into the granted aid and analysis and checking of the effects of that aid and the regularity of the granting. The establishment and updating of the Register will prevent irregularities and abuses in the granting and use of state aid, enable inspection, monitoring and control of the granted aid.



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Transparency in the granting of state aid is treated as an important issue in the EU. By the initiative for modernization of state aid, the European Commission seeks to increase transparency, as a result of which in 2014 changes were made in several decrees for different categories of aid (European Commission, 2014). By these changes, Member States are obliged, on a single website (in this case it would be the website of Commission for Protection of Competition (CPC)) in a format that allows easy search, to publish data on each aid measure, regardless of whether it is aid scheme or individual aid granted outside the scheme.