

STATE COMMISSION FOR PREVENTION OF CORRUPTION

**State Programme for Prevention and
Repression of Corruption**

**State Programme for Prevention and
Reduction of Conflict of Interests**

**with Action Plans
for the period 2011 - 2015**

December 2011

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Introduction

Pursuant to its legal responsibilities as set forth in Article 49, paragraph 1 of the Law on Prevention of Corruption and Article 21, paragraph 1 of the Law on Prevention of Conflict of Interests, the State Commission for Prevention of Corruption (SCPC) prepared and during its session of 2 December 2011 adopted the State Programme for Prevention and Repression of Corruption and the State Programme for Prevention and Reduction of Conflict of Interests for the period 2011 - 2015.

The primary legal mandate of the State Commission for Prevention of Corruption is discharged in line with the long-term strategic objectives of the Republic of Macedonia for continuous and uncompromising fight against the organized crime and corruption with the aim to ensure economic and political development, stability and security of the country and its integration into NATO and the European Union. In this process, due consideration has been given to the international conventions on combating organized crime and corruption ratified by the Republic of Macedonia, the recommendations of GRECO - Group of countries, members of the Council of Europe for combating corruption, and the conclusions of the European Commission Progress Report on Macedonia of 12 October 2011.

The point of departure of the two above-mentioned State Programmes, is the fact that corruption is considered a civilization evil which distorts the social system; hinders and damages the basic social values; distorts and destroys the institutional capacities in all spheres of society. Corruption, as a phenomenon, has always been present in all countries worldwide and represents a constant threat that should be constantly addressed and overcome by all legal and institutional tools both preventively and repressively. Therefore, the fight against corruption must be a strategic priority in order to ensure sustainable long-term social competence and resistance to corruption in all its emerging forms. This means that corruption should be reduced to the minimum by unselectively discovering and sanctioning each and every case of corruption in practice. Hence, the level of political will and practical preparedness to combat corruption are also considered an indication of the degree of development and the stability of each country, i.e. its economic and political capacities and potentials, democratic relations, security awareness and culture of the citizens.

Taking into account the typology of the corruption phenomenon -- including the issue of conflict of interest as potentially leading to corruption -- the State Commission for Prevention of Corruption through its State Programmes for Prevention of Corruption and Conflict of Interest in RM, has been thus far designing and guiding the social action framed into clearly defined and continuous process aimed to improve and strengthen

the relevant normative and institutional capacities. This process has also targeted all the categories of citizens in the Republic of Macedonia through undertaking campaigns to raise the public, collective and individual awareness about the harmfulness of corruption and the need for the issue of corruption to be recognized, detected and reported. In other words, the efficient corruption repression needs always to be accompanied with promotion of all forms of preventive action. In essence, the goal has been to improve the accountability of all holders of public functions and authorities; strengthen the penal policy and constantly promote the rule of law, with emphasis on seizing the proceeds of illegal conduct – thus, strategically transforming the issue of corruption into a high risk and low benefit activity.

Although the issues pertaining to corruption are no longer taboo topics, it is nevertheless necessary to fully open the corruption agenda and recognize and bring to light all the corruption topics. For this purpose, the SCPC will continue initiating and delivering trainings and other educational activities aimed at raising the awareness and tackling the perception of individual and even institutional powerlessness before the phenomenon of corruption.

The relevant international organizations and bodies -- particularly the European Commission and the Council of Europe-- have continuously monitored and reported on the progress of the Republic of Macedonia in combating corruption, primarily in the normative area. One of the main findings of these reports has been related to the insufficient enforcement of the laws in practice. This in itself suggests that all institutions involved should focus on full implementation of their mandates both in terms of intensification of their corruption prevention efforts, and even more on improving the efficiency of the penal actions and confiscation of the illegal proceeds from corruption.

The State Programmes for Prevention of Corruption and Conflict of Interests for the period 2011-2015 build on the previous analyses, accumulated knowledge, experiences, good practices and lessons learned that have all fed into the design of the new long-term strategy for addressing corruption. Ever since the establishment of the SCPC in 2002, the policy design process has been centered around achieving the strategic goal of establishing a long-term, stable and operational anti-corruption system and corruption-free individuals. These efforts have been undertaken gradually by application of a phased approach so as to better respond to the actual status of the development of the capacities of the system and the level of corruption in practice. Thus, the first State Programme for Prevention of Corruption was focused on anti-corruption interventions across the entire system; the second State Programme was built around six vital pillars of the societal system of the country; while the new State Programmes goes a step further by focusing on eleven sectors of the society which have been identified to be of specific risk in terms of corruption and conflict of interest and in which a system of institutional integrity and individual level is planned to be introduced. That means that

the process of planning the fight against corruption has been maturing; this approach is seen as the best way for Macedonia to step away from the list of countries with high level of corruption perception and to improve the level of integrity and institutional and individual capacities to resolutely fight corruption.

The State Commission for Prevention of Corruption derives its mandate and competencies from the Law on Prevention of Corruption, the Law on Prevention of Conflict of Interests as well as the United Nations Convention against Corruption ratified in 2007, thus becoming a source of domestic law. The SCPC has been meticulously designing the anti-corruption activities in Macedonia and coordinating and monitoring the effects of their implementation. The SCPC has also been utilizing the gained experiences and lessons learnt in the planning of future policies. In regard to the practical implementation of the State Programmes, it is particularly important for all institutions and individuals to take responsibility for fulfilling their share of the overall scope of tasks. The State Commission for Prevention of Corruption maintains that to be relevant, the strategic policy planning and preparing process of formulating the State Programmes necessitates participation of all relevant institutions and individuals. In that spirit, such a participatory approach has been consistently applied in preparation of the State Anti-Corruption Programmes.

1. Normative and institutional framework

The basic legal framework regulating corruption and the conflict of interest in the Republic of Macedonia is comprised of the following laws: the Law on Prevention of Corruption, the Law on Prevention of Conflict of Interest, the Criminal Code, the Electoral Code, the Law on Financing Political Parties, the Law on Free Access to Public Information and other laws relevant to the issues of corruption and conflict of interest. In the normative framework are also included the international agreements ratified by the Republic of Macedonia, such as the Council of Europe (CoE) Criminal Law Convention on Corruption, ratified in 1999 and the Protocol ratified in 2005 (ETS No.191); the Civil Law Convention against Corruption of CoE ratified in 2000; the CoE European Convention on Mutual Assistance in Criminal Matters ratified in 1999 and its second supplementary protocol; the Council of Europe Convention on Money Laundering, Seizure and Confiscation of the Proceeds from Crime ratified in 2000; the UN Convention on Transnational Organized Crime ratified in 2004 (UNTOC); the UN Convention against Corruption ratified in 2007 (UNCAC).

With its status of an independent specialized institution for prevention of corruption, the State Commission for Prevention of Corruption has assumed a leading role in prevention and initiation of repression against corruption and conflict of interests.

The law enforcement and the judicial bodies are key institutions for repression of corruption. The institutional framework for prevention of corruption is consisted of a network of institutions, some of which have existed for some time now; others established recently. In consideration of the importance of the inter-institutional cooperation as a condition for efficient fight against corruption, in 2007 the State Commission for Prevention of Corruption signed a Protocol for Cooperation with 17 institutions mandated also to contribute to the prevention of corruption and conflict of interests. The said Protocol proved to be a useful tool for efficient exchange of information and documents and contributed to expediting the actions of the involved institutions. The Protocol was instrumental in strengthening the direct cooperation of the institutions through joint work on specific and complex cases of corruption, provision of mutual technical assistance and consolidated approach in reviewing the legislation relevant for these institutions.

2. Main determinants and support

The process of preparation of the State Programmes by the SCPC was fed by the analysis of the efficiency of the activities that had been implemented under the previous State Programmes, as reflected in the conclusions and recommendations of the annual conferences for assessment of realization of the Anti-Corruption State Programmes. Due consideration was also given to the GRECO recommendations - the

third round of evaluation, the EC progress report on Macedonia of 2011; the Strategy for Public Administration Reform of the Republic of Macedonia 2010-2015, the National Programme for Approximation of Laws with the European Union for the period 2011-2013, as well as other documents relevant to the issues of the combat against corruption, reduction of conflict of interests and strengthening the individual and institutional integrity.

In the process of preparation of the State Programmes, the SCPC cooperated with and was supported by a number of institutions and organizations, as follows:

- The Secretariat for European Affairs at the Government of the Republic of Macedonia – the SCPC signed a Memorandum for Cooperation for Preparation of the State Programmes. The Ministry of Justice also extended its full support and cooperation.

- the Delegation of the European Union in the Republic of Macedonia – the SCPC signed an agreement with the EC delegation where the SCPC was designed to be the main beneficiary, while the Ministry of Justice appeared as second beneficiary. Under this Agreement, international anti-corruption experts were hired to directly participate and provide technical assistance to the SCPC in preparation of the State Programmes.

- the UNDP Office in Skopje – the SCPC signed an annex to the project “ Fighting Corruption to Improve Governance” for provision of technical and financial assistance to SCPC in the process of preparation of the State Programmes. UNDP also provided technical assistance for undertaking capacity assessment of the Secretariat of the SCPC particularly in relation to the anti-corruption policy-making capacities; conducting evaluations, research and analysis; as well as capacities related to processing of asset declarations and addressing the issues of conflict of interest.

- The SCPC was directly assisted by representatives of the various institutions of the social, economic and political areas: the legislative, executive and judicial powers; local self-governments; the public administration – education, sports, health and social policy representatives; representatives of the political parties; law enforcement bodies; the private sector, media and civil society – all of which helped in identification of critical areas of corruption and conflict of interest and also in definition of the activities, indicators for realization, indicators of effectiveness and introducing measurable parameters for monitoring. An indicator of participation in the creation of the State Programmes is the fact that some 250 representatives of various institutions participated in 22 thematic workshops organized for the purposes of preparation of the State Programmes.

3. Overview of the previous State Programmes

The State Anti-Corruption Programmes aim to establish the concrete corruption-prone and conflict of interest issues, the areas where the problems are most pressing, and to propose activities and measures for tackling and overcoming the problems and the risks. The State Programmes also propose indicators for monitoring progress on activities; identify the responsible institutions for accomplishment of the activities; define the timeframe and deadlines and suggest indicators of effectiveness of the activities. Finally, the State Programmes also try to estimate the financial implications of the programmed activities.

Since its establishment, the SCPC has adopted the following State Programmes:

- The State Programme for Prevention and Repression of Corruption, with an Action Plan, of 2003
- Annex to the State Programme for Prevention and Repression of Corruption – Measures for Prevention and Repression of Corruption in the Local Self-Government, with an Action Plan, of 2005
- State Programme for Prevention and Repression of Corruption, with an Action Plan, of 2007
- State Programme for Prevention and Repression of Corruption and Reduction of Conflict of Interests, with Action Plan, of 2008

The SCPC is exclusively competent for adoption of the State Anti-Corruption Programmes and serves as a principal coordinating body, which, in accordance with its unique position and role deriving from the provisions of the United Nations Convention against Corruption, continuously monitors the implementation of the anti-corruption policies and activities as a whole and individually. This is performed through a system of monitoring the implementation of the State Programmes and ongoing submission of information to the Government of RM and other relevant institutions about the implementation of the State Programmes.

The SCPC is committed to continuity in its work and is highly dedicated to finding comprehensive solutions for addressing the issues of corruption and conflict of interest thereby availing of top notch technical expertise as well as coordinating with all the relevant factors in designing the strategic documents. The SCPC draws on the experiences of the previous Anti-Corruption State Programmes, the lessons learnt from their implementation and the conclusions and recommendations – all these analyses have fed into the new State Programmes to be implemented during the forthcoming term in office of the SCPC.

3.1 State Programme for Prevention and Repression of Corruption 2007-2011

In May 2007, the SCPC adopted the State Programme for Prevention and Repression of Corruption with an Action Plan for the period 2007-2011.

This State Programme was based on the system of national integrity, i.e. the Action Plan was based on six pillars:

- Political system, the National Assembly and the political parties;
- The judicial system;
- Public administration and local self-government;
- Law enforcement institutions;
- Economic and financial system and the private sector;
- Civil society, media and trade unions.

This Programme laid out activities for strengthening the vital pillars of the system for combating corruption. According to the applied methodology, the continuity with the previous Programme was only partially retained in the problem definition. Expressing its readiness and commitment for implementation of the activities defined in the Action Plan of the State Programme, in June 2007, the Government of the RM adopted an Action Plan for Fight against Corruption which in essence contained activities that were extracted from the Action Plan of the Anti-Corruption State Programme. In practice, this activity contributed for certain activities to be successfully and timely implemented, and those who were not taken in the Action Plan, remained on the margins and hence were not implemented. The approach of the Government of the RM to this issue was undoubtedly positive as the Government also determined the budgetary implications for every institution responsible for implementation of concrete activities that were incorporated in the annual budgets of each institution. Hence, it is clear that for the implementation of the activities of the new State Programmes it will again be particularly important to sustain this model of financial support for achieving the goals of the State Programmes.

On 18 June 2010, the SCPC held its third annual conference for assessment of the progress of the State Programme for Prevention and Repression of Corruption which was attended by the institutions involved in the process of monitoring the implementation of the activities of the State Programme including representatives from the legislative, executive and judicial powers, the local self-government, media, NGOs, as well as representatives from the international community in the Republic of Macedonia.

At the Conference an overview of the implementation of the activities of the State Programme was made. The conclusion was that since the adoption of the Programme until April 2010 inclusively, of 140 activities, 102 activities or 73% were implemented, of which 75 or 54% were fully implemented and 27 or 19% of the activities were partially implemented. In addition, at the Conference the conclusions for the realization, recommendations to encourage the continued application with guidelines for preparation of the new State Programmes were presented.

Conclusions

1. The degree of implementation of the activities has been at satisfactory level, thus validating the declared institutional and political will for implementation of the State Programme.
2. 34 or 24% of the activities were not implemented, while 4 or 3% of the activities were seen to be cross-cutting. The reasons for this situation were located in: the broad scope of involved institutions – bearers of activities; somewhat unclear definition of the activities as well as lack of willingness for implementation of certain activities.
3. The highest percentage of implemented activities pertains to the law enforcement bodies with a rate of completion of 86% of the planned activities.
4. Certain activities of normative nature relating to the political system and the judiciary were not implemented as originally planned by the State Programme.
5. In the area of public administration and local self-government, the activities of normative nature (with impact on the other activities) have been completed. However, certain activities were not undertaken, such as those concerning the reduction of discretionary rights planned to be addressed by review of all the relevant laws and elimination of any overlapping of competences.
6. In the area of economic and financial system and the private sector, the activities for adoption of the envisaged laws and legal amendments with potential influence on the other activities were implemented.
7. Progress was noted in the implementation of the activities in the area of civil society, media and trade unions, particularly after the adoption of the legal framework regulating the issue of establishment and the status of the associations and foundations. However, little progress was made in terms of proposing legal provisions to regulate the print media ownership and concentration of media power; adopting a Code of Conduct for the civil society sector, as well as introducing legal protection of investigative journalists.
8. It was noted that there had been successful cooperation in the process of implementation of the State Programme between the SCPC and the institutions competent for implementation of the activities of the State Programme, through mutual communication and exercising due diligence in observing the obligation to submit data to the SCPC.

9. The SCPC decided to proceed with preparation of an Operational Plan with all the aspects of the new State Programme.

Recommendations

1. The institutions, bearers of activities, should invest specific efforts to complete those activities that had not been carried out, particularly taking into account the fact that the deadline for completion of the activities was set for May 2011.
2. To make analysis of those activities and indicators that had been noted as problems in the implementation and to take them into consideration into the design of the new State Programme.
3. To complete with the envisaged dynamics and in accordance with the determined timeframe those activities which were only partially implemented.
4. The process of preparation of the legislation should take due account of the contents of the State Programme. The mandate of the SCPC to advise on the draft laws relevant for prevention of corruption and conflict of interest should be consistently respected.
5. In the forthcoming period, the SCPC should enhance the efforts and encourage the legislative and executive powers to take a more proactive approach in the implementation of the activities, particularly in relation to the issues of discretionary powers and overlapping of competences.
6. The SCPC should encourage the competent institutions to proceed towards full implementation of the envisaged legal changes relating to the media and civil society and consistently implement the relevant legislation.

In December 2010, the SCPC made an analysis of the conducted activities, until November 2010. The data showed certain progress in the implementation of the activities. SCPC in April 2011 adopted the final document "Assessment of realization of the State Programme for prevention and repression of Corruption 2007-2011" and it completed the monitoring of the realization of the State Programme for prevention and repression of the corruption. According to the final document, of the envisaged 140 activities of the State Programme 78 activities or 56% were fully implemented, 25 or 18% were partially implemented, while 33 or 23% were not implemented and 4 activities or 3% since they are crossed problems were not separately monitored.

3.2. State Programme for Prevention of Corruption and Reduction of Conflict of Interest 2008-2010

The State Commission for Prevention of Corruption implementing its primarily competence determined in the Law on Prevention of Conflict of Interests, in May 2008 adopted the first State Programme for Prevention and Reduction of Conflict of Interests

with an Action Plan. This Programme was planned to be completed within the timeframe defined with the Action Plan, i.e. from May 2008 to December 2010.

The scope of problems and forms of conflict of interests were perceived in the State Programme and clustered in nine different areas – accumulation of functions and gaining personal benefits; abuse of positions of influence for financial or other personal gains; discretionary powers; acting of officials in situations of private interest; gifts, nepotism; using of public goods for private – personal, political and other interests; employment after end of the term in office and use and abuse of publicly unavailable information obtained through official duty. This State Programme defined measures and activities for overcoming the problems in the selected risk areas; defined indicators for monitoring progress in the implementation of the activities and their effects; the responsible institutions, deadlines and financial implications. Within the areas of risk, 15 problems, and 35 activities and 43 indicators of activities were defined.

The SCPC is not only responsible for monitoring the State Programme, but it is also an active entity in its implementation, together with the other institutions: the Assembly of the Republic of Macedonia, the Government of the Republic of Macedonia, the line Ministries, the local self-government bodies, the courts, the public prosecution, other relevant bodies and organizations, civil society and media.

Within the established system for monitoring the implementation of the activities by the competent institutions, and after obtaining, processing and analyzing the data by the SCPC, the conclusion is that in the period May 2008 to November 2010, of the foreseen 35 activities, 17 or 49% were fully implemented; 8 or 23% were partially implemented, while 10 activities or 28% were not completed. On the basis of the data are drawn the following:

Conclusions

1. The SCPC is a bearer or participant in 25 activities or 71% of the total number of activities. The SCPC has been fully and continuously implementing 15 activities, and partially 4 activities.

2. Success has been noted in terms of cooperation between the SCPC and the other responsible institutions for implementation of the activities, through communication and observing the obligation for submission of data.

3. The progress on the activities for improvement of the normative framework is within the defined guidelines of the State Programme. Within the determined guidelines was also the implementation of the activities pertaining to adoption of Code of Conduct for the officials facing a real conflict of interest situation. Namely, the SCPC adopted Guidelines for Management of Conflict of Interests and conducted a large number of trainings aimed to raise the awareness as to how to address the issue of conflict of interest.

4. The activities originally intended to review the laws and by-laws that leave room for high level of discretionary actions by the elected and appointed officials, as well as

the activities for delineation of the scope of the competences of the officials to avoid overlapping of authorities – were not implemented.

5. The activities pertaining to adoption of various Codes of Ethics foreseen as measures for overcoming the identified problems in several areas at risk, and aimed to secure transparency and accountability in the work of the elected and appointed officials including better protection of the public goods from abuse in the electoral process – were partially completed.

6. The activities for adoption and amendments to the regulations on media and NGOs aimed to prevent accumulation of functions and prevent personal gains – were not fully implemented.

On the basis of these concluding remarks, were made the following:

Recommendations

1. The process of preparation of legislation, which is part of the activities defined in the State Programme, should take due note of the legal competence of the SCPC to provide opinion on the draft laws from the perspective of prevention of conflict of interests.

2. The SCPC should encourage the Government and the Assembly to take a more active approach in the implementation of the activities under their competence, i.e. in the area of the discretionary authorities.

3. The relevant institutions should proceed with full implementation of the envisaged amendments to the legislation relating to the media and the non-governmental sector aimed at prevention of accumulation of functions and obtaining personal gains, clear distinction and division of responsibilities between the bearers and executors of various roles in this area, protection of the pluralism in the media ownership as well as strengthening of the control in the application of the existing legal provisions on this issue.

4. Current situation

In the recent years, the Republic of Macedonia has made important steps forward in building the normative and institutional framework for the fight against corruption and conflict of interest. A range of anti-corruption measures and activities have been undertaken by the SCPC and other competent institutions, thus demonstrating sustained commitment to the fight corruption. Solid normative and institutional environment has been created as a basis for achieving results in the practical coping with the corruption cases. There has been considerable progress in the reforms -- the judiciary being the case in point. In addition, the Government adopted a Strategy for Public Administration Reform with an Action Plan for the period 2010- 2015 including

measures and activities to prevent corruption and strengthen the public administration integrity. The GRECO recommendations from the third phase relating to financing of the political parties – transparency and expanded incriminations have also been implemented. With the amendments to the Criminal Code, the regime relating to bribery and illegal mediation was strengthened. Also, criminal responsibility was introduced for failing to report on the resources used during electoral campaigns.

These reforms have led to improvement of the overall corruption-related situation. The public perception of corruption in the country has also significantly improved. Nonetheless, the citizens still feel that corruption is a serious social problem and expect more efforts and better and more efficient results in its prevention. One needs to stress, however, that there is a lack of an in-depth analysis based on relevant expert research so that to explore fully the real dimensions of the public perception of corruption. These observations have been reflected in the annual reports of the SCPC as well as in the reports of the relevant institutions on the progress of the RM in the Euro-Atlantic integrations.

The assessments and the recommendations outlined in the reports of the European Commission on the progress of the RM along with the other assessment missions have noted the continuous progress in the fight against corruption, particularly in terms of the legal and institutional system. However, there is still room for improvement, particularly in terms of implementation of the legal provisions in practice. The European Commission report on the progress of the Republic of Macedonia of October 2011, under the political criteria, Chapter 23 - Judiciary and Fundamental Rights, among the other things, makes the following observations: Although there has been some progress in the implementation of the judicial reforms, nonetheless, core problems relating to independence of the judiciary still remain to be tackled in practice; court backlogs still represent a major issues; further systemic efforts are needed for establishing a comprehensive statistical system for monitoring the corruption-related crimes; the implementation of the anti-corruption legal framework remains inefficient; the corruption remains a systemic problem and continues to pose serious problems in a number of areas; the new legislation is not accompanied with proper (ex-ante) impact assessment, which results into inadequate planning and insufficiency of human and financial resources for implementation of the legislation; in the area of public administration further improvements of the key laws are needed in order to secure application of the principles of transparency, non-politicization and merit in the recruitment and promotion processes; the legal and institutional protection of whistle blowers continues to be insufficient.

In view of the above, the new State Programmes and the Action Plans envisage concrete activities for overcoming the existing weaknesses that require improved and coordinated efforts of all the competent institutions in the country.

5. Approach in the preparation of the State Programmes

Considering the fact that the issues of corruption and conflict of interests are two mutually connected negative social phenomena and that the situation of conflict of interest creates potential for corruption (although not every conflict of interest becomes a case of corruption, but almost every case of corruption has elements of conflict of interests) necessitates synchronized activities for prevention and repression. For this reason, the SCPC decided to prepare the two new State Programmes through a single process resulting into a joint document, thus fulfilling its legal responsibilities established by the Laws on Prevention of Corruption and Prevention of Conflict of Interests.

The SCPC formed a multidisciplinary working group to develop the structure of the State Programmes and special working groups for preparation of the Action Plans with representatives from all sectors covered by the Programs.

6. Objectives and expected results

In order to establish a long-term, sustainable and complementary system of prevention and repression of corruption as a strategic goal, and following the continuity of adaptation and furtherance of the planning process of the fight against corruption aimed to best respond to the pressing national needs, the new State Programmes identify 11 sectors seen to pose highest risks related to corruption and conflict of interests. All interventions, therefore, i.e. the normative, institutional, procedural, educational, preventive and repressive measures and activities are focused on those sectors where the institutional and individual integrity needs to be established and strengthened.

More specifically, the aims are: to achieve efficiency in the application of the normative framework for prevention and repression of corruption and conflict of interest in practice; to strengthen the institutional capacities; to improve the integrity of state and public administration; to ensure efficient and effective inter-institutional cooperation at national and international level and to raise the public awareness about the harmfulness of corruption and conflict of interest. The citizens of the Republic of Macedonia should be able to feel the country's progress in combating this social evil. There are underlying assumptions for achieving the expected results and successful and effective implementation of State Programmes, namely: declared and observed political will; full dedication and consistency in the work of all responsible institutions towards implementation of the planned activities; continuous submission of reports by all responsible institutions on the progress of the implementation of the activities; mobilization of human resources, technical equipment and financial resources to implement the measures and activities set forth in the Action Plans.

7. Monitoring and evaluation

The SCPC will monitor the implementation of the activities of the Action Plans and, to this end it will periodically prepare and submit a separate form to all institutions responsible for implementing the activities and reporting on the indicators of activities of the Action Plans.

In each of these institutions, a focal point will be designated to fill in the forms and submit them to the SCPC. After receiving the answers, the SCPC will process the received data and prepare reports on the progress in the achievement of the quantitative and qualitative indicators. The SCPC will make recommendations for further actions in order to meet the deadlines set out in the Action Plans.

These reports will be timely delivered to the Secretariat for European affairs, the Ministry of Justice and to the inter-ministerial body for coordination of the activities against corruption.

The indicators for each activity will allow for monitoring of the activities and preparation of reports based on quantitative and qualitative analysis.

Action Plans

The Action Plan covers the sectoral action plans and is an integral part of the State Programmes and consist realistic, achievable, measurable and time-based activities. In addition, the Action Plans identify the responsible institutions for implementation of the activities and propose indicators for monitoring progress in the implementation. There is also a very important aspect, namely, the introduction of indicators of effectiveness aimed to measure objectively the impact of the actions -- wherever feasible in practice. This gives flexibility to the State Programmes in terms of them being considered as live documents that can be changed and amended with new contents reflective of any developments in the social, economic and political trends.

As input to the Action Plans by sectors, the narrative part of the State Programmes of the eleven sectors serve as introductory texts describing briefly the perceived risks and problems, the types and reasons for opting for the planned activities, the responsible institutions, priorities, deadlines for implementation. There is also indication of the extent of the financial implications that may be estimated at this stage, but this information will need to be further specified and developed once the State Programmes are launched in practice.

Remark: Enclosed are the narrative parts by sectors

SECTOR I – POLITICAL SECTOR

The amendments to the Electoral Code and the Law on Financing of Political Parties have already contributed to improved policies to prevent corruption, especially in the political sector. These amendments regulate the financing of electoral campaigns towards establishing a transparent funding system aimed to prevent the misuse of public funds and goods for political purposes and also any resorting to illegal and illegitimate sources for financing of political parties and activities, especially in the electoral process. The legal changes have led to more reporting and better oversight of funding flows in this area. The practical application of the laws showed that the introduced changes were relevant. However, it is necessary to further improve the legislation because the practice also revealed some weaknesses and deficiencies that cast a shadow over the election process. For this reason, and based on its practical experiences, the SCPC (because of its direct oversight responsibilities in the financing of the political parties in the election campaigns), proposes a range of activities for improvement of the electoral legislation in order to give a new quality in strengthening the legality, legitimacy and the rule of law which will mean a positive momentum to the Euro-Atlantic aspirations of the country. The risk factors and problems in this sector include the non-enforcement of the Law on Lobbying, the different level of discretionary powers at different positions in the Government, and the volume of laws that are enacted in urgent and shortened procedures.

In this sector for their overcoming are identified the following issues and activities:

I. Lack of transparency and oversight of the current material and financial operations of political parties, unions and civil society organizations

The problem concerns the lack of transparency and the failure to perform an ongoing oversight of the financial operations of the political parties, trade unions and civil society organizations despite the public criticism that these entities tend to mobilize funds from dubious sources; and that there are "party companies" that are privileged and which are using public funds. Pursuant to the Law on Prevention of Corruption, the SCPC is mandated to initiate control, but has no adequate support in other laws insofar to be able to adequately discharge its functions in terms of direct insight into the financial and material work of these entities. To overcome the above-mentioned problem, amendments to the Law on Financing of the Political Parties are needed to provide for submission of semiannual reports of the political parties for their ongoing work, along with an obligation to submit annual financial reports to the SCPC. Also, amendments to the Law on Banks are necessary in order to facilitate the access of the SCPC to the bank accounts of the political parties, trade unions and CSOs.

II. Weaknesses in the electoral and other regulations relevant to the elections that create a risk of direct violation of the laws

The reporting requirements introduced in the electoral process are characterized by high formalism without the necessary insight into the actual financial resources, their sources and uses, which influences the ability of the competent institutions to exercise effective sanctioning of the violations.

To overcome this problem, amendments to the Electoral Code and the Law on Financing of Political Parties are envisaged towards development of a specific reporting form as part of the elections report to include information about the type of income by sources and type of expenses by purpose. This form will also introduce an obligation for the organizers of elections campaigns to submit their bank accounts (that were opened for the electoral campaigns) together with financial statements. The organizers of electoral campaigns will also have an obligation to submit a final report on their work in the previous fiscal year to the legal entities, i.e. their donors. The bank account opened for this purpose will be closed on the day of submission of the final financial report while means for verification of data on donations from individuals will also be established. Donations cannot be paid by third parties as well. The electoral donations will be collected in a precisely defined period before the electoral campaign and be kept on a separate sub-account which would be later transferred to the dedicated bank account for the electoral campaign. The electoral advertising in the media should not allow for discounts that now cannot be controlled and which exceed the legal limits for donations. The decision on allocation of budget funds on the basis of seats won in the elections should be preceded by audited financial statements of the organizers of the electoral campaigns. The maximum limits of funds that can be spent for the electoral campaigns should also be reduced.

III. High degree of discretionary powers with large differences in their intensity between various public functions

The existence of high levels of discretionary powers and the differences in the intensity of this kind of exclusive power between certain positions and individuals in the system of power are difficult to be controlled in practice. This situation affects the efficiency of the actions of the competent supervisory authorities towards detecting the cases of exceeding the discretionary powers. This problem has been observed in practice, but no empirical studies have been undertaken to examine the legal and practical aspects of the problem. Given the lack of such studies, the first step would be to undertake such

research. The Action Plan therefore envisages preparation of an analysis of the discretionary powers in all segments in the system of government.

IV. Lack of effects of application of the Law on Lobbying

The uncertainties and the insufficient knowledge of the concept and contents of lobbying, both in the political and in other social circles, and the widespread lobbying outside the legal framework, carry a risk of corruption. A risk exists also in the deliberate avoiding of registration of lobbyists in the register kept in the Republic of Macedonia, the non-reporting of cases of illegal lobbying and lobbying, and the resorting to lobbying for hidden and illegitimate interests funded by unknown and uncontrolled sources which prevents the effective oversight. There is a legal gap in the existing laws regarding the supervision over registered lobbyists, which is entrusted to the State Commission for Corruption Prevention (there is one registered lobbyist in RM). Namely, the supervision is reduced only to registered lobbyists and does not cover the overall actions of various natural and legal persons and their work in favour of certain interests and objectives – which is in fact an act of lobbying. The tools of the existing law are not sufficient to control the requesters of lobbying or the financial and other benefits gained through this action.

In the State Programmes the measures for overcoming of the detected problems include amendments to the Law on Lobbying, raising the awareness of the concept and contents of lobbying through and campaigns, preparation of guide to lobbying and ethics code for lobbyists, as well as introducing a register of lobbying aimed at strengthening the control of the SCPC.

V. High percentage of laws adopted through shortened or urgent procedures (although the Rules of Procedure establish several stages of preparation of laws) which do not allow for participation of socially relevant and interested parties in the legislative process

The failure to include socially relevant and significant stakeholders in the stages of preparation of legal decisions is a problem which later affects the quality of laws, their implementation and effects in practice.

It is therefore necessary to include the various Chambers, professional associations and civil society organizations in the process of enacting the laws in order to cover the laws and reflect the widest range of interests, and include the economic and social stakeholders whose participation will contribute to finding the best solutions and

implement best practices. This will not even remotely affect the undeniable mandate of the MPs in Macedonia to prepare and adopt laws in the country, and may be of benefit in exercise of their functions, will improve the quality of legislation and the level of acceptance by the citizens and that will ultimately contribute to a higher degree of social homogeneity and the rule of the law.

This sector identifies 5 problems, 9 activities, 13 indicators of activity and 8 indicators of effectiveness.

SECTOR II – JUDICIARY

I. Forms of corruption and conflict of interests

The judiciary sector covers the judiciary, Public prosecution, Public attorneys, notaries, executors of court decisions and lawyers (attorneys at law).

The EC progress reports on Macedonia's Euro-Atlantic integrations continuously monitor developments in this sector and recommend further normative and institutional interventions. The EC findings and recommendations provide significant momentum to the process of judicial reforms in the country. Thus, the latest report of the European Union, while acknowledging the changes made in the legal framework in relation to the independence, successfulness and transparency of the judiciary, concludes that further efforts are still needed to strengthen the quality of justice, particularly through continuous training, merit-based recruitment procedures and the objective evaluation and dismissal procedures that would not affect the independence of the judges. At the same time, the EC report indicates that the capacity of the judiciary to deal with sensitive cases of high-level corruption remains weak; there are no consolidated statistics of the relevant institutions on dealing with corruption cases, and there is a need to improve the transparency and public relations in order to improve the citizens' trust in the justice system and the judiciary in general.

II. Problems and risk factors for corruption and conflict of interest

There are several risk factors and problems of corruption and conflict of interests in the judiciary, namely:

- Absence of a stable and permanent independence of the judiciary and judges;
- Lack of transparency in the work;

- Absence of an overall capacity of the Public Prosecutor for exercising its new role pursuant to the Law on Criminal Procedure in the present conditions of gaps in terms of public prosecution's protection of public interests and goods;
- Lack of independence of the Attorney General of the Republic of Macedonia
- Absence of systemic controls over the activities of notaries, executors and lawyers.

Departing from the point that the independence of the judiciary is the foundation for the rule of law, as an equal pillar of power in relation to other powers (legislative and executive), the judiciary should not be subjected to any kind of influences and pressures from other institutions and centers of economic, political, media and other types of power.

Despite the evident progress in strengthening the independence of the judiciary, there is still room for further improvement of the normative framework and the conditions and circumstances that affect achievement of independence of the judiciary and the accomplishment of the required integrity of judges.

Transparency is an important aspect in the operation of courts and other judicial institutions that greatly influence public perception and confidence in the institutions. The citizens have the right to receive information on laws, court procedures, court decisions for elections, dismissal and promotion of judges and judicial administration. Court web pages are not adequately updated, annual reports on the work of the courts are not published, there is no regular publication, as required by law, of judicial decisions so that the public and civil society can be informed about the operation of the courts.

There is no regular flow of information to the public about important issues through court spokespersons and other forms of public relations.

III. Measures and activities for prevention of corruption and conflict of interests

The perceived problems and risk factors are result of the non-implementation of the existing legislation, inadequate implementation of the procedures laid down in laws and lack of regulation. For these reasons, the determined measures relate to amendment of laws and adoption of new normative acts, as well as capacity building, especially on issues of personal and institutional integrity in this sector.

As to the improvement of the professionalism and personal integrity of judges, and other holders of judicial power, in line with their place and role in the justice system and society as a whole, the Action Plan envisages organization of seminars, public debates, conferences and workshops. Proposed topics include independence, impartiality and objectivity of the judicial function and integrity of judges and other employees in the judiciary, as well as other topics of professional character.

The perceived risk factors for the occurrence of corruption and conflict of interest necessitates amending of the Law on Courts, the Law on the Judicial Council of the Republic of Macedonia, Law on Public Prosecution and the Law Council of Public Prosecutors of the RM, in order to prevent judges and public prosecutors to carry out other activities and perform other professions.

Also, to achieve full independence of the judicial budget, there is a need to amend the Law on Court Budget in order to provide greater autonomy in the functioning of all activities of the judiciary, especially in the field of employment towards abolishing the need to seek approval from the Ministry of Finance.

On the other hand, the need to establish a methodology for regular statistical monitoring of cases, particularly cases relating to corruption, is seen as necessary. There is a necessity of strengthening the overall capacity of the public prosecution in terms of the new role, which stems from the new Law on Criminal Procedure. The public prosecutor has a special role and importance in the fight against crime and corruption, especially after the abolition of the court investigation which made the prosecution the sole holder of the investigation.

It is also necessary to strengthen the actions of the public prosecutor *ex officio*, and the Public Prosecutor to have a primary role in dealing with the acts of this area for prosecution of organized crime and corruption cases.

Greater independence of the Attorney General of the Republic of Macedonia will be ensured by amending the Law on the Attorney General of the Republic of Macedonia towards its independence from the executive. This would give the Attorney General greater independence and will function as an authority for protection of the property interests of the state as a whole.

Improper use or misuse of laws by the notaries, executors and lawyers threatens the rule of law and ruins the credibility of the justice system. Such an attitude creates opportunity for corruption. The absence or lack of control and supervision over the work creates room for not detecting and impunity of corrupt acts.

In this sector, 5 problems are identified, 23 activities, 34 indicators of activity and 10 indicators of effectiveness.

SECTOR III - Public Administration

I. Types of corruption and conflict of interests in the public administration

The public administration (PA) assumes a particularly important role in the prevention of corruption and ensuring legality and efficiency in the discharge of the functions of the state while meeting the needs of the citizens.

The European Union reports on the progress of the country towards accession, along with the independent research work and the practical experiences have commended the high quality of legislation in the country, but point out that the laws are not adequately complemented with relevant by-laws that could contribute towards reduction of corruption. This is seen as a precondition for the actions of the PA to be always compliant with the legal acts. In that regard, further reforms are necessary in order for the country to meet the European standards, particularly in relation to incorporation of anti-corruption elements in the work of the PA.

The overall assessment is that the public administration needs clear and transparent operating procedures. Without such procedures, there is always a risk of arbitrary decisions, particularly in issues such as possessing and management of public resources, as well as in-kind and human resources. Also, the general assessment is that there is a need for systemically improved control and oversight over the PA in terms of competences, respect for the timeframe for the administrative procedures and introduction of a system for strengthening the integrity – at individual and institutional level.

II. Problems and risk factors for occurrence of corruption and conflict of interests

The key problems and risks encountered by the public administration relate to:

- Lack of fully decentralized management of public resources,
- Lack of strong guarantees for implementation of the operating procedures,
- Lack of corruption risk assessment in the public administration institutions,
- Lack of systematized measures for corruption prevention,
- Lack of public control over the work of the public administration which opens the doors for different types of conflict of interest.

The centralized system of public resources management allows for high concentration of power among individuals who are exclusively authorized to commit funds on behalf

and at the expense of the institutions. Such system creates opportunities for corruption and abuse of funds and is not conducive to the principles of delegation of authority, i.e. allocation of responsibility for spending public funds to all management roles in the system.

The lack of strong guarantees for consistent implementation of the operating procedures leads to legal and factual uncertainty (insecurity) both among the citizens and the public administration staff. This is especially the case in the procedures for employment and respect for deadlines for certain administrative actions, which creates opportunities for corruption and conflict of interest.

The public administration institutions have not established as yet a system for assessment of critical corruption vulnerability points in their own work, which has an impact on the level of efficiency of the oversight and control mechanisms for prevention and detection of cases of corruption.

The internal financial audit in the public administration is closely linked with the managerial structures, which in itself is an objective obstacle for the auditors to competently and professionally perform their duties. For that reason, the envisaged additional efforts for strengthening the oversight and control mechanisms will improve the likelihood for prevention and detection of corruption in the public administration. For that purpose, it is necessary to secure legal and effective protection of the persons reporting corruption (the whistleblowers). The reform of the public administration to incorporate a system of European standards in its work would imply design and implementation of activities and measures for strengthening the integrity as the main defense system against corruption.

III. Measures and activities for prevention of corruption and conflict of interests

In the public administration sector, several activities have been selected as first priority actions to respond to the identified problems and risk factors with purpose of continuation of the reform processes. Among the priority actions is the establishment of a fully decentralized system for management of the financial resources and design of procedures for financial commitments and payments. This means that new decisions should be made about the internal distribution of the overall budget and procedures. This action will allow for practical implementation of the decentralized system of public finance management.

The design of clear procedures for work of the public administration will allow for faster implementation of the laws and will ensure legal security for the citizens and the PA staff alike.

For those reasons, the planned activities are three-pronged, namely: adoption of clear bylaws, training of the administration and informing the citizens about their rights, obligations and responsibilities. Changes to the Law on Public Internal Financial Control are envisaged to provide for introduction of licenses for internal auditors, establishing internal audit units in all state funded institutions in the legislative, executive and judicial powers and funds, as well as establishment and equipping finance units in all aforementioned institutions. These measures will prevent the internal auditors from being extended hands of the managers in the public administration, particularly because any incompetence and lack of integrity will represent grounds for loss of license for work, i.e. the job.

The introduction of the obligation for the public administration institutions to undertake corruption risk assessment is expected to significantly contribute towards curbing corruption in the public administration. The State Programmes provide for preparation of strategies for risk management and establishment of risk register for all direct users of state budget and funds. The institutions will be obligated to carry out annual self-assessments to detect the high-risk processes in the system for financial management and control.

In order to strengthen the individual and institutional integrity, amendments to the Law on Prevention of Corruption are envisaged to provide for obligatory adoption of integrity plans for all institutions.

Another activity envisaged with the State Programmes is the strengthening of the public control over the work of the public administration which will promote horizontal and vertical transparency and accountability. Guidelines for prevention, detection, reporting and acting upon irregularities will be designed along with conducting training for the people responsible for reporting irregularities, as per the Programme for Training of the Organizational Unit for Prevention of Irregularities and Fraud (AFKOS) within the Finance Police Administration.

With the aim to ensure systemic, institutional and effective protection of the people who report corruption (who are better known as whistle blowers), amendments to the Law on Prevention of Corruption figure prominently in the planned measures and activities.

For the first time ever, the State Programmes foresee design of a National Strategy for Prevention of Irregularities and Fraud for Protection of the Financial Interests of the European Union in the Republic of Macedonia.

The Action Plan for PA sector defines five issues/problems and envisages a total of fifteen activities, with seventeen indicators of activity and twelve indicators of effectiveness.

SECTOR IV – Law enforcement bodies

I. Forms of corruption and conflict of interests

The successful fight against corruption and organized crime in general requires systemic approach, sustainability, continuity and uncompromising consistency in enforcement of laws. Corruption cannot be perceived and treated separately from the organized crime as the biggest threat to the economic and political stability of the country, and consequently its security.

The Republic of Macedonia has built sustainable institutional system, with a solid legal framework for its functionality and effectiveness.

However, the practice suggests that there is insufficient coordination and efficiency of the institutions responsible for law enforcement, lack of openness and public-orientation of these institutions and lack of transparency and accountability in relation to disclosure of assets of public officials and authorities.

To overcome the identified weaknesses, it is necessary to deepen the inter-institutional cooperation in the fight against corruption and crime, and work on continuous strengthening of the human and technical capacities of the institutions responsible for law enforcement.

II. Problems and risk factors for occurrence of corruption and conflict of interests

Building on the results achieved in the pillar “Law Enforcement” of the previous State Programme for Prevention and Repression of Corruption 2007-2011 as measured by the high percentage of realized activities, the new State Programmes identify three problems/risk factors for corruption and conflict of interest in this sector, namely:

- Lack of transparency in the work of institutions
- Lack of coordination and efficiency of the institutions
- Lack of transparency and accountability in relation to disclosure of assets of public officials

These problems are reflected for example in the instances when institutions still do not have their own web pages, or their web pages are not updated regularly, so that citizens cannot get familiarized with the responsibilities of the institutions, their plans and programmes of work, the completed or planned projects. Sometimes there are speculations about specific issues of interest to the citizens that cannot be officially checked.

Also, the lack of coordination between the institutions responsible for law enforcement results in inefficient finalization of the corruption cases and tends to be immediately labeled as selectivity in the fight against crime and corruption. This problem also leads to accusations of the institutions, often unfounded, which casts a shadow over the real willingness and readiness of the state institutions to prevent corruption. This situation must urgently change - and therefore the State Programmes envisage several activities and measures.

After the introduction of the obligation for the holders of public functions and authorities to provide declarations on assets and the decision to upgrade the data from the asset declarations to be considered public information and as such published on the website of the SCPC, it appears necessary to verify the data reported in the asset declarations and monitor the changes in assets. The process of monitoring of the assets aims at determining the real property of public officials in transparent and accountable fashion. To achieve this goal, it is necessary to make changes to the Law on Prevention of Corruption which currently authorizes the SCPC only to keep record and monitor the assets, but not to check and discover assets. The envisaged legislative changes, that would include the Law on Prevention of Conflict of Interest, will need to align the requirements for the officials expected to submit asset declarations and declarations of interest, as well as the manner of inspecting the assets of persons whose asset declarations and declarations of interests are kept by the institutions where they are employed, not the SCPC. The changes in the law to prevent conflicts of interest should provide for obligatory reporting by the officials about changes in their interests that are recorded and controlled by the declaration of interests.

III. Measures and actions to prevent corruption and conflicts of interests

The State Programme envisages eleven activities to overcome the weaknesses in the functioning of the institutions responsible for law enforcement.

The activities envisage creation of user-friendly web pages of the relevant institutions and provision of resources for regular maintenance of the web sites. In terms of the most burning issue, namely, the coordination and better efficiency of the institutions, the plan is to standardize the databases, to perform certification of the information

systems, to provide functional connectivity and access to databases and to implement training and workshops for the people who will work directly on updating the databases and for those who will have access to them.

As regards the problem with the transparency and accountability of the monitoring of the assets of public officials and authorities, the SCPC envisages three activities mainly directed towards amending of the existing Law on Prevention of Corruption and Conflicts of Interests to specify the persons who are obligated to report assets and conflict of interests and the responsible institutions for this action (SCPC and units within the institutions). Furthermore, the new Programme envisages introduction of registry of officials, as well as changes in the area of checking the data of the asset and conflict of interest declarations. Continuous trainings for the officials obligated to submit declarations and statements of interest are also planned.

For this sector, 3 problems have been identified, along with eleven planned activities to be monitored through twenty indicators for realization and ten indicators of effectiveness.

Sector V- Customs

Over the past few years, the customs sector has seen significant progress, particularly with the introduction of the integrated border management and a separate functional central system of video surveillance at the border crossings and customs checkpoints, which operates continuously. In addition, new bylaws were adopted that lay down the standards for conduct of customs officials in different circumstances and a mobile system of internal control was also introduced.

However, the European Commission report on the progress of the Republic of Macedonia of 12 October 2011, indicate that the customs remains a high risk area in terms of corruption and conflict of interest.

For this reason, the customs, which in the previous State Programme was part of the "Law Enforcement Bodies" pillar, is represented as a separate sector in the new State Programmes.

I. Forms of corruption and conflict of interest in the customs

The customs services operating at entry and exit points from and into the Republic of Macedonia which control the passengers, their luggage and various goods transferred through the boundaries of the RM have been identified as high-risk points in terms of vulnerability to corruption and conflict of interest. Although it is indisputable that most of the customs operations are covered with prescribed procedures, problems still tend to appear during the practical implementation of the procedures. This is especially the case when it comes to allowing entry to the country of heavy vehicles with a load exceeding the statutory maximum, or products with short shelf-life or delicate products that can lose weight during transport. There is an impression of inconsistency in terms of implementation of the existing procedures which in itself raises doubts that certain actions are taken by the customs officials to obtain personal gains. There has been a long-standing perception of existence of corruption among the customs officials and it needs to be quickly and effectively changed.

II. Problems and risk factors for occurrence of corruption and conflict of interest

The key problems observed in the operation of the customs sector, which is seen to be vulnerable to various forms of corruption and conflicts of interest, are related to:

- Consistent compliance with the prescribed procedures and innovations in terms of the rules for action in specific circumstances such as in cases of passive bribery, collecting relevant evidence of corrupt conduct, self-assessment of high-risk processes,
- Lack of assessment of the risk of corruption in the customs sector in all its activities and work processes
- Insufficiently developed system of communication and cooperation with the public.

The Customs Administration of the Republic of Macedonia has made significant strides in setting the standard operating procedures for the customs offices in all segments under its authority. However, the absence of effective, systemic controls over the strict application of the standardized procedures by the customs officers creates space for corruption.

The lack of firm guarantees for consistent implementation of the operating procedures creates legal and factual uncertainty among the citizens and the customs employees alike. This problem is particularly evident in the cases of disregard of the turnaround time for certain customs procedures, thus creating space for arbitrary decision making. This in itself brings suspicion of existence of corruption, nepotism, cronyism or any

other conflict of interest situation for the purposes of generating illegal personal benefits.

There is no effective system of assessment of the corruption risk points in the operating system of the customs authorities. Such assessments are likely to significantly narrow down the corruption space and allow for introduction of mechanisms for oversight and control for effective prevention, but also detecting of the cases of corruption.

In this respect, institutional and individual integrity must be systematically created, upgraded and monitored as part and parcel of the necessary professional and technical capacities of the customs service. It is therefore essential for the Customs Administration to continuously improve its capacities for monitoring and control over the operation of the customs officers and make the system of integrity effective.

The degree of negative public perception of the customs services is partly a result of the lack of communication with the public, which has to be urgently addressed through various forms of direct and objective information-sharing with the citizens and establishment of effective cooperation with the civil society organizations.

III. Measures and activities to prevent corruption and conflict of interests

IN the light of the identified problems and risk factors of corruption and conflict of interest in this sector, the State Programmes have identified activities aimed at:

- Strengthening the capacities of the internal control and creating a system of regular and extraordinary controls over the work of the customs officers in order to ensure that the standard operating procedures are consistently respected and implemented;
- Implementing a system for corruption risk assessment in the customs services, with measures to strengthen the individual and institutional integrity;
- Introducing a more efficient system for communication with the public.

Improving the capacities of the internal control unit, together with the measures to strengthen the individual integrity, are the main drivers for consistent compliance with the standard procedures and the established deadlines. Therefore, the planned activities are designed to strengthen the controls at border crossings and customs checkpoints; implement continuous training for effective implementation of the Code of Conduct for the Customs Officials and undertake all the legal measures to detect and punish the cases of corruption.

The planned introduction of the obligation of the Customs Administration to assess the risk of corruption in all aspects of the customs operations, with measures to strengthen

the individual and institutional integrity will contribute to preventing the possible forms of corruption, while helping to improve the organization of work and the utilization of the existing resources.

The introduction of a more efficient system of communication with the public will allow for the institutions to open for the citizens and publicize all the necessary documents for all customs services. In this manner, conditions will be created for more efficient service delivery to the citizens, improved cooperation in identifying the bottlenecks in the work of the customs services as a source of corruption, as well as more active cooperation by the citizens in recognizing and preventing corrupt behaviour.

In the Action Plan for the customs sector, three problems have been defined and predicted total of thirteen activities, including twenty indicators of activity and twelve indicators of accomplished effectiveness.

SECTOR VI – Local Self-Government

In view of its competences and powers, the local self-government, as a segment of the political system in the country, assumes a prominent role in meeting the legally determined rights and freedoms of the citizens. The decentralization process and the related transfer of important competences from the central to local level (including the ongoing processes of fiscal decentralization and decentralization of property ownership), make the local self-government sector vulnerable to corruptive behavior. For this reason, the risks and activities of the State Programmes are strictly and concretely determined and elaborated in detail.

I. Forms of corruption and conflict of interests in the local self-government

The process of detecting the forms of corruption and conflict of interests in the local self-government sector revealed similar generators for corruption at central and local levels. Thus, the state and the public administration employees, which are in close contact with the citizens in the process of implementation of the laws, are faced with similar circumstances vulnerable to corruption. Namely, the local self-governments are also faced with procedural bottlenecks creating space for arbitrary actions by some of the public administration employees. In other words, the procedures are susceptible to bypassing and abuse for personal gain on the part of the PA staff or for gaining benefits for people close to the PA staff.

Hence, the main generators of corruption and conflict of interests in the work of the public administration at local level are:

- Insufficiently regulated operating procedures of the public administration
- Lack of guarantees for strict implementation of the operating procedures
- Lack of delegation of authority (centralized decision-making)
- Lack of corruption risk assessment in the public administration
- Lack of integrity and prevention of corruption plans
- Lack of transparency in the work of the public administration
- Lack of control over the work of the public administration

II. Problems and risk factors for corruption and conflict of interests

In the complexity of problems and risks, the State Programmes have focused on four factors that will be specifically addressed in the forthcoming period, namely:

- Complex and unclear procedures and serious implementation bottlenecks, particularly in the area of urban planning
- The deviations in the financial management and the management of property at the level of local self-governments are seen to bear high corruption risks in terms of potentials for abuse of budgetary funds or municipal property
- Lack of guarantees for strict implementation of the operating procedures, which is directly dependent on the technical assistance to be provided to the local officials and PA employees. The internal audit function is seen to be able to play a key role in that respect
- Lack of corruption risk assessment at municipal level leading to persistence of hot spots where corruption has been constantly seen to be a problem.

III. Measures and activities for prevention of corruption and conflict of interests

As regards the first risk factor, the State Programmes call for consistent implementation of the Law on Spatial and Urban Planning in terms of updating the municipal detailed urban plans within the legally determined deadlines and in a transparent and participatory manner. The laws and by-laws should be amended to set forth the conditions for using the local urban planning documentation in granting construction permits. Every interested stakeholder should be clearly informed of the steps and duration of the procedure and the documents needed; inspections should be performed on site for every issued permit along with reports on the conducted inspections. The actions taken as a response to reports/alerts submitted by the citizens should be strengthened, i.e. the citizens should be informed about the actions taken in

relation to their submissions. Every inspection should be documented with minutes (reports/notes to the file) to be later also available for citizens' review. Every building should be constructed in accordance with the conditions specified in the permit, and every correction of buildings may be undertaken only within the terms for correction and the deadline for correction as determined in the issued permit.

A number of activities are also envisaged in relation to the second risk factor related to abuse of funds and property of the municipalities. The new Programmes provide for the plan on investments and development of the municipalities to be adopted in a transparent procedure, with clearly indicated dynamics and priorities for implementation. The municipal budgets should be adapted to the annual, mid-term or long-term plans for development and investments, while the monitoring of the scope and manner of budget execution should be ongoing through a special computer-based financial system. The municipal plans for public procurement and public investments should be adopted in a transparent and participatory procedure. The newly transferred fiscal competences, within the fiscal decentralization process, should be efficiently implemented primarily through conducting trainings to all employees and through a system for monitoring and oversight by the Ministry of Finance.

In terms of lack of guarantees for consistent implementation of the operating procedures, units for internal audit should be established and properly staffed in every municipality. The envisaged amendments to the Law on Public Internal Financial Control should introduce licenses for work for the internal auditors.

As regards the lack of corruption and conflict of interest risk assessment at municipal level, and in order to focus the corruption prevention and detection efforts in the so-called "hot spots", strategies for risk management should be prepared along with a register of risks for all municipalities and the City of Skopje. The local self-government units should be trained to conduct annual self-assessment of the high-risk processes in the system for financial management and control, which will allow for creating preconditions for building and strengthening the individual and institutional integrity in the local self-government units.

The Action Plan for the local self-government sector defines 4 problems and predicted are 15 activities, with 19 indicators of activity and 17 indicators of effectiveness.

SECTOR VII PUBLIC SECTOR

SECTOR X PRIVATE SECTOR

In the Action Plans of the State Programmes for Prevention and Repression of Corruption and Conflicts of Interest, the private sector and public sectors are treated as two separate sectors. However, given the complementarities between the two sectors, the narrative section will cover both sectors together.

I. Forms of corruption and conflict of interests

The various reports of international organizations -- particularly the annual reports of the European Commission on Macedonia's progress in the EU accession and the assessments of the business climate in the country -- note that Macedonia has made significant strides in improving the legal framework in terms of harmonization with the European Union law, i.e. harmonization of the legislation with the EU directives and establishing the necessary institutional capacities to carry out the reforms. These reports have always placed an emphasis on the achievement of concrete results in practice. The State Commission for Prevention of Corruption maintains that further work is needed for promotion of the basic principles of the rule of law, good governance, transparency, accountability and efficiency along with implementation of good practices and sound procedures. In particular, it is necessary to pay close attention to protection of the competition, observance of the market laws and implementation of good business practices towards promoting a healthy business climate in the RM. The issue of public procurement remains in the spotlight in terms of the need for strengthening the national anti-corruption capacities primarily by consistent application of the existing legal provisions. Particular efforts will be invested in directing the activities and measures towards unconditional safeguarding of the public procurement principles such as competitiveness, equal treatment and non-discrimination of the economic operators; procedural transparency and integrity, and rational and efficient use of funds in the public procurement processes. This is even more important as the legislation on public procurement, public-private partnerships, concessions, sponsorships and donations is not able to foresee and regulate every single circumstance that may arise in practice. Therefore, the efforts will remain focused on creating and strengthening long-term and sustainable business practices. To that effect, the Action Plans of the State Programmes propose various activities such as preparation of manuals, Codes of Ethics, guidelines and publishing of the information on the websites of the relevant institutions. In addition, one of the measures envisages that the current Bureau for Public Procurement be transformed into an Agency as an independent body that will be also responsible for matters relating to concessions and public-private partnerships. This measure is expected to strengthen and balance the level of transparency, professionalism, efficiency and accountability in the procedures and the overall operation of the institutions.

II. Problems and risk factors for occurrence of corruption and conflict of interests

The public spending of budget funds by the national institutions (the tendency for draining of budget funds through various contracts for public-private partnerships or concessions to the private sector); the spending of budget funds in a non-transparent manner with favoritism and granting privileges; the lack of accountability, efficiency and oversight in granting contracts for donations, sponsorships or partnerships are seen as risky problems and factors of corruption and conflict of interest in the public and private sectors. In particular, the risks and problems are related to:

- The system of public procurement itself, which is vulnerable to corruption and conflict of interest
- The nontransparent and non standardized procedures for concessions and public-private partnerships; the lack of databases in certain institutions; the lack of a centralized system to monitor all stages of the procurement process; the incompetence of the officers responsible for implementation of the procedures; the high discretionary powers in the process of decision-making in the relevant institutions, etc.
- A large number of cancelled or unsuccessful procedures
- Insufficient knowledge of the issues of corruption and conflict of interests within the private sector
- Weak measures for prevention of corruption and strengthening the integrity within the private sector
- Lack of awareness about the Law on Protection of Competition and insufficient institutional capacities for implementation of the law
- Lack of transparency in granting sponsorships with suspicious dealings.

The above-mentioned problems and risks make the threat of corruption and conflict of interests real and very likely to occur.

III. Measures and actions to prevent corruption and conflicts of interests

Aiming to overcome the identified problems and risk factors in the public and private sectors, many of the activities are aimed at raising awareness, i.e. strengthening the integrity of the participants in the public procurement process.

In addition to the envisaged amendments to the Law on Public Procurement aimed to transform the Public Procurement Bureau into an Agency whose director would be elected by means of public competition, more improvements to the Public Procurement Law are planned, as follows: expanding the list of persons required to submit a Declaration of Conflict of Interests; introduction of an electronic catalogue; precise

definition and limitation of the possibilities for annulment of the procedures including sanctions in case of abuse; clear and precise plans for revision/changes to the procurement plans and introduction of an obligation for publishing the procurement plans on the websites of the relevant institutions.

Amendments are also foreseen in the Law on Concessions and other types of public-private partnerships towards standardizing the procedures. Article 283 of the Criminal Code will also be changed to stimulate reporting of cases of cartels and other types of monopolies and prevent signing of prohibited contracts.

Due to the fact that the sponsorships are not visible to the general public and people generally tend to suspect illicit dealings behind granting sponsorships, there is a need to promote transparency of the objectives, scopes and types of sponsorships and sponsors. To achieve these objectives, the Action Plan envisages amendments to the Law on Donations and Sponsorships in the public activities in order to establish a system of continuous monitoring of the sponsorships, their size, types and sponsors. The amendments will also prescribe standard forms of contract for sponsorship - which must be respected and need to incorporate elements aimed to prevent possibilities for corruption.

A total of nine problems /risk factors are identified in the Action Plans for these two sectors, with 26 planned activities and 30 Indicators of activity and a total of 21 Indicators of effectiveness to measure the effectiveness of the implementation of the determined activities.

SECTOR VIII – HEALTH, LABOUR AND SOCIAL POLICY

The problems of corruption and conflict of interest in the areas of health, labour and social policy have thus far been treated as an integral part of one of the six main pillars of the national integrity system of the current State Programme for Prevention of Corruption -- namely the local self-government and public administration. As regards the health and social areas, there is a widespread perception that corruption (mainly expressed by active and passive bribery) has assumed endemic proportions and the occurrence of conflict of interests has become an integral part of the everyday activities. This situation, along with the low institutional efficiency in meeting the citizens' needs, has led for these vital activities to have persistently poor reputation among the citizens for some time now. Therefore, in light of the main idea of the new Anti-Corruption State Programmes to establish a system of institutional and personal integrity in the institutions at risk, it was only logical to include the health, labor and social policy systems under one separate sector in which the forms and risks of corruption and conflict of interest can be systematized and treated synchronously.

I. Forms of corruption and conflict of interests

The widespread perception of corruption and conflict of interest in this sector is associated with the following risks: the way how public funds are spent in the public health sector procurement of medicines and medical supplies; the high prices of medical drugs and medical services; the various privileges and selectivity in the access to medical and social services; abuses in the recruitment procedures; abuses in exercising the social welfare rights; the high degree of nepotism in these sectors and operation within closed circles; susceptibility to external, political influences. All these risks are portrayed against the background of the vulnerability of the population which benefits from these services and the lack of awareness of the citizens about their rights and their fear to report corruption.

II. Problems and risk factors for occurrence of corruption and conflict of interests

The first problem pointed in the State Programmes deals with the unjustified spending of public funds in the public health sector and the lack of transparency and accountability in the public spending process. These phenomena are seen mostly in the procurement of medicines and medical supplies at prices higher than the world market prices, favoring certain suppliers through various forms of conflict of interest, and abuse of the possibility for emergency procurements in order to avoid the regular tendering procedures. There is lack of control mechanisms for provision of services and fulfillment of the clients' rights, and insufficient awareness of the citizens about their legally determined rights as well as the possibilities for them to avail of free public services. In addition, oftentimes the employees in these sectors are not enough informed and educated which types of actions and situations constitute corruption and conflict of interest and what they have to take for their prevention.

III. Measures and actions to prevent corruption and conflicts of interests

To address the issue of unjustified spending of public funds, the State Programmes envisage activities for reinforcement of the controls and internal audit of the Health Insurance Fund and the health facilities. In addition, in order to prevent deviations and sanction any violations, the bylaws will need to be revisited as they still seem to leave room for acting from a position of conflict of interests and resorting to use of various privileges and benefits. The State Programmes also foresee establishment and strengthening of the control mechanisms for implementing the procedures for service provision and fulfillment of the users' rights as well as further internal and external controls to narrow the opportunities for bribery and favoritism. Distribution of a Code of

Ethics to all employees in this sector is also planned with the aim to strengthen the integrity primarily through raising the awareness about the ethical standards applicable to the state and public officials. Adoption of a Code of Ethics for the health professionals is also planned and will contain provisions for prevention of corruption and conflict of interest and strengthening of the integrity. A Code of Ethics will be also adopted for the pharmaceutical companies, healthcare workers and patients' associations. Trainings for prevention of corruption and conflict of interest are also needed. To raise the awareness of citizens about their rights, specific public awareness campaigns will be conducted along with targeted distribution of specially prepared information materials. Citizens' information centers are planned to be established where the citizens will be able to receive information about their rights.

This sector identifies 4 problems, 9 activities, 18 Indicators of activity and 15 Indicators of Effectiveness.

SECTOR IX – EDUCATION AND SPORTS

The issues of corruption and conflict of interest in the areas of education and sports were not treated separately in the previous Anti-Corruption State Programmes and the related risks, measures and activities were incorporated under the pillars of local self-government and public administration.

The reasons for introduction of education and sports as a separate sector in the new Anti-Corruption State Programmes are related to the persistent risks of corruption and conflict of interests, with the prevention having been weaker than the manifested level of corruption in all spheres of education and sports. Therefore, the assessment of the SCPC was that urgent and targeted measures are necessary to prevent any exacerbation of the risks of corruption in areas that are particularly important for the youth and development of healthy population in general.

I. Forms of corruption and conflict of interests

In general, the risks of corruption and conflict of interest in the areas of education and sports are associated with the issues of inefficiency, abuse of funds and authority for personal and other illegitimate interests and goals, political influences, weak and inadequate legislation and lack of other tools for resistance to corruption and conflict of interest. This is particularly evident in the recruitment processes, acquisition of scientific titles, the absence of verified quality standards and professional capacities, lack of transparency in exercising the rights and authorities – all of which create space for enjoying undue privileges, conveniences and benefits.

Corruption exists in the textbook publishing as well as in the practice of conditioning and blackmailing the students to purchase certain textbooks.

There is extremely weak legislation to regulate the area of sports affecting the efforts for prevention of corruption and conflicts of interests along with strong public perception of helplessness before the evident corruption in this sphere. For example, the absence of an organized and orderly system for granting licenses based on predetermined criteria and standards allows for major financial benefits to individuals who have acquired positions to organize and manage sporting activities in an extremely suspicious way.

II. Problems and risk factors for occurrence of corruption and conflict of interests

The most pressing problem that has been identified in this sector is the pressure exerted to the educational institutions and sporting federations in the recruitment, appointment and promotion processes. The pressure, be it political, family or friends-based, along with the incentives, bribes or counter favors, is a result of an absence of a system of quality criteria for the staff to be hired. In addition, there is selective application of the existing criteria, and the criteria are particularly low and inadequate in the primary and secondary education and the sporting federations.

On the other hand, the evident absence of a satisfactory level of transparency in the selection process leaves an impression among the rejected applicants and the general public that quality is not a relevant criterion, but the "connections" with those who decide seem to be a decisive factor.

Risks of corruption and conflict of interest are perceived also in the process of granting licenses to educational institutions and accreditation of their programs, particularly in the higher education institutions. These problems seem to have flourished due to lack of controls of the procedures for licensing and accreditation by the competent institutions and also due to the absence of a licensing process in the sporting area.

There is a widespread occurrence of illegal earnings in the textbook publishing, because of the huge quantities of textbooks that are printed and the insufficient control over the fulfillment of quality standards of the offered manuscripts for textbooks.

Students are sometimes forced to buy books as a condition for passing exams with some professors.

Risk factors for corruption are also the weaknesses in the procedures for obtaining a place in the dormitories and the insufficient awareness of the need for public involvement in the fight against corruption and conflict of interest.

There is lack of transparency in the sporting activities as well. The financing of sporting clubs and transfer or purchase of athletes is an area particularly prone to corruption. There is lack of adequate inspection and control in terms of the origin, the amount and the manner of spending the funds made available to the sporting clubs by public, private or international sources.

III. Measures and actions to prevent corruption and conflicts of interests

The State Programmes envisage a number of measures and actions to overcome the identified problems. The activities are mainly aimed at improvement of the legislation and development of bylaws.

A system of regular checks and inspection by the State Education Inspectorate and other competent bodies will have to be introduced, in particular in relation to the licensing and accreditation procedures. The establishment of the Agency for Accreditation and Evaluation gives hope that the problem of granting licenses and accreditation of institutions may be solved. However, the employees in the Agency have to be selected based on the principles of competence, independence and impartiality and the Agency needs to strengthen the initial and regular controls of the quality of instruction in the schools and the meeting all the required criteria. These changes will also need to be introduced in the sports area.

There is a need to amend the bylaws regarding the election of the State Commission for Textbooks for Primary and Secondary Education, the procedures for selection of textbooks, authors and reviewers, as well as the bylaws to ensure fairness in the selection of candidates for using the dormitories. Amendments to the Law on Higher Education are necessary in order to introduce a ban on employment of public officials in the higher education institutions during their official term in office. Significant changes are needed also in the Law on Sports both in terms of sanctioning the financial mismanagement during transfers and recruitment of athletes. Better transparency and reporting is necessary in terms of financing of the sports federations and clubs.

In view of the low level of public awareness about the need to report and fight corruption in the areas of education and sports, the State Programmes have foreseen relevant activities and measures. They include educational contents about combating corruption and conflict of interest in the curricula at all levels of education for students; lectures, training and campaigns for students, parents and teachers; design of a Code of

Ethics for educational and sports institutions as well as introduction of a system to encourage the reporting of corruption and conflict of interest in this sector.

This sector has identified 7 problems, 21 activities, 30 indicators of activity and 26 indicators of effectiveness.

SECTOR XI - Media and Civil Society

I. Forms of corruption and conflict of interests

In the media and civil society sector, various problems and risk factors of corruption and conflict of interest have been identified. Most of the problems relate to public/ budget funds spending by the state institutions in a non-transparent, selective and biased manner, with absence of accountability and oversight in the provision of financial support.

The problems in the media arise from non-implementation of the existing regulations on electronic media and the absence of media regulations in general in terms of the risks of abuse of official powers and other powers for achieving personal goals and benefits. The existence and operation from a position of conflict of interest is an issue as well.

II. Problems and risk factors for corruption and conflict of interest

The following problems and risk factors for occurrence of corruption and conflict of interests have been identified:

- Lack of transparency in the awarding public funds to associations and foundations by the state institutions;
- Absence of planning by the state institutions for activities that could be pursued by the civic associations according to their role in society by means of public announcement for project applications;
- Selection of civil society associations and foundations by obtaining the status of public interest associations different from the other civic associations;
- Lack of transparency in spending of budget funds for media campaigns;
- Absence of criteria in the field of public relations that would differentiate the activities for continuous informing of the citizens about the government policies and work of the state bodies and institutions on one hand from the media campaigns to promote political parties' agenda and successes through campaigns financed by public funds on the others;
- Non-implementation of the legal provisions in terms of prohibited concentration of ownership of homogenous or heterogeneous media - television, radio, newspapers,

Internet portals;

- Failure to implement the provisions of the Broadcasting Act regarding the relationship between the media and centers of political power;
- Concealing of the true ownership of the media as opposed to the formally registered ownership, which prevents detection and sanctioning.

Based on the analysis and findings, it was established that there was a real risk of "corrupting" the associations and foundations by the Government by means of allocation of public funds - funds from the State budget, budgets of municipalities, public corporations, public funds and funds from international donors due to application of non-transparent procedures. In this respect, there is a risk of conflict of interest because of the possibility of financing associations and foundations whose members, or close relatives are those who decide on the allocation of funds.

In terms of equality of civil society associations and foundations, it was concluded that there is a risk of corruption in the possibility of obtaining privileged status of a number of associations and foundations as organizations of public interest. Currently, the decision for granting the status of an association of public interest is taken by the Government following the recommendation by a Government Commission. This concept puts the non-governmental sector under Government's authority, which from systemic and developmental point of view is inappropriate and counterproductive. These associations, according to the existing regulations, should be financed by public funds and are therefore placed in a privileged position than those who will not seek or get the status of public interest organizations. Therefore, we need to challenge the existence of public interest organizations, especially the manner of their determination under the applicable law. This is even more relevant given the fact that the public interest is expressed in the objectives and activities of the associations, and this needs to be clearly indicated and visible in the law as well. These goals differ from those of the professional associations, and the associations which are formed to meet narrower, group and personal interests or aspirations. This definition of civil society associations should determine the contents of the legal provisions about the required capacities of a specific association to apply for projects funded by public funds.

Another identified risk factor is the issue of spending central budget resources for media and advertising campaigns. The Government and other public institutions are among the biggest advertisers in the country, or users of media services which leaves room for corruption risks in terms of using public funds to influence the work of the media. Such risks exist in terms of conflict of interests because of absence of application of the existing regulations on broadcasting along with the absence of precise, specific regulation on the media, i.e. issues of relating the public information area in general

III. Measures and activities for prevention of corruption and conflict of interest

The identified problems and risk factors can be clustered around several issues:

- Non-implementation of the existing legislation,
- Lack of clear procedures
- Lack of regulations.

Considering the nature of the problems, the majority of the proposed measures envisage changes and amendments to the legislation as well as adoption of new normative acts and regulations in the media and civil society sector.

In connection with the first issue of funding NGOs and foundations by the state institutions, amendments to the regulations are proposed relating to the criteria, rules and procedures for awarding funds as well as precise regulation of these issues in a Code of Good Practices for financial support of associations and foundations adopted by the Government of Republic of Macedonia.

Amendments to the regulations are needed to establish greater accountability for the financial performance and results of the projects undertaken by civil society organizations and funded by public funds.

Necessary amendments to the Law on Associations and Foundations are needed in relation to the question of obtaining the status of a public interest organization by determining clear and precise criteria in the law. In other words, the status of public interest organization will be obtained by virtue of the law by the organizations that meet the legal requirements upon their registration with the competent authorities.

Larger amendments to the regulation are envisaged to introduce the principle of functional partnership between the Government and the NGO sector. The purpose of these amendments is for the state authorities to envisage in their work programs and budgets a possibility for certain activities (that are an integral part of their projects and programmes of work) to be implemented by registered civic associations for activities. These associations should have capacities for responding to public announcements (calls) for implementing public awareness campaigns to motivate citizens, educational activities, surveys, research, training and similar activities that can be implemented by civil society organizations registered for activities and issues in a given area. This implies implementation of a fully transparent procedures and ensuring accountability in the process.

Because of the perceived problem and the risk of corruption and conflict of interest in this area, and with the aim for the competent institutions to effectively prevent and efficiently treat and sanction the issues, it is proposed for the members of the executive bodies of the associations and foundations to be required to submit asset declarations and declarations of interest.

Regarding the non-implementation of the regulations prohibiting concentration of media, amendments are proposed in terms of overseeing the implementation of laws. Also, actions are foreseen in terms of mandatory cooperation of institutions around detection and elimination of instances of illegal media concentration and sanctions for failure to act in cases of prohibited concentrations of media. Amendments to the regulations are also proposed towards preventing the participation of foreign legal entities in the media concentration. The new regulation would impose an obligation for all analysis and decisions of the regulator to be published on the website.

Regarding the non-enforcement of regulations prohibiting connection between media ownership and public officials, and centers of political power, amendments are proposed to the regulations in terms of oversight of law enforcement and transparency of media ownership. It is also proposed that the changes in the regulations should specify the manner of detecting the connection between the public officials and media ownership and to determine sanctions in case of failure to abide by the laws.

As for the question of spending central budget funds for media campaigns and financial support of individual media, the proposal is to improve the provisions regulating the work of the Government towards campaign planning, establishing criteria and transparency of the campaign goals, the reasons, effects and measurement of results to identify the justification for spending public funds for such purposes (Law on Government of RM and the Rulebook of the Government). Amendments to the regulations should include clear and transparent criteria and availability of all media economic operators in order to achieve competition for good quality of delivering services of this kind.

As for the lack of regulations in this area --the existence of which would prevent the perceived risks and problems and would improve the practical treatment and sanctions by the competent institutions -- the proposal is to envisage obligation for submission of asset declaration and Declaration of interests for the owners of all types of media. The declaration of interest should include a question about the links between any public duty bearer and the media ownership.

Overall, this sector identifies six problems - risk factors, planned 14 activities, determined

19 indicators of activities and a total of 25 indicators to measure the effectiveness of the implementation of the activities.

**State Programme for Prevention and Repression of
Corruption**

**State Programme for Prevention and Reduction of
Conflict of Interests**

Action Plans

for the period 2011 - 2015

SECTOR - Political

1.Problem/risk factor: Lack of transparency and oversight of the current material and financial operations of political parties, trade unions and civil society organizations

Explanation: There is no ongoing oversight of the financial operations of political parties, trade unions and civil society organizations despite the public criticism that these entities are funded from suspicious deals; that there are privileged "party firms" through which are beneficiaries of public funds. Pursuant to the Law on Prevention of Corruption, the SCPC is mandated to initiate control, but there are no complementary provisions in other laws to fully allow for the SCPC to discharge this function through direct insight into the financial and material operations of these entities.

Activity	Activity Indicator	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial Implications
1. Amendments to the Law on Financing of the Political Parties to provide for obligatory submission to SCPC of semiannual reports on the work of political parties work, and also introduce an obligation for the political parties to submit the annual financial reports to the SCPC	1. Law amended 2. Semi-annual and annual financial reports submitted to the SCPC	MJ SCPC	Second	2012	1. Number of submitted reports 2. Number of initiated actions based on the reports submitted	

2. Amendments to the Law on Banks to allow for the SCPC to obtain access to the bank statements of the accounts of the political parties, the trade unions and CSOs.	1. Law on Banks amended to allow for effective access to the bank statements of the accounts of the political parties, the trade unions and CSOs.	MF MJ SCPC	Second	2012		
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2.Problem /risk factor: There are shortcomings in the provisions of the electoral laws and other regulations relating to the electoral processes that create a risk of direct violation

Explanation: The obligatory reporting in the electoral process is characterized by high formalism without the necessary insight into the actual financial resources, their sources and uses which influences the effective sanctioning of the violations by the responsible institutions.

Activity	Activity Indicator	Responsible Institution	Priority	Timeframe for Implanentation	Indicator of effectiveness	Financial Implications
1. Amendments to the Electoral Code and the Law on Financing of Political Parties towards development of a special form for the elections report, to include information on the type of revenues and expenditures and the purpose of their use; - Introducing an obligation for the organizers of the electoral campaigns to submit their financial reports together with the	1. Electoral Code and the Law on Financing of Political Parties amended 2. Special (financial) form developed	MJ MF SCPC	First	2012	1. Number of violations of laws and appropriate corrective actions taken 2. Number of adopted decisions and imposed measures and sanctions	

information on the bank accounts opened for the election campaign purposes

- Introducing an obligation for the organizers of electoral campaigns to submit a final financial for the previous year for the legal entities and their donors

- The electoral bank account should be closed on the date of submission of the final financial report

- To allow for verification of data on donations from individuals

- Donations cannot be paid by third parties

- To introduce a system whereby the donations for elections will be collected in a precisely determined period before the actual electoral campaign and be kept on a separate sub-account. These funds will then be transferred to a special dedicated bank account for the electoral campaign.

- In the process of financing the

<p>media presentations, to create mechanisms to prevent discounts that cannot be controlled and which enable exceeding the legal limits for donations</p> <ul style="list-style-type: none"> - The decision on allocation of budget funds on the basis of mandates won during the elections should be preceded by audit of the financial statements of the organizers of electoral campaign - To reduce the maximum allowed limits for electoral campaign 						
<p>3.Problem/risk factor: High degree of discretionary powers with major differences in the intensity between various public functions</p>						
<p>Explanation: There is a high degree of discretionary powers for certain positions and individuals which are difficult to be controlled in practice, and which affect the efficiency of the actions of the competent supervisory authorities.</p>						
Activity	Activity Indicator	Responsible Institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial Implications
1. Analysis of the discretionary powers in all segments in the system of government	1. Analysis prepared	SCPC	Second	2014		Yes

4. Problem/risk factor: Absence of effects of the application of the Law on Lobbying

Explanation: Deficiencies and lack of knowledge about the concept and contents of lobbying, both in the political and in other social circles, despite the widespread lobbying outside the legal framework. The risk of corruption exists in terms of the failure to report cases of lobbying and illegal lobbying and the resorting to lobbying for achieving hidden and illegitimate interests funded by unknown and uncontrolled sources. This situation prevents the effective oversight of this issue.

Activity	Activity Indicator	Responsible Institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Amendments to the Law on Lobbying	1. Law on Lobbying amended	MJ SCPC	First	2012-2013		
2. Workshops, preparation of guide to lobbying, education and campaigns	1. Guide on lobbying prepared 2. Awareness campaign implemented 3. Training materials (programs) designed and responsible institution for training delivery designated	SCPC	Second	2013		
3. Ethical Conduct for lobbyists	1. Adopted Ethical Conduct for lobbyists	MJ	Second	2013		
4. Establishing a register of lobbying in order to strengthen the supervision by the SCPC	1. Established register	SCPC	Second	2013	1. Number of initiated actions	

					2. Number of imposed measures	
5.Problem/risk factor: High percentage of adopted legislations in shortened or urgent procedure (although the Rulebook of the Assembly establishes several stages of preparation of laws) which do not allow for inclusion of socially relevant and interested parties in the formulation of the legislation						
Explanation: Exclusion of the socially relevant and interested parties in the development of legislation.						
Activity	Activity Indicator	Responsible Institution	Priority	Tiemframe for Implementation	Indicator of effectiveness	Financial Implications
1. The procedure for passing the laws should include the various chambers, professional associations, CSOs, in order for the laws to consider the widest range of interests not only of the political parties	1. Opinions (feedback) collected in the phase of preparation of laws	Parliament of the RM	Second	2012-continuously	1. Number of opinions 2.Number of accepted suggestions and opinions	The procedure for passing a law to include the chambers, professional associations, CSOs, in order to incorporate the widest range of interests not only of political parties

SECTOR- Judiciary

1. Problem/Risk Factor: Absence of a steady and permanent independence of the judiciary and judges

Explanation: The independence of the judiciary is the foundation of the rule of law. The independence of the judiciary is a reflection of the place of the judiciary as one of the equal pillars of power in the state together with the two other pillars: the legislative and executive powers. The judiciary is independent in enforcing the laws and shall not be a subject of any kind of influence and pressure from other institutions, centers of economic, political, media and other forms of power. Despite the evident progress towards strengthening the independence of the judiciary, there is still room for further improvement of the normative framework and the conditions and circumstances that affect the practical realization of the independence of the judiciary and the accomplishment of the required integrity of judges.

Activity	Activity Indicator	Responsible institution	Priority	Framework for implementation	Indicator of effectiveness	Financial Implications
1. Amendments to the Law on Courts and the Law on the Judicial Council of the RM in order to provide for better protection of the independence, impartiality and objectivity of judges in the exercise of the judicial function	1. Law on Courts and the Law on the Judicial Council of RM amended	MJ	First	2012-2013		
2. Amendments to the Law on Courts and the Law on the Judicial Council of the RM in order to prohibit the judges to carry out other functions and perform other professions	1. Law on Courts and the Law on the Judicial Council of RM amended	MJ	First	2012-2013		

3. Appropriate responses and proactive approach of the Judicial Council of the RM and the Association of Judges of RM in protection of judges in cases of violation of the independence and reputation of judges	1. A system in place for informing the public about the relevant facts and circumstances surrounding the specific cases of violation	Judicial Council of the RM Association of Judges of RM	First	2012-continuously		
4. Complete independence of the judicial budget in order to ensure autonomy in financing the activities of the courts, and in particular to allow for employments without consent of the Ministry of Finance	1. Law on Court Budget amended	MJ MF Judicial Budget Council	First	2013	1. Comparative analysis of the effects of the amended law	
5. Improving the professionalism, personal integrity and reputation of judges in accordance with their place and role in the judicial system and the society as a whole	1. Seminars, public debates and workshops organized covering topics related to the independence, impartiality and objectivity of the judicial function and integrity of judges	Association of Judges of RM Academy for Judges and Prosecutors	First	2012-continuously	1. Number of debates / number of participants 2. Number of trainings / number of trained people	Yes
6. Review of the legislation pertaining to dismissal of judges due to unprofessional and incompetent work and making distinction between the procedures for dismissal and the disciplinary procedures	1. Professional discussions organized about the practical application of the legal provisions relating to dismissal of judges due to unprofessional and incompetent work and making distinction between the procedures for	Association of Judges of RM MJ Judicial Council of the RM	First	2013-2015		Yes

	dismissal and disciplinary procedures					
7. Strengthening the capacities of the courts	<p>1. Human resources provided</p> <p>2. Material and technical equipment procured</p>	Judicial Council of the RM Judicial Budget Council	First	2012		
8. Review of the legal provisions related to the conditions for election of members of the Judicial Council of the RM	<p>1. Professional discussions organized and recommendations made regarding the criteria that must be met by the members of Judicial Council of the RM and appropriate amendments to the Law on Judicial Council of the RM effectuated</p> <p>2. Selection criteria designed</p> <p>3. Constitution and the Law on the Judicial Council of the RM changed so as not to allow for the Minister of Justice to be member of the Judicial Council of the RM</p>	MJ Association of Judges of RM	First	2013		Yes

<p>9. Amendments to the Law on Academy for Judges and Prosecutors and the Law on Court Budget aimed at providing improved financial, staff and organizational autonomy</p>	<p>1. Law on Academy for Judges and Prosecutors and the Law on Court Budget amended</p>	<p>MJ Judicial Budget Council Academy for Judges and Public Prosecutors</p>	<p>First</p>	<p>2012-2013</p>		
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2. Problem/Risk factor: Lack of transparency

Explanation: Transparency is an important aspect in the operation of the courts and the other judicial institutions which greatly affects the public perception and confidence in the institutions. The citizens have the right to receive information on laws, legislative changes, court procedures, court decisions, the criteria for employment, promotion of judges and court administration, course and outcome of court proceedings. However, web pages of the courts are not regularly updated, the annual reports on the work of courts are not publicly announced, and the legal requirement for publication of the court decisions are not adequately implemented, which increases the space for corruption in the judiciary. For these reasons, the public and the civil society cannot be fully convinced in the validity of the court decisions. In addition, the public is not continuously informed of the important issues through courts' spokesperson and other forms of public relations instruments.

Activity	Activity Indicator	Responsible Institution	Priority	Timeframe for Implementation	Indicator of effectiveness	Financial Implications
1. Creating staffing and technical prerequisites for implementation of obligations for transparent work in accordance with the Law on Courts	1. Regularly updates of the existing websites 2. All court rulings made public 3. General legal views and opinions of the Supreme Court of RM made public 4. Annual reports on operation of the courts made public	MJ Supreme Court of RM Courts	First	2013-2014	1. Number of adopted / number of published court decisions 2. Number of courts / number of published reports	yes
2. Strengthening the transparency by appointing a public relations person- spokesperson at the Supreme Court and the Administrative Court and at the appellate courts, and provision of training of those persons by the Academy of Judges and Prosecutors	1. Acts (by-laws) for organizational structure and post classification amended 2. Training conducted	Supreme Court of RM Judicial Budget Council Academy for Judges and Prosecutors	First	2012-2013		Yes

3. Establishing methodology and regular statistical tracking of cases of corrupt acts	1. Uniform (standardized) system for tracking (monitoring) court cases established	MJ Supreme Court of RM	First	2013-2015		Yes
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3. Problem/Risk factor: Lack of overall capacity of the public prosecution to discharge its new mandates (role) as per the provisions of the Criminal Code under the present conditions of uncovered issues relating to public prosecutor's protection of public interests and goods

Explanation: There is a necessity for strengthening the overall capacity of the public prosecution in terms of its new roles laid down by the new Criminal Code. The Public Prosecutor plays a very important role in the fight against crime and corruption, especially following the abolition of judicial inquiry when the Prosecutor became the sole bearer of the investigation and the legality of the police actions taken upon orders issued by the Public Prosecution. The new position of the Public Prosecution Office requires strengthening of the cooperation with the other bodies mandated with special investigative powers and the institutions specialized in the fight against organized crime and corruption. In this respect, it is necessary to strengthen the actions of the Public Prosecutor ex officio, while the PPO for organized crime and corruption should take a lead role in dealing with the related cases.

Activity	Activity Indicator	Responsible Institution	Priority	Timeframe for Implementation	Indicator of effectiveness	Financial Implications
1. Monitoring the Action Plan for implementation of the Criminal Code	1. Activities of the Action Plan implemented	MJ Council of Public Prosecutors of the RM	First	2012-continuously	1. Conditions created for effective implementation of the law	
2. Building capacities for ensuring dominant role of the public prosecution in the investigation	1. Investigation centers and other capacities created in the PPO 2. Bylaws adopted	MJ Council of Public Prosecutors of the RM MI, CA, PRO	First	2012-2013	1. Reduced number of rejected cases on the basis of outdated of the criminal prosecution	Yes

3. Inspection of the circle of crimes prosecuted ex officio in the context of the necessary extension of the prosecution's responsibility in strengthening the protection of public interests, resources and goods	1. Workshops organized	SCPC PPO for organized crime and corruption PPO of RM	First	2012	1. Expanded circle of public prosecution actions ex officio	Yes
4. Amendments to the Law on Public Prosecution and the Criminal Code in order to determine the nature of the initiative for criminal prosecution as a tool for the institutions specialized in the fight against organized crime and corruption and the public prosecutor's handling of such initial acts	1. Laws amended	MJ	First	2012-2013	1. Number of submitted initiatives / number of investigative activities undertaken	
5. Transparency of the standards for work of the public prosecution office	1. Prosecutorial standards (guidelines) for work prepared and made public	Council of Public Prosecutors of the RM Association of	First	2012-2015	1. Published guidelines on the website of PPO	

		Public Prosecutors of the RM Association for Criminal Law of RM				
6. Review of the terms and procedure for selection and dismissal of the Public Prosecutor of the RM	<p>1. Professional debate organized</p> <p>2. Amendments to the Constitution of RM, the Law on the Council of Public Prosecutors and the Law on Public Prosecution</p>	MJ Council of Public Prosecutors of the RM Association of Public Prosecutors of the RM	First	2012-2013		Yes
7. Review and amendments to the provisions related to the jurisdiction and composition of the Council of Public Prosecutors of the RM	<p>1. Professional debate organized</p> <p>2. Amendments to the Constitution of RM and the Law on the Council of Public Prosecutors of the RM</p> <p>3. The Minister of Justice not to be member of Council of Public Prosecutors of Macedonia</p>	MJ Council of Public Prosecutors of the RM Association of Public Prosecutors of the RM	First	2012-2013		Yes

8. Strengthening the transparency by publishing the statistics on the flow of cases, the related procedure and the final outcome	1. Statistical data published	Council of Public Prosecutors of the RM PPO of RM	First	2012-2013		
9. Amendments to the Law on Public Prosecution to prevent the prosecutors from performing other activities or other professions	1. Law amended	MJ	First	2012-2013		

4. Problem/Risk factor: Insufficient autonomy of the Attorney General of RM

Explanation: To ensure greater independence and autonomy of the Attorney General of RM.

It is absolutely necessary to make amendments to the Law on the Attorney General towards ensuring independence of the State Attorney of the RM from the executive power, which would provide for autonomy of the Attorney General and would ensure protection of the property and legal interests of the state as a whole.

Activity	Activity Indicator	Responsible Institution	Priority	Timeframe for Implementation	Indicator of effectiveness	Financial Implications
1. Adoption of a new Law on the Attorney General of RM to provide for greater autonomy of the State Attorney of the RM; to define a special procedure for appointment and dismissal of the Attorney General; and to make this institution independent from the	1. New Law adopted	MJ State Attorney's Office of RM	First	2012		

executive - To prepare and implement a system for evaluating the performance of Attorney General -To improve the system of salaries of the civil servants and state attorneys						
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5. Problem/Risk factor: The absence of systemic controls over the activities of notaries, executors and lawyers

Explanation: The inadequate implementation and misuse of the law threatens the rule of law and undermines the credibility of the justice system. It creates opportunities for corruption, while the lack or irregular controls and proper supervision over the work leaves room for non-detecting and impunity of corrupt acts.

Activity	Activity Indicator	Responsible Institution	Priority	Timeframe for Implementation	Indicator of effectiveness	Financial Implications
1. To strengthen the supervision by introducing systemic controls over the work	1. Systemic controls implemented	MJ Bar Association of RM Chamber of executors of RM Notary Association of the RM	First	2012-continuously		

SECTOR – Public administration

1 Problem/risk factor: Partially established decentralized system for management of public resources and insufficiently harmonized procedures for financial management and control

Explanation: The centralized system for management of public resources whereby the head of an entity is simultaneously authorized to commit and disburse funds allows for misuse of resources and creates opportunities for corruption. This system does not allow for delegated managerial accountability to all managers in terms of spending the public resources. The procedures for assuming financial obligations and the payment procedures are also susceptible to various forms of misuse.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Establishment of fully decentralized system of financial management	1. Decisions for internal distribution of the total approved budget prepared	Budgetary users of first line, funds, municipalities and the City of Skopje Ministry of Finance	First	2012-continuously	1. Number of institutions to adopt decisions for internal distribution of the total approved budget	Yes
2. Preparation of procedures for assuming financial obligations and procedures for payment	1. Prepared and approved procedures	Budgetary users of first line, funds, municipalities	First	2012 - 2013	1. Number of institutions to adopt procedures for	

		and the City of Skopje Ministry of Finance			assuming financial obligations and payment procedures	
2. Problem/risk factor: Lack of guarantees for strict implementation of the working procedures						
Explanation: The respect and strict implementation of the procedures for work directly depend on the technical support provided to the municipal officials and administration. In this process, key role is played by the internal auditors in the public administration institutions and this role should be strengthened. In this respect, the resistance towards the internal audit should be overcome and licensed internal auditors should be introduce						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Establishment and staffing of Units for Internal Audit (UIO) in all central budget-funded institutions from the legislative, executive and judicial powers and funds	1. Units for Internal Audit established and internal auditors hired in accordance with the established criteria	Ministry of Finance The public administration institutions	First	2012 - 2013	1. Number of established Units for Internal Audit (UIO) and number of internal auditors needed, as per the established criteria	Yes

2. Amendments to the Law on Public Internal Financial Control towards introduction of provisions for licensing the internal auditors	1. Law on Public Internal Financial Control amended	Ministry of Finance	First	2012-2013	1. Number of issued licences	
3. Establishment and staffing of Finance Units (FU) in all central budget-funded institutions in the legislative, executive and judicial powers and funds	1. Finance Units established and staffed, as per the established criteria	Ministry of Finance Public administration institutions	First	2012 - 2013	1. Number of established Finance units/number of employments in the Finance Units, as per the established criteria	Yes

3.Problem/risk factor: Lack of corruption risk assessment in the public administration

Explanation: The probability for corruption prevention in the public administration can be considerably improved by undertaking assessments and identifying the points of risks and procedures that are most vulnerable to corruption. Timely assessment of this

kind would allow for focused prevention efforts and detection of corruption in the so-called hot spots as well as additional streamlining of the procedures towards providing safeguards from corruption.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Финансиск и импликаци
1. Design of Strategies for Risk Management and Registries of Risks for central budget-funded institutions and funds	1. Strategies for Risk Management prepared 2. Registries of Risks prepared	Ministry of Finance Public administration institutions	First	2012	1. Number of prepared Strategies for Risk Management and Registries of Risks Prepared	
2. Undertaking annual self-assessment of certain high-risk processes in the system for financial management and control	1. Self-assessments undertaken	Ministry of Finance Public administration institutions	First	2012 - 2015	1. Number of municipalities to undertake self-assessments	

4.Problem/risk factor: Lack of systematized measures for prevention of corruption (integrity plans)

Explanation: The corruption prevention in the public administration institutions would be by far more effective if there was a system of measures in place for prevention of corruption based on vulnerability assessment and risks for corruption occurrence. Such “integrity plans” should be prepared for all public administration institutions and concrete measures should be envisaged for corruption prevention in each of the identified hot spots.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Amendments to the Law on Prevention of Corruption and introduction of legal obligation for adoption of integrity plans	1. The Law on Prevention of Corruption amended	Ministry of Justice SCPC	First	2012-2013		
2. Training for preparation of integrity plans	1. Trainings delivered	SCPC Ministry of Justice Ministry of Information Society and Administration	First	2013-2015	1. Number of trainings/number of trained people	Yes

3. Design and adoption of integrity plans	1. Integrity plans adopted	SCPC All institutions	First	2013- 2015	1. Number of Integrity Plans adopted	
5.Problem/risk factor: Lack of public control over the work of the administration						
Explanation: Control over the work of the public administration by the internal auditors is limited and is not entirely free from subjectivity. Creation of conditions for additional public control over the public administration institutions will significantly improve the probability for prevention and detection of corruption.						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Preparing guidelines for prevention, detection, reporting and dealing with irregularities	1. Guidelines prepared and adopted	Ministry of Finance Financial Police Office- Anti-Fraud Coordinating Structures- AFCOS	First	2012 - 2013		

2. Training delivery for improvement of the skills of the persons responsible for reporting irregularities, in accordance with the Training Programme of AFCOS	1. Training Programme prepared 2. Trainings delivered	Ministry of Finance Financial Police Office- Anti-Fraud Coordinating Structures- AFCOS	First	2012 - 2013	1. Number of trainins/number of trained people	Yes
3.Designing a National Strategy for Prevention of Irregularities and Fraud aimed at protection of the financial interests of the EU in the RM	1. National Strategy prepared and adopted	Ministry of Finance Financial Police Office- Anti-Fraud Coordinating Structures- AFCOS	First	2012 - 2013		
4. Legal changes to provide for systematic and institutional protection of whistleblowers	1. The Law on Prevention of Corruption changed/amended	Ministry of Justice SCPC Ministry of Information Society and Administration	First	2012 - 2013	1. Number of reported cases of corruption	

<p>5. Conducting trainings for the administration and the private sector for implementation of the legal provisions for protection of the whistleblowers</p>	<p>1. Trainings delivered</p>	<p>SCPC Ministry of Information Society and Administration</p>	<p>First</p>	<p>2012 - 2015</p>	<p>1. Number of trainings delivered/number of people trained</p>	<p>Yes</p>
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SECTOR – Law enforcement bodies

1. Problem/risk factor: Lack of transparency in the work

Explanation: Transparency is an important aspect of the work and influences the public perception and trust in any institution. The public demands adequate access to information pertaining to the laws, legal changes, by-laws, operating procedures, management, staffing and technical equipment of the institutions and their strategic documents. The non-transparent work can be source of abuse and sometimes leads to instances of inadequate presentation of the actual situation inspired by the aim to protect the public image of the institution. This situation damages the public trust and threatens the democratic processes in the country.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Preparation of a functional web site of the Administration for Financial Police and its regular updating (continuous)	1. Web site prepared and all public contents made published and accessible to the citizens 2. Resources secured for regular updating of the web site	Administration for Financial Police (AFP)	First	2012-2013		Yes

2. Problem/risk factor: Insufficient coordination and efficiency of the institutions						
Explanation: The lack of coordination and mutual exchange of information between the law enforcement agencies reduces their efficiency and effectiveness. The issues of non-existing or non-unified databases; lack of feedback and scattered information about the opening and finalization of cases; overlapping of competences; inadequate and insufficient technical equipment and lack of staff as well as the insufficiently trained and competent staff for application of the special investigative measures have a bearing on the efficiency of the law enforcement bodies in terms of implementation of the laws in the fight against organized crime and corruption.						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Establishment of unified and harmonized databases (Law on Electronic Management)	1. Unified data-bases established 2. Reports submitted to the Ministry of Information Society and Administration about the establishment of the databases	Law enforcement bodies SCPC Ministry of Information Society and Administration	First	2012 – 2013	1. Number of newly registered and harmonized databases	Yes

2. Linking the databases in an information system for electronic communication between the institutions	1. System established for linking the databases (inter-operability) 2. Certificates issued for functionality of the information systems	Law enforcement bodies SCPC Ministry of Information Society and Administration	Second	2012- 2015	1. Number of certificates issued for functionality of the information systems	Yes
3. Conducting trainings for using the databases and electronic communication in general	1. Trainings delivered	Law enforcement bodies SCPC Ministry of Information Society and Administration	Second	2012- 2015	1. Number of trainings delivered/number of trained staff	Yes
4. Improvement of the staffing and technical (in terms of equipment) conditions in the	1. Institutions further staffed with adequate (qualified) personnel	Law enforcement bodies	First	2012- 2015		Yes

institutions	Technical standards for operation of the institutions met	SCPC				
5. Improvement of the institutional staffing for implementation of the special investigative measures	1. Institutions further staffed with adequate (qualified) personnel 2. Technical standards for operation of the institutions met	Ministry of Interior Administration for Financial Police	First	2012- 2013		Yes
6. Professional training and education of staff about the special investigative measures	1. Trainings, seminars, workshops delivered	Ministry of Interior Administration for Financial Police	Second	2012- 2015	1. Number of trainings delivered/number of trained staff	Yes
7. Establishing a system for exchange of data, including a methodology for unified collection, maintenance and exchange of data between the law enforcement bodies with the aim to monitor criminal	1. National database on crime intelligence established	Law enforcement bodies	First	2012- 2014		Yes

behaviour						
8. Strengthening the cooperation between SCPC and the law enforcement bodies	<p>1. Periodic meetings held</p> <p>2. Conclusions and guidelines for further actions adopted</p>	<p>Law enforcement bodies</p> <p>SCPCs</p>	First	2012- 2015	<p>1. Number of meetings held and conclusions from meetings adopted</p> <p>2. Number of meetings and topics covered during meetings</p>	Yes

3. Number/risk factor: Insufficient transparency and accountability in relation to possession of assets by the public officials

Explanation: The submission of asset declarations and statements of interests is a legal requirement for the public officials. However, this obligation is not adequately implemented and controlled.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Revealing the assets and interests	<p>1. The Law on Prevention of Corruption and the Law on Prevention of Conflict of Interests changed to clearly set forth who has obligation to submit asset declaration and statement of interest, to whom (SCPC and the units within the institutions as well) and the procedure manner</p> <p>2. The Law on Prevention of Corruption and the</p>	<p>Ministry of Justice</p> <p>SCPC</p>	First	2012-2013	<p>1. Institutions which are obliged to submit data about the officials/ institutions which have submitted data</p> <p>2. Number of elected and nominated officials/Number of inspections of the asset and conflict of</p>	

	<p>Law on Prevention of Conflict of Interests changed to introduce obligatory creation of a registry of officials</p> <p>3. Introduce an obligation to report changes of interest</p> <p>4. The Law on Prevention of Corruption and the Law on Prevention of Conflict of Interests changed to regulate the inspection of data reported in the asset and interest declarations</p>				<p>interest declarations conducted by SCPC</p> <p>3. Number of units established within the institutions (sections departments)/ Number of inspected asset and conflict of interest declarations</p>	
2. Conducting trainings for the officials who are required to submit asset and conflict of interest declarations	1. Trainings conducted	SCPC	First	2013-continuously	1. Number of trainings/number of people trained	

SECTOR - Customs

1. Problem/ Risk factor: Lack of guarantees for strict implementation and compliance with the standard activities and procedures by employees in the Customs Administration

Explanation: Employees of the Customs Administration are obliged to diligently, responsibly, professionally and impartially respect and enforce the regulations and bylaws. Only professional, legal and ethical conduct will strengthen the integrity of customs officials thus contributing to elimination of the possibility of corruption. Corruption is any action or omission that employee will do in performing its duty, and in turn requires or accepts a benefit, convenience or interest, and any violation of standard actions and procedures, misconduct or abuse of legal powers. Customs administration is constantly taking measures and actions to reduce corruption in customs, but corruptive activities in individual forms still exist. Corruption is discrediting the Customs Administration and has destructive effect on the overall performance, which in turn leads to reduced public confidence.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Implementation of internal controls and audits to guarantee consistent and successful implementation of work procedures	1.Controls carried out	Customs Administration CA	First	2012 - 2015	1. Number of audits conducted and reports prepared	
2. Development of procedures for customs officials' actions in cases of passive bribery	1. Prepared procedures	CA	First	2012 - 2013		

3. Efficient implementation of the Code of Conduct for Customs Officers	1.Seminars organized to inform the customs officers about the code of conduct 2. Constant monitoring of the application of the Code with reports of cases of violation of the code regulations	CA	First	2012 - 2015	1. Number of seminars / number of customs officers familiarized 2. Number of reports produced / number of measures taken	Yes
4. Specialized trainings for customs officers to strengthen the integrity and the fight against corruption	1. Trainings conducted	CA	First	2012-2015	1. Number of trainings conducted / number of trained customs officers	Yes
5. Conducting research among the entities that come into contact with customs officers on the extent of corruption in the customs service	1. Research conducted 2. Research report prepared with findings and recommendations	CA SCPC CSOs	Second	2013-2015	1.Recommendations received for taking actions aimed to reduce corruption in the customs service	Yes
6. Strengthening the control mechanisms in the detection and sanctioning	1. Systematic controls in all organizational units undertaken	CA	First	2012-2015	1. Number of implemented controls /	

of conduct contrary to the statutory provisions, operating instructions and the Code of Conduct	2. Unannounced and random audits conducted				determined abuse and sanctions 2. Number of conducted random and unannounced audits / determined abuse and sanctions	
7. Implementation of special investigative measures for collection of relevant evidence of corrupt and illegal conduct of customs officers	1. Capacities in place for implementation of the special investigative measures	CA	First	2012-2015		Yes

2. Problem / Risk factor: Lack of corruption risk assessment in the Customs Administration

Explanation: The assessment and identification of the procedural hot spots that are vulnerable to corruption will contribute to better prevention of corruption. Timely assessment of this type allows for focused efforts for prevention and detection of corruption in the critical points of the processes and further strengthens the procedures in terms of protection against corruption. This type of assessment provides for improved efficiency and effectiveness of the customs service and proper discharge of the mandate of the Customs Administration.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Implementation of the Strategy for Risk Management of the Customs Administration	<ol style="list-style-type: none"> 1. Risk Register prepared 2. Specific measures established and implemented to limit and successfully deal with the risks 	CA	First	2012 – 2015		Yes
2. Conducting self-assessment of certain high-risk processes related to the financial management systems and control of the Customs Administration	<ol style="list-style-type: none"> 1. Self-assessments conducted 2. Reports prepared indicating the results of the self-assessments and providing 	CA	First	2012 – 2015 (once per year)	1. Number of completed self-assessments and identified risks	

	recommendations					
3. Problem / Risk factor: Lack of a developed system of communication and cooperation with the public						
<p>Explanation: The presence and influence of the public is an effective tool for service improvement and fight against bureaucracy and corruption. The lack of public influence on the decision making processes creates a sense of “being untouchable” and causes lack of accountability among the decision makers, which has serious potential to result in illegal and corruptive activities. Openness in the work as a basis for transparent, efficient and organized enforcement of responsibilities, receiving feedback from the citizens, raising the level of responsibility and accountability of the Customs Administration, proper flow of information within the Customs Administration and towards the public including on the rights and duties of customs officers, are all prerequisites for greater confidence of citizens in the Customs Administration.</p>						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Adoption of rules for establishment of transparency standards in the work of Customs Administration	1. Rulebook adopted	CA	First	2012 - 2013		

2. Providing greater usage of the civil diary as an effective tool for transparency, accountability and good governance	1. Regular posting of forms for evaluating the work and services of the Customs Administration	CA	First	2012 – continuously		
3. Strengthening the inter-institutional cooperation in terms of the fight against corruption and crime with all institutions responsible for law enforcement	1. Organized meetings in accordance with the signed Memorandum of Cooperation 2. Determined priorities and guidelines for successful fight against corruption	CA	First	2012 – continuously	1. Number of meetings and conclusions of the meetings 2. Number of meetings held and topics covered at the meetings	Yes
4. Improving the communication and cooperation with the private sector	1. Organized and completed periodic meetings between the Customs Administration and representatives from the private sector	CA	First	2012- continuously	1. Number of meetings and conclusions of the meetings 2. Number of meetings held and	Yes

	2. Conclusions and directions established for further action				topics covered at the meetings	
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SECTOR – Local Self-Government

1. Problem/risk factor: Complex and unclear procedures and serious problems in their implementation

Explanation: The urban planning procedures are among the most frequently implemented procedures by the local self-government. Because of their importance for the citizens and the way they are implemented, the urban planning procedures are deemed to bear serious corruption risks. Also, these procedures seem not to be easily comprehended by the citizens with average education. This situation opens opportunities for seeking bribe and other services from the citizens in exchange for arbitrary implementation of the relevant procedures and flexible interpretation and by-passing of the administrative rules by the local self-government staff.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Consistent implementation of the provisions set forth by the Law on Spatial and Urban Planning in terms of updating the detailed municipal urban plans in transparent and participatory manner	1. Urban plans updated 2. Campaign for citizens' review of the detailed municipal plans undertaken resulting into participation by the citizens in the process	Municipal Sectors for Urban Planning MTC	First	2012-continuously	1. Number of updated urban plans 2. Number of activities undertaken towards improved participation of the citizens	Yes

2. Clearly elaborated circumstances that would allow for using the local planning documentation as a basis for granting construction permits in necessary and justified exceptional cases	1. Laws and by-laws amended to provide for the circumstances for using the local urban planning documentation	MTC	First	2012-continuously	1. Number of construction permits issued on the basis of the local urban planning documentation	
3. Every interested party must be clearly and concisely informed about the course and duration of the procedure and the required documents	1. Information materials prepared to explain to the citizens the procedures for obtaining construction permits in a user-friendly and simplified manner	Municipal sectors for urban planning Mayors	First	2012-continuously	1. Functional system for continued information-sharing established	Yes
4. Performing direct inspections at the construction sites for every issued permit and keeping records for every inspection performed	1. Records kept for every performed inspection	Municipal sectors for urban planning Mayors	First	2012-continuously	1. Number of factual deviations from the defined parameters for issuing construction permits	Yes
5. Responding to citizens' alerts, preparing reports for the actual	1. Actions undertaken upon submission of citizens' alerts	Municipal sectors for urban planning	First	2012-continuously	1. Matching between the numbers of citizens' alerts	Yes

<p>inspections and informing back the persons who reported the cases to the authorities</p>	<p>2. Reports about the inspections prepared/kept on record</p> <p>3. Information sent back to the citizens who reported the cases</p>	<p>Mayors</p>			<p>and reports sent back to the submitters of the alerts</p> <p>2. Number of alerts compared with the number of inspections</p>	
<p>6. Every construction should be performed in accordance with the terms and conditions specified in the construction permits and in keeping with the deadline indicated for correction of the buildings, as per the provisions of the permit</p>	<p>1. Every building is constructed in accordance with the terms and conditions</p>	<p>Municipal sectors for urban planning Mayors</p>	<p>First</p>	<p>2012-continuously</p>	<p>1. Number of decisions for demolition or correction of the buildings which have not been enforced as compared to the total number of decisions for demolition or correction of the buildings</p>	

2. Problem/risk factor: Deviations in the management of finances and assets in the local self-governments

Explanation: As in the case of the public administration, the areas of management of finances and assets in the local self-governments bear serious corruption risks due to the opportunities for misuse of municipal budget funds or assets. If the municipal finances and assets are not well-regulated and protected, opportunities may be opened for misuse on the part of the municipal officials and employees.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Preparation and adoption of the municipal plans for investments and development in a transparent fashion with clear indications of the dynamics and priorities for implementation a	1. Plans designed and adopted	Municipal Sectors for Finances Mayors Municipal Councils	First	2012-continuously		
2. The municipal budgets should be harmonized with the annual, mid-term and long-term municipal plans for development and investments	1. Annual municipal budgets adapted	Municipal sectors for finances Mayors Municipal Councils	First	2012-continuously	1. Number of annual municipal budgets that have not been adapted (harmonized) and number of budget revisions in the municipalities	

3. Introduction and implementation of financial computer-based systems for continuous monitoring of budget delivery and budget execution matters	1. Financial computer-based system introduced	Municipal sectors for finances Mayors ZELS	Second	2012-continuously	1. Number of confirmed deviations from the budget delivery and budget execution plans	Yes
4. Ensuring transparency and participation in the process of adoption of the public procurement and public investments plans in every municipality	1. Public procurement and public investment plans published on the web sites before adoption	Municipal sectors for finances Mayors Municipal Councils	First	2012-continuously		
5. Efficient implementation of the newly transferred fiscal competences in the municipalities within the fiscal decentralization process	1. Trainings for the local administration staff conducted 2. Established system for monitoring and oversight by the Ministry of Finance	MF MLSG AULSG	First	2012-continuously	1. Number of trained municipal staff 2. Positive findings by the State Audit Office 3. Number of municipalities and cases deviating	Yes

					from the requirements for efficient implementation of the fiscal decentralization process	
3. Problem/risk factor: Lack of guarantees for strict implementation of the working procedures						
Explanation: The respect and strict implementation of the procedures for work directly depend on the technical support provided to the municipal officials and administration. In this process, key role is played by the internal auditors in the municipalities and this role should be strengthened. In this respect, the resistance towards the internal audit should be overcome and licensed internal auditors should be introduced.						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Establishment and staffing of Units for Internal Audit (UIO) in every local self-government unit	1. Units for Internal Audit established and internal auditors hired in accordance with the established criteria	MF LSGU	First	2012 - 2013	1. Number of established Units for Internal Audit (UIO) and number of internal auditors needed, as per the established criteria	Yes
2. Amendments to the Law on Public Internal Financial Control towards introduction of provisions for licensing the internal auditors	1. Law on Public Internal Financial Control amended	MF	First	2012-2013	1. Number of issued licenses	

4. Problem/risk factor: Lack of corruption risk assessment in the municipalities

Explanation: The probability for corruption prevention at municipal level can be considerably improved by undertaking assessments and identifying the points of risks and procedures that are most vulnerable to corruption. Timely assessment of this kind would allow for focused prevention efforts and detection of corruption in the so-called hot spots as well as additional streamlining of the municipal procedures towards providing safeguards from corruption.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Design of Strategies for Risk Management and Registries of Risks for the municipalities and the City of Skopje	1. Strategies for Risk Management and Registries of Risks prepared	MF LSGU AULSG	First	2012 - 2013	1. Number of prepared Strategies for Risk Management and Registries of Risks Prepared	
2. Undertaking annual self-assessment of certain high-risk processes in the system for financial management and control	1. Self-assessments undertaken	LSGU MF	First	2012 - 2015	1. Number of municipalities to undertake self-assessments	

SECTOR – Public sector

1. Problem/risk factor: The established system for public procurement does not allow for adequate prevention and repression of corruption and conflict of interests

Explanation: Although a system of legal protection is in place to allow for review of the legality of actions, there are remaining gaps in the public procurement system in terms of taking actions and decision-making about the procedures for awarding public procurement contracts. The awareness about the public procurement procedures is still not at the desired level.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Upgrading of the guidelines and manuals for anti-corruption measures and elimination of conflict of interest in the public procurement processes	1. Guidelines and manuals for anti-corruption measures and elimination of conflict of interest in the public procurement processes upgraded	Bureau for Public Procurement SCPC	Second	2012-2013		Yes

2. Preparation of Code of Conduct for the staff involved in public procurement affairs	<p>1. A Code of Conduct adopted</p> <p>2. The Code of Conduct distributed and published on the web sites of the parties to the contract</p>	<p>Bureau for Public Procurement</p> <p>Ministry of Information Society and Administration</p> <p>SCPC</p>	Second	2012		Yes
3. Introducing mandatory declarations of impartiality (absence of conflict of interests) for all parties involved in the public procurement processes 1.	1. The Law on Public Procurement changed/amended to provide for introduction of mandatory signing of declarations of absence of conflict of interests for all parties involved in the public procurement processes	<p>Ministry of Finance</p> <p>Public Procurement Bureau</p> <p>SCPC</p>	First	2012		

2.Problem/risk factor: Need for strengthening the role of the Public Procurement Bureau (PPB)

Explanation: Strengthening the independence and impartiality of the Public Procurement Bureau (PPB) and improving the public trust in the role of the Bureau. Presently, the laws regulating the role of the PPB place emphasis on the role of the PPB in collection and processing of statistical data about public procurement activities and trainings. Better positioning of the PPB is necessary along with more frequent and

more relevant presence of the Bureau in the public. There is also a need for more significant influence of the PPB over the private sector in terms of education. This means that the PPB should be actively involved in the public procurement procedures through exercising control over the legality of the actions and inspection for irregularities. For these activities, the PPB should inform the public with the aim to improve the public trust in this institution. Most adequate solution would be for this institution to become independent and transform into an agency whose director would be selected through a competitive public recruitment process.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Changes in the Law on Public Procurement and Law on Concessions and other forms of public-private partnerships towards independence of the PPB and its transformation into an Agency for Public Procurement that will assume competences over the concessions and public-private partnerships, i.e. through strengthening of its competences	1. Laws changed/amended	Ministry of Finance Public Procurement Bureau (PPB)	First	2013		

3.Problem/risk factor: Insufficient efficiency of the trainings on public procurement and their sustainability in the long run

Explanation: The trainings are paid by the institutions that nominate training participants, although public funds are spent for such trainings, the knowledge is not sustained as the trained participants are not further actively involved in public procurement in their institutions or in other areas of public procurement.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Analysis of the ability to implement the competencies and skills of employees working in the field of public procurement	1. Analysis conducted	Ministry of Information Society and Administration PPB	First	2012		Yes
2. Based on the conducted analysis, changes in the relevant laws and preparation of concerted bylaws to determine the required competencies and skills of the officials working in the procurement and introduction of electronic catalog	1. Amended/changed laws 2. Compliance bylaws	Ministry of Information Society and Administration PPB	First	2013	1. Number of trained officers with the necessary competencies and skills	
3. Implementation of specialized trainings for public and state administration for preparation of tender documentation	1. Conducted trainings	Ministry of Information Society and Administration PPB	Втор	2012-2015 Continuously	1. Number of conducted trainings 2. Number of trained officers	Yes

		SCPC				
4. Education of the private sector entities about the specifics of the appeals procedure (in relation to the shortcomings of the tendering procedures)	1. Trainings delivered for the private sector entities	PPB State Appeals Commission on public procurement	Second	2012	1. Number of conducted trainings 2. Number of educated people from the private sector entities	Yes

4.Problem/risk factor: A large number of cancelled and unsuccessful tendering procedures

Explanation: Pursuant to the recommendations of the European Commission on the progress of the Republic of Macedonia of 2010 and 2011, the number of cancelled tendering procedures should be reduced and more detailed explanation of the reasons for cancellations should be provided so that direct and specific measures could be undertaken to overcome the negative trend. From a corruption point of view, this problem is pressing because it signals lack of skills, incompetence, and also is indicative of various misuses.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Changes and amendments to the Law on Public Procurement to provide for limitations and more precise definition of the conditions for cancellation of the tendering procedures, including sanctions for misuse.	1. The Law changed/amended	Ministry of Finance PPB State Appeals Commission on public procurement	First	2012	1. Number of cancelled procedures 2. Number of cases when sanctions were imposed	
2. Changes and amendments to the Law on Public Procurement to provide for precise dynamics of the changes of the procurement plans and introduction of mandatory publication of tender announcements on the web sites of the institutions	1. The Law changed/amended	Ministry of Finance PPB	First	2012		

5.Problem/risk factor: Non-transparent and non-standardized procedures for concessions, lack of databases, inability to follow the procedure from the beginning to the end from one point, incompetence of the employees who implement the procedures, as well as very high discretionary powers in the decision-making of the responsible institutions.

Explanation: The procedures for concessions and public-private partnerships are legally regulated and fall within the mandates of various institutions at central and local levels (ministries and municipalities). In order to overcome the identified issues, it is necessary for this competence to be concentrated in one single institution, namely, an Agency for Public Procurement, concessions and public private partnerships. This problem has been noted in the reports of the European Commission for several years now.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Changes in the Law on Concessions and other forms of public-private partnerships for the purposes of standardization of the procedures	1. The Law changed/amended	Ministry of Justice Ministry of Finance Ministry of Economy	First	2013		
2. Establishment of a unique database for concessions (Bureau for Public Procurement, potentially to grow into an Agency for Public Procurement, Concessions and Public-Private Partnerships)	1. Database on concessions, public-private partnerships and public procurement established	Government of RM Ministry of Finance PPB	First	2013-2014		Yes

		Ministry of Information Society and Administration				
3. Conducting trainings on concessions and public-private partnerships within the programme for education on public procurement, concessions and public private partnerships	<p>1. Guidelines/manuals prepared</p> <p>2. Trainings delivered</p>	<p>PPB</p> <p>Ministry of Economy</p>	Second	2013-2014	<p>1. Number of trainings delivered</p> <p>2. Number of people trained</p>	Yes

SECTOR - Health, Labour and Social Policy

1. Problem/risk factor: Arbitrary spending of public resources in the public health sector and lack of transparency and accountability in the public spending

Explanation: The following weaknesses were detected in the health sector: provision of drugs and medical supplies with prices higher than the prices on the world market, preferences of certain suppliers, procurement of larger quantities than necessary, abuse of emergency procurement procedures In order to avoid regular tendering processes. The situation is accompanied with high degree of conflict of interest between the buyers and suppliers, manifested through nepotism.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Strengthening the controls and internal audits in the Health Insurance Fund and the health institutions	1. Capacities strengthened to conduct controls and internal audits 2. Controls conducted	MH HIF MF	First	2012 - Continuously	1. Number of conducted controls 2. Number of positive findings of the controls 3. Number of decisions and adopted measures	Yes
2. Review of the bylaws in order to provide for prevention of deviations and sanctions for violations	1. Bylaws amended	MH	First	2012	1. Number of amended bylaws to include anticorruption contents	

2. Problem/risk factor: Lack of control mechanisms for provision of services and fulfilment of the rights of users

Explanation: Establishment /strengthening of control mechanisms for service provision and fulfilment of the rights of users thus narrowing the possibilities for bribery and favouritism.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Establishing / strengthening the control mechanisms for implementation of the procedures regarding the provision of services and fulfilment of the rights of users, internal and external (ad hoc) controls and involvement of CSOs in the external control / research	1. Control mechanisms established/strengthened 2. Controls conducted 3. CSOs involved in the implementation of ad hoc audits / investigations	MH MLSP HIF PDIF Chamber of Medical Doctors CSOs	First	2012 - continuously	1. Number of conducted controls 2. Reported cases of corruption 3. Sanctioned offenders	Yes

3. Problem/Risk factor: Insufficient knowledge among the officials about the relevant laws on corruption and conflict of interests

Explanation: There is insufficient knowledge on the part of the relevant officials that particular situation may qualify as corruption or conflict of interest. There is also lack of experience / training regarding the application of relevant laws.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Increasing the knowledge and awareness of the existing Codes of Ethics for civil servants and public servants	1. Codes of Ethics submitted to all civil and public servants working on health and social issues	MH MLSP HIF Pension and Disability Insurance Fund	Second	2012		

		Health institutions				
2. Adopting a Code of Ethics for Health Professionals that will contain provisions to prevent corruption and conflict of interest and strengthening the integrity	<p>1. Code of Ethics adopted</p> <p>2. Copies of the Codes of Ethics submitted to all professionals working on health and social issues</p> <p>3. Bodies established to monitor the application and violation of the Code of Ethics</p>	<p>Ministry of Health</p> <p>Chamber of Medical Doctors</p> <p>Associations for Protection of the Rights of Patients</p>	Second	2012	<p>Number of reported cases of corrupt conduct</p> <p>Sanctioned offenders</p> <p>Revoked licenses</p>	Yes
3. Adopting a Code of Ethics for Interaction between the Pharmaceutical Companies, Healthcare Workers and Patients' Associations	<p>1. Code of Ethics adopted</p> <p>2. Code of Ethics publicly promoted</p>	<p>MH Pharmaceutica</p> <p>I companies</p> <p>Patients' Associations</p> <p>Chambers of Medical Doctors</p>	Second	2012		Yes

4. Education/ training for prevention of corruption and conflict of interests of the employees in the health sector and the sector for labour and social policy	1. Education/trainings provided	SCPC Chamber of Medical Doctors MH MLSP	Second	2012 - continuously	1. Number of conducted trainings 2. Number of trained staff	yes
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4. Problem/Risk Factor: Lack of awareness of the citizens about their rights

Explanation: The citizens are inadequately informed about their rights to health, labour and social policy services as defined by the legislation, including the range of free services.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Conducting campaigns and preparing promotional materials (fliers, posters and billboards)	1. Campaigns conducted 2. Promotional and information materials distributed 3. Research conducted on the effects of the campaigns, especially in relation to the vulnerable groups	MH MLSP CSOs	Second	2012 Continuously	1. Studies show increased awareness of the citizens, i.e. the service beneficiaries in these sectors 2. Studies show improved access to services	Yes
2. Establishing centres or departments for information about their citizens' rights (call centres)	1. Departments/centres established / strengthened	MH MLSP	Second	2012 - 2013	1. Studies show improved access to services	Yes

	2. Citizens are informed about the existence of the call centres	HIF PDIF Health institutions				
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SECTOR – Education and sports

1. Problem / Risk factor: Lack of a system of regular controls by the responsible institutions; insufficient transparency; influencing the process of recruitment process as well as the process for nomination/promotion in academic ranks; lack of sufficient education and technical assistance

Explanation: The procedures for recruitment of teaching and administrative personnel and the selection and appointment of managerial staff in educational institutions, as well as selection and appointment of officials, presidents and members of boards in sports federations are often characterized by low requirements in terms of candidate's quality. The evaluation criteria are inadequate and not always applied, which leads to election of individuals who fail to meet the requirements or standards of the workplace.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Introduction of regular control systems and oversight by the State Education Inspectorate and other competent bodies. Controls should be permanent, not only when necessary, or upon reports	1. Regular control system introduced 2. Regular inspections/controls carried out	Ministry of Education and Science (MES) State Labour Inspectorate (SLI)	First	2012 - 2013	1. Number of regular controls conducted	Yes
2. Amendment to the law aimed to introduce prohibition on employment of public officials in higher education institutions during their term in office	1. Law on Higher Education amended	Ministry of Education and Science (MES)	First	2012-2013	1. No public official employed in a higher education institution	

					during the term in office	
3. Conducting trainings and providing technical assistance to members of national sports federations	<p>1. Training programmes designed</p> <p>2. Trainings / workshops delivered</p> <p>3. Evaluation conducted</p>	<p>Agency for Youth and Sports</p> <p>Sports federations</p>	Second	2013-2015	<p>1. Number of conducted trainings</p> <p>2. Number of trained members of federations</p> <p>3. Analysis of the degree of satisfaction of the participants with the quality of the trainings</p>	Yes

2. Problem / Risk factor: Lack of systematic controls over the procedures for licensing and accreditation of providers of educational services; lack of a system of licensing for sporting activities

Explanation: The procedure for licensing and accreditation/verification of educational service providers is not transparent and is vulnerable to opportunities for decision making under the influence of other non-professional factors. There is perception of corruption in relation to the process of granting licenses and accreditations for opening of private and some state universities/colleges without fulfilling the necessary requirements, especially in the higher education. In practice, the legal provisions for initial and periodic verification of the performance and/or adherence to the necessary criteria are not applied satisfactorily. This results in real and/or perceived unlawful awarding of accreditations and licenses, and lower quality of graduated staff. Furthermore, the absence of valid procedures for evaluating the effects of training (especially in the field of adult education and professional training of teachers) leave suspicion for corruption or conflict of interest in the process of granting the necessary approvals for provision of services in the area of education or training. In the sporting activities alike, there is lack of a regulated licensing system, which may result in disorganized and non-transparent provision of sports services of dubious quality and effects.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Regular and systematic controls of the higher education institutions to inspect the compliance with the required and offered criteria	1. Inspections conducted	State Labour Inspectorate (SLI) Agency for Accreditation and Evaluation	First	2012 – continuously	1. Number of controls conducted 2. Number of inspected and proven reports for non-compliance with the	

					<p>criteria</p> <p>3. Number of sanctions</p> <p>4. Analyses show increased public trust in the quality of work of the educational service providers</p>	
2. Amendments to the Law on Sports and the relevant by-laws with the aim to introduce and regulate the licensing system	1. Laws and by-laws changed/amended	MJ Agency for Sports and Youth	First	2012-2013		
3. Problem / Risk factor: Inadequate implementation of the standards for preparation and the procedure for selection of textbooks, and insufficient transparency of these procedures						
Explanation: The insufficient implementation of the standards for preparation and selection of textbooks, combined with the lack of transparency						

in the procedure opens opportunities for influence, corruption and conflict of interests (through bribery and personal, friendly influences) in reviewing, proposing, and selection of the authors of textbooks or the publishing house.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1.Changing the bylaws to determine the criteria (based on competence) for selection of members of the National Commission for Textbooks for Elementary and Secondary Education (NCTESE) and reviewers	1. By-laws changed/amended	Ministry of Education and Science	First	2012-2013	1. Application of the criteria for selection of independent, competent persons as members of NCTESE 2. The reviewers are experts in the given field	
2. Introducing a practice of conducting random extra revisions by independent experts	1. Pre-specified number of extra revisions implemented	Ministry of Education and Science	First	2012-2013	1. Extra revisions carried out and published resulting in	Yes

					adherence to the criteria and higher quality of textbooks	
3. Amendment of the bylaws to ensure full transparency of the procedures for selection of textbooks, authors / team of authors and reviewers	<p>1. Amended bylaws</p> <p>2. Publicly announced decisions on the selection of:</p> <ul style="list-style-type: none"> - Textbooks - Authors / team of authors - Reviewers <p>containing all the elements that influenced the selection</p>	<p>Ministry of Education and Science</p> <p>NCTESE</p>	First	<p>2012-2013</p> <p>2013 – continuously</p>	1. The announcement of the decisions results into reduction of the opportunities for corruption / conflict of interest in the selection process and improves the quality of the offered textbooks	

4. Problem / Risk factor: Lack of transparency in the allocation of beds in students' dormitories thus creating opportunities for corruption and conflict of interests

Explanation: The students' accommodation has been seen to be a problem for many years now because of the unfair selection of candidates for accommodation in the high school and university student dormitories as well as accommodation of people who are not pupils/students. There is risk for corruption in the allocation of beds as well as opportunities for bribery, nepotism and exerting influence of family, friends and other external influences. The appeals procedure is difficult because of lack of transparency in the process of selection of candidates for the dormitories.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Changing the bylaws to ensure fairness of the selection process; to regulate the appeals procedure and the procedure for determining the accuracy of the information provided and the additional criteria for vulnerable groups	1. By laws amended	Ministry of Education and Science	First	2012-2013	1. Fair selection achieved 2. More effective appeals achieved	
2. Enhancing the transparency in the process of selection of candidates	1. Official written notifications submitted to every rejected candidate specifying the arguments for the decision	Ministry of Education and Science Students' dormitories	First	2012-2013		

3. Conducting reviews over the selection processes	1. Audits conducted	State Labour Inspectorate (SLI)	First	2012 - continuously	1. Number of detected irregularities in the selection process 2. Number of corrected irregularities in the selection process	
4. Random (extraordinary) inspections of the lists and the compliance with the lists	1. Inspections/controls carried out	State Labour Inspectorate (SLI)	First	2012 - continuously	1. Number of inspections conducted 2. Number of detected and removed irregularities	

5. Problem / Risk factor: Selling textbooks to students as a condition for taking exams

Explanation: Some professors force their students to buy certain textbooks as an informal requirement for them to take / pass the exam.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Equipping the libraries at the universities / institutes	1. Library fund improved with books and resource materials	Ministry of Education and Science	First	2012 - continuously	1. Libraries possess a sufficient copies of the required literature	Yes
2. Provision of minimum literature at year enrollment	1. The price of the books calculated in the total amount of tuition to be determined by the Ministry of Education and Science	Ministry of Education and Science	First	2012 – continuously	1. All students receive the minimum of the necessary books to follow classes and pass exams	Yes

6. Problem / Risk factor: Lack of public awareness about the need of involvement in the fight against corruption in the areas of education and sports

Explanation: Low levels of information and awareness of the general public about the need and opportunities for fighting corruption; hesitation by the individual users of sports and educational services to report cases of corruption and conflict of interests which allows for persistence of corruption and conflict of interest in the areas of education and sports.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Incorporation of educational objectives and contents about the fight against corruption and conflict of interest in the curricula in the primary, secondary and higher education	1. Upgraded and expanded educational programmes	Ministry of Education and Science Bureau of Education Center for Vocational Education and Training (CVET) Higher education institutions	First	2012-Continuously	1. Pupils / students acquire skills to participate in the prevention of corruption	Yes

		SCPC				
2. Lectures, seminars, educational workshops, campaigns for pupils / students, parents, teachers, representatives of the CSOs active in the field	<p>1. Programme for seminars, workshops, lectures prepared</p> <p>2. Contents for the events designed</p> <p>3. Training the trainers conducted</p> <p>4. Activities in the annual programmes of the educational facilities / institutions incorporated</p>	<p>Ministry of Education and Science</p> <p>SCPC</p> <p>Bureau of Education</p> <p>CVET</p> <p>Schools</p> <p>Universities</p> <p>Pupils/ students organizations</p> <p>CSOs</p>	First	2012 – Continuously	1. Increased awareness and changed attitudes regarding the need for personal contribution towards the fight against corruption and conflict of interests	Yes
3. Development of Code of Ethics of the educational and sports institutions / organizations and companies	1. Code of Ethics designed	<p>Ministry of Education and Science</p> <p>Agency for Sports and Youth</p>	Second	2013-2015	1. All stakeholders are informed of their responsibility and they	Yes

		Educational and Sports institutions SCPC			practice ethical behavior and conduct	
4. Informing the students in the higher education and encouraging them to report the cases of corruption and conflict of interests	1. Campaigns and information activities conducted	SCPC Students' Parliaments Students' ombudsperson	First	2012-2015	1. Increased number of reports as a result of the campaigns	Yes
7. Problem /Risk factor: Lack of transparency in financing the sporting clubs and in purchasing/ transfers of sportsmen						
Explanation: There is risk for corruption in the transfer of sportsmen from one club to another. The amount (price) and the transfer conditions are not transparent enough. Oftentimes, the best sportsmen are target of sporting managers who, outside the normal rules, tend to convince the sportsmen to move from one to another club. Furthermore, the principles of transparency and accountability are not sufficiently exercised in the funding of the sports clubs, which, in the public perception, generates possibilities for corruption.						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Amendments to the Law on Sports with built-in control	1. Law changed/amended	MJ	Second	2013-2014		

<p>procedures and strict penalties for financial misconduct in the transfers</p>	<p>2. Controls implemented</p>	<p>Agency for Youth and Sports Administration for Financial Police Public Revenue Office Sports Federations Macedonian Olympic Committee</p>				
<p>2. Amendments to the Law on Sports with built-in control procedures and strict penalties for people who recruit sportsmen without communication with their clubs</p>	<p>1. Law changed/amended 2. Controls implemented</p>	<p>Ministry of Justice Agency of Youth and Sports Sports Federations Macedonian Olympic Committee Public Revenue Office Administration for</p>	<p>Second</p>	<p>2013-2014</p>		

		Financial Police				
3. Amendments to the Law on Sports for greater transparency in the funding of sports federations and clubs / publication of reports	1. Law changed/amended	Ministry of Justice Agency for Youth and Sports Sports Federations Macedonian Olympic Committee	Second	2013-2014	1. Data / Financial reports of federations and clubs publicly available and transparent	

SECTOR -Private sector

1.Problem: Insufficiently developed measures to prevent corruption and strengthen integrity in the private sector

Explanation: According to the UN Convention Against Corruption it is necessary to introduce measures to prevent corruption and conflict of interests in the private sector.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Adoption of Codes of Conducts for fair, conscientious and proper carrying out of business activities, to prevent conflict of interests and implement good practices of cooperation between the private and state entities	1. Codes of Conduct adopted 2. Publicity for and dissemination of the Codes of Conduct	Chambers of Commerce of the RM SCPC	Second	2012	1. Number of adopted Codes of Conduct 2. Number of disseminated Codes 3. Codes of Conduct posted on the web sites of the Chambers of Commerce and SCPC	YES

2.Problem: Insufficient knowledge of the issues of corruption and conflict of interests in the private sector

Explanation: Insufficient knowledge about the problems of corruption and conflict of interests and their devastating effects which creates a need for conducting trainings and intensification of the cooperation between the public sector and private sectors

Activity	Activity Indicator	Responsible Institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial Implications
1. Conducting research about the corruption in the private sector, which will serve as a basis and will provide directions for further activities	1. Research conducted	SCPC Chambers of Commerce in the RM Civil Society	First	2012-2015 Annually	1. Number of corrective activities conducted to remove the detected bottlenecks	Yes
2. Conducting analysis of the existing legislation with the aim to introduce some innovations in terms of anticorruption norms	1. Analysis conducted	SCPC Chambers of Commerce in the RM Ministry of Finance Ministry of Economy	First	2014		Yes

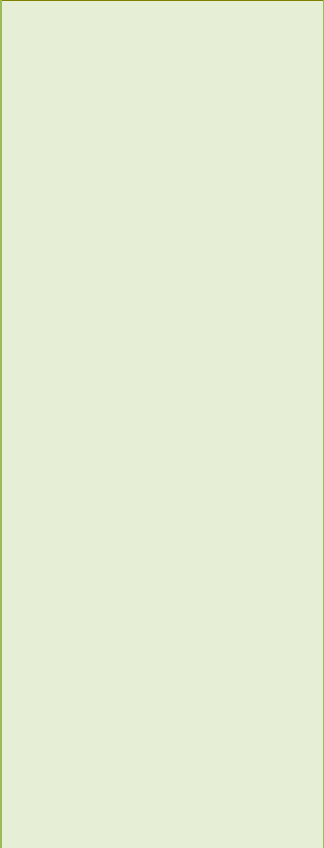
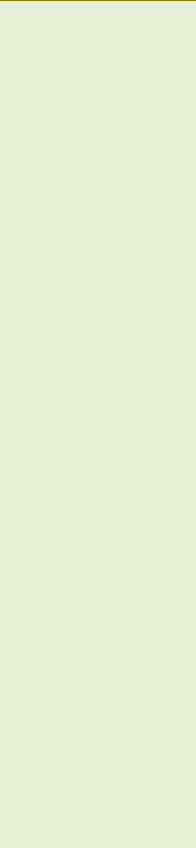
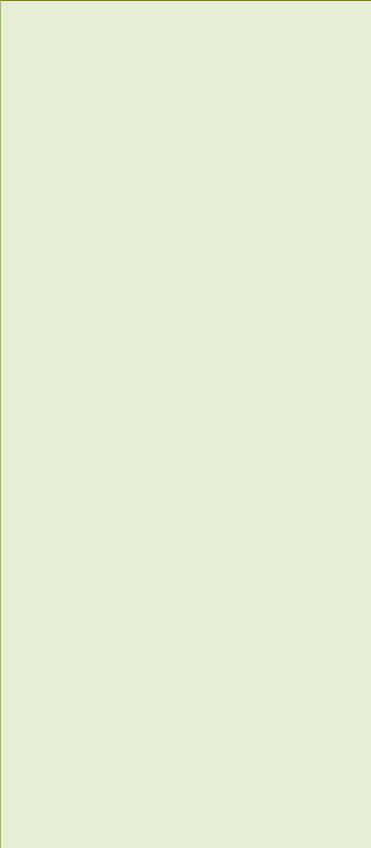
3. Conducting training for the representatives of the private sector aimed at building integrity	1. Analysis conducted	Chamber of Commerce in the RM SCPC	Second	2012-2015 Continuously	1. Number of conducted trainings/ Number of trained representatives of the private sector	Yes
4. Signing of Memorandum for Cooperation between the private sector and SCPC in order to intensify the cooperation on the corruption , conflict of interests and integrity in the private sector	1. Memorandum of Cooperation signed	SCPC Chambers of Commerce in the RM Civil Society	Second	2011	1. Number of meetings	
3. Problem/risk factor: Insufficient knowledge about the Law on Protection of Competition (LPC) and insufficient capacities of the Commission for Protection of Competition (CPC) to implement the law						
Explanation: Due to the insufficient knowledge about the provisions of the law, only a small number of complaints are submitted to CPC especially about the prohibited agreements. Also, CPC does not have enough capacities to discharge its functions.						
Activity	Activity indicator	Responsible Institution	Priority	Timeframe for realisation	Indicator of effectiveness	Financial Implications
1. Strengthening the capacities of the CPC to discharge its main functions	1. Sufficient number of human resources and technical equipment ensured	CPC	Second	2012-2013	1. Number of staff working on implementation of the LPC	Yes

					2. Better technical equipment	
2. Increasing the protection of the competitiveness especially through increasing the opportunities for obtaining information on the existence of prohibited contacts among between entities	1. Mechanisms to obtain information and gain access to prohibited contracts created	CPC	Second	2012-2013	1. Number of obtained information	Yes
3. Strengthening the inter-institutional cooperation in order to obtain information about the existence of prohibited contracts between different entities	1. Realized workshops, meetings	CPC Ministry of Finance Administration for Financial Police OPMLFT Public Revenue Office Ministry of Interior	Second	2012-2015	1. Number of realized meetings 2. Number of exchanged information on the existence of prohibited contracts	

		SCPC				
4. Amending the Article 283 of the Criminal Code in order to stimulate the reporting of cases of cartels and other kinds of monopolies (prohibited contracts)	1. Article 283 of the Criminal Code changed/modified	CPC Ministry of Justice	First	2012-2014	1. Number of reported cases of cartels and other kind of monopolies (prohibited contracts)	
4.Problem/risk factor: Insufficient transparency in granting sponsorships as a possible source of corruption						
Explanation: Sponsorships are not visible for the general public, which creates public perception of illegal undertakings. There is a need to achieve transparency about the aims, volume and type of sponsorship and sponsors.						
Activity	Activity indicator	Responsible Institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial Implications
1. Establishing a system for continued monitoring of sponsorships, the volume and type of sponsorships and of the sponsors	1. Law on Donations and Sponsorships in the Public Affairs changed/amended	Ministry of Justice Ministry of Finance Chambers of Commerce in the RM	First	2012		Yes

<p>2. Creating and securing transparency in granting sponsorships in order to obtain equal treatment for all kinds of sponsorships</p>	<p>1. Public advertisements for sponsorships including information about the type and volume of required sponsorship and selected sponsor</p>	<p>Stipulated by the amendments to the Law on Donations and Sponsorships in Public Affairs</p>	<p>First</p>	<p>2012</p>	<p>1. Number of published advertisements</p>	<p>Yes</p>
<p>3. Introducing obligation for signing a Declaration on Non-existence/Existence of Conflict of Interests for all stakeholders</p>	<p>1. Law on Donations and Sponsorships in the Public Affairs changed/amended</p>	<p>Ministry of Justice Ministry of Finance Chambers of Commerce in the RM</p>	<p>First</p>	<p>2012</p>		
<p>4. Prescribing a standard format for a contract for sponsorships- which must be obeyed, by incorporation of such elements in the contract that will minimize the opportunities for corruption. These elements will include precise description of services to be provided and received,</p>	<p>1. Law on Donations and Sponsorships in the Public Affairs changed/amended</p>	<p>Ministry of Justice Ministry of Finance Chambers of Commerce in the RM</p>	<p>First</p>	<p>2012</p>		

eliminating any preconditions for entitlement to sponsorships, exact stipulation of the terms and conditions of the contracts, penalties in case of violations of the contract for sponsorship



SECTOR - Media and Civil Society

1. Problem / Risk factor: Non-existence of transparency in the awarding of public funds to associations and foundations

Explanation: The procedure of financing, as well as the funding criteria for associations and foundations by the government with funds from the State budget, budget of the municipalities, public enterprises and public funds, and with finances from international donors is not transparent enough and not quite clearly defined from a legal aspect.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Adoption of legal acts to establish clear and transparent criteria, rules, procedures and double instance of the procedure for allocation of public funds and finances from international donors	<p>1. Law on Associations and Foundations changed/amended</p> <p>2. Changes of the Code of Good Practices for Financial Support to associations and foundations adopted by the Government</p>	MJ Government of the Republic of Macedonia	First	2012	<p>1. Number of applications to open announcements for competition</p> <p>2. Number of complaints about the grant funds allocation.</p> <p>3. Transparency of the adopted legal acts</p>	
2. Greater accountability about the financial performance and results of the projects of the civil society organisations which are beneficiaries of public funds	1. The Law on Foundations and Associations amended/changed	MJ Government of the Republic of Macedonia SCPC	First	2012	1. Number of published reports on the financial performance and results of	

					<p>projects financed with public funds</p> <p>2. Number of procedures to control the reports and initiatives for sanctions (It should be clarified that this activity will be conducted by the SCPC</p>	
2. Problem / Risk factor: Acquiring a status of public interest organization						
Explanation: The existing law provides for the Government of Macedonia, upon recommendation from a Government Commission, to decide on awarding a status of public interest association to certain associations that would be privileged to be financed by public funds. Given the fact that the public interest is expressed in the objectives, target groups and activities of any association, the associations can be grouped in public, group or personal interest associations. Therefore, it is necessary that the criteria for determining whether an association can be considered to be of public interest should be determined by law and the status of the associations should be automatically obtained by the very act of registration of every association.						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Amendments to the Law on Associations and Foundations towards setting forth that the status of public benefit organization can be obtained by	1. Law on Associations and Foundations changed/amended	MJ	First	2012	1. Number of associations and foundations registered with	

the act of registration in the Central Register of RM and deriving from the objectives, activities, capacities and integrity of the civil society organisations.					status of public interest organizations	
3. Problem / Risk factor: Allocating public funds to instantly established associations which creates suspicion about potential corruptive and unproductive spending of public funds						
<p>Explanation: The allocation of public funds to support the overall operation of certain associations does not in itself guarantee sustainability of the organizations not does it prevent negative reactions about possible partiality in the allocation of funds. There are no mechanisms for the competent CSOs to apply for project funds on the principles of functional partnerships and to implement activities reflecting the main purpose of their existence and registration such as surveys, trainings, media campaigns, public awareness campaigns, motivating the citizens around certain public causes, public debates and research. The fact that the current governmental and other projects of the public bodies seem to have room to accommodate activities that are within the inherent mandate of the CSOs, along with the need for the country to develop the national civil sector, seem to create opportunities for the civil society organizations to get involved in public activities by means of transparent public competition with specific-purpose projects. It will also allow for the domestic CSOs not to depend exclusively on the financial support from international donors.</p>						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Amendments to the Law on Associations and Foundations and the acts of the Government of RM to establish the principle of functional partnership	1.Changes/amendments to the law introduced along with changes in the governmental programmes and other relevant state bodies.	MJ Government of the Republic of Macedonia	First	2012	1. Number of planned activities under the principle of functional partnership 2. Number of reports on activities	

					undertaken with these funds	
2. In order to prevent corruption and conflict of interest, an obligation for submission of asset declarations and statements of interest for the members of the executive bodies of the CSOs will be introduced	1. The Law on Prevention of Corruption amended/modified 2. The Law on Prevention of Conflict of Interests modified	MJ Government of the Republic of Macedonia	First	2012	1. Number of received asset declarations and statements of interest	

4. Problem / Risk factor: Spending public/central budget funds in the media

Explanation: In the recent years, the Government of the Republic of Macedonia and the other state institutions have been among the major advertisers or users of the media space. This practice has prevailed without clear and transparent criteria on both sides. There is high risk for corruption because public funds are used by the state institutions to influence the media. There is also a risk for corrupting the media with public funds and influence their work and editorial policy. Due to incomplete legislation and lack of application of broadcasting regulations there are some media that function as an extended hand of some of the high officials.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Modification and innovation of the legal provisions in order to establish clear and transparent criteria for distinction and separation of the content, objectives, stakeholders and the rights and obligations in the area of public	1. Law on Broadcasting modified/amended	Ministry of transport and communications (MTC) Government of the Republic of	Second	2012-2013		

information from those ordered in the media campaigns		Macedonia				
2. Organization of expert meetings and public debates with the aim of discussing the views/positions about the necessary changes in the legal regulations	1. Workshops and public debates held	MTC SCPC CSOs Media	First	2012	1. Number of workshops and public debates 2. Summary reports on the agreed positions prepared	
3. Clear criteria and transparency in the selection of media targeted for purchase of media time/space	1 Law on Public Procurement amended Changes in the Regulations for the work of the Government	Ministry of Economy Government of the Republic of Macedonia	First	2012	1. Number of reports on funds spent on media campaigns and the results of the campaigns	
4. Adoption of a Law on Public Information and Law on Media in order to regulate the public information affairs	1. Law adopted	Government of the Republic of Macedonia	Second	2015		

5. Problem / Risk factor: Concentration of media ownership and concealing the media ownership						
Explanation: Although there is legislation prohibiting concentration of ownership of several similar or diverse media, its practical implementation is lacking.						
Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Consistent enforcement of the legislation relating to the illegal media concentration	1. Strengthening the supervision over the regulatory bodies and the bodies responsible for the implementation of the laws	The Parliament of the Republic of Macedonia SCPC	Second	2012-continuously	1. Number of procedures associated with the media concentration 2. Number of decisions on the actions and measures taken 3. Number of oversight actions (requesting specific reports from the relevant institutions, questions raised by the Members of Parliament etc.)	

<p>2. To prevent and obstruct the possibility of concealment of ownership by a foreign person or company as a participant in illegal media concentration</p>	<p>1. Law on Broadcasting amended</p>	<p>MTC</p>	<p>Second</p>	<p>2013</p>	<p>1. Number of actions taken in relation to the cases of media concentration including ownership of foreign legal entities</p> <p>2. Number of completed actions and measures taken</p>	
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6. Problem / Risk factor: The links between the media and the political centres of power

Explanation: The Law on Broadcasting of the Republic of Macedonia strictly prohibits the public officials and members of their families to perform broadcasting activities or to be founders or have shares in any broadcasting company. In practice, these strict legal provisions are directly violated and ignored.

Activity	Indicator of activity	Responsible institution	Priority	Timeframe for implementation	Indicator of effectiveness	Financial implications
1. Consistent enforcement of the legislation related to the illegal linkages between media ownership and the political centres of power	1. Specific instances of established connections between holders of public offices and media ownership 2. Strengthened oversight over the bodies responsible for implementation of the laws	Regulatory and Implementing Bodies (Broadcasting Council, Anti-monopoly Commission etc) Parliament of the Republic of Macedonia Government of the Republic of Macedonia SCPC	First	2012-continuously	1. Number of procedures to detect linkages 2. Number of decisions and sanctions taken 3. Number of reports on the procedures and decisions	

<p>2. To amend the legislation to provide for techniques and tools for determining the relationship between the public office holders and media ownership; detecting any hidden ownership and enforcing relevant sanctions</p>	<p>1. Law on Broadcasting changed/amended</p> <p>2. Law on Protecting Competition changed/amended</p>	<p>MTV (Macedonian Television)</p> <p>Ministry of Economy</p>	<p>First</p>	<p>2012</p>	<p>1. Number of procedures for determining "hidden" ownership of media</p> <p>2. Number of decisions and measures and sanctions taken</p>	
<p>3. Changing the law to provide for mandatory submission of asset declarations and statements of interests by media owners</p>	<p>1. The Law on Prevention of Corruption changed/amended</p> <p>2. The Law on Prevention of Conflict of Interests changed/amended</p>	<p>Ministry of Justice</p> <p>SCPC</p>	<p>First</p>	<p>2012</p>	<p>1. Number of submitted asset declarations and statements of interest.</p> <p>2. Number of cases where the connection is established between a public office holder and media ownership</p> <p>3. Number of procedures for removal and sanctioning of this illegal connection</p>	

ABBREVIATIONS

SCPC	State Commission for Prevention of Corruption
MF	Ministry of Finance
ME	Ministry of Economy
CS	Civil Society
CPC	Commission for Protection of Competition
OPMLFT	Office for the Prevention of Money Laundering and Financing Terrorism
PRO	Public Revenue Office
MJ	Ministry of Justice
MTC	Ministry of Transport and Communications
MLS	Ministry for Local Government
AULSG	Association of the units of local self-government of the Republic of Macedonia
LSGU	Local self-government unit
MH	Ministry of Health
HIF	Health Insurance Fund
MLSP	Ministry of Labour and Social Policy
CA	Custom Administration
MES	Ministry of Education and Science
SLI	State Labour Inspectorate
CVET	Center for Vocational Education and Training
PPB	Public Procurement Bureau
AFP	Administration for Financial Police