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REPORT ON COMPLIANCE
OF THE MACEDONIAN LEGISLATION
WITH THE INTERNATIONAL RECOMMENDATIONS
FOR EFFICIENT FIGHT AGAINST CORRUPTION



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Report on Compliance of the Macedonian legislation with the international recommendations for efficient fight against corruption

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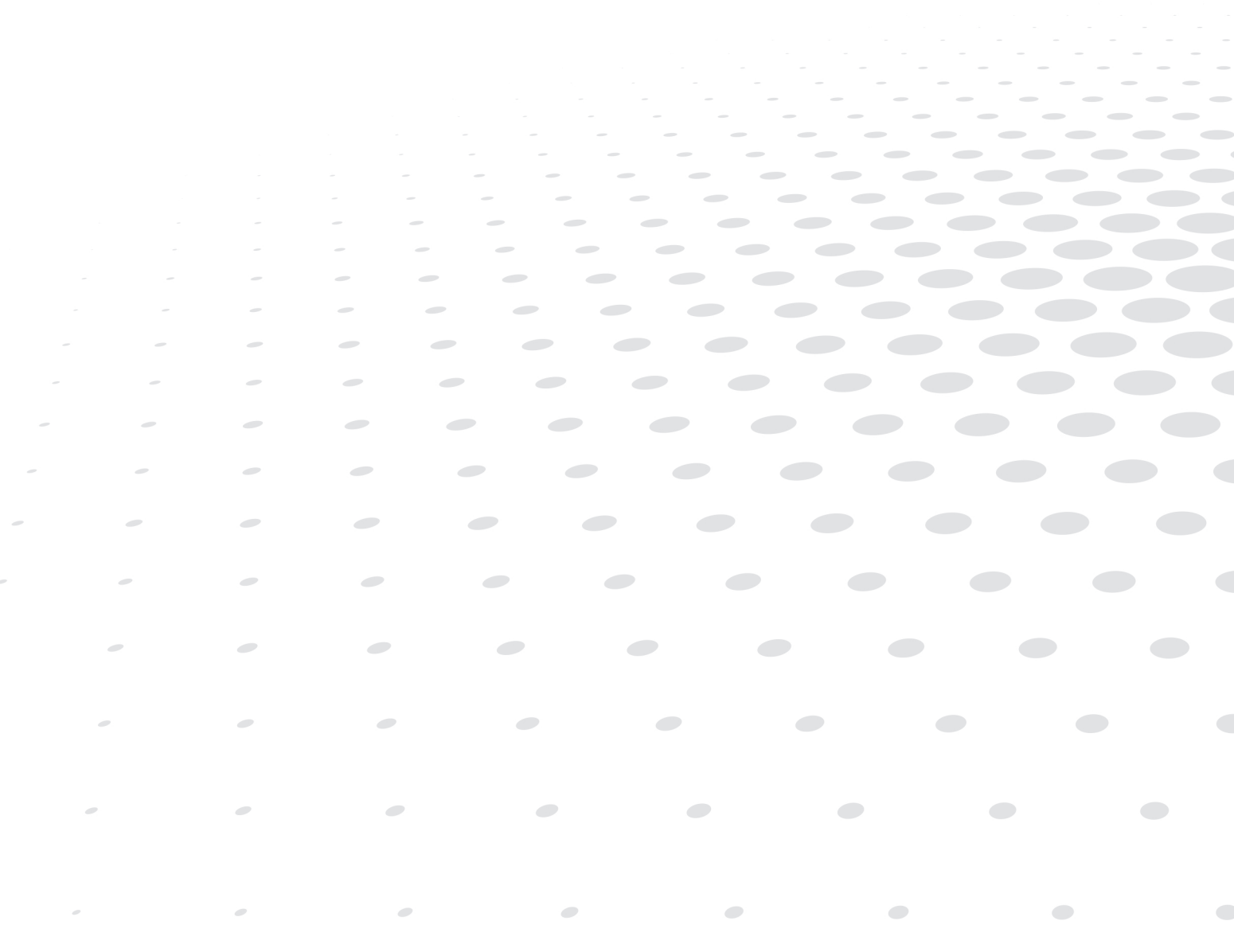
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I BACKGROUND

The fight against corruption plays important part in the development of the country, in the spirit of democracy. This is something the Republic of North Macedonia¹ is striving for.

The need for continuous improvements of this issue is very important and the continuous monitoring of the international remarks in this area is the key mechanism for ensuring integrity and transparency we are committed to as a society.

The path of the Republic of North Macedonia in the fight against corruption is a long one. It had positive shifts in its history which resulted in higher expectations among the citizens.

In the frames of the *Monitoring the Anticorruption Reforms Project*, MCMS is publishing the *Report on Compliance of the Macedonian legislation with the international recommendations for efficient fight against corruption*.

The Report on Compliance of the Macedonian legislation with the recommendations of the European Commission and the GRECO reports unites into a single document all findings, conclusions and recommendations that were derived from the monitoring of the anticorruption reforms that were implemented in the country in the period 2013 – 2018.

This analysis will show how much has the country actually progressed or regressed in issues related to fight against corruption, and what are the expectations of the EU for North Macedonia as a candidate country for the EU. The analysis will show the compliance of the domestic regulations not only with the EU recommendations but also with the GRECO recommendations as international body with main objective to identify how many countries are working towards prevention of corruption.

The first part of the analysis is about Macedonia on its path towards the EU – from the moment of establishment of contractual relations until the

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most recent progress report from 2018. In addition, the analysis of the European Commission reports for the period 2013 – 2018 will identify how much of the EU recommendations have been actually implemented in specific areas: fight against corruption, public procurements and judiciary and fundamental rights.

In terms of the recommendations provided by the Group of Countries Against Corruption (GRECO), the analysis is based on the fourth evaluation cycle that was adopted at the 62 plenary session of GRECO (held on 6 December 2013) and published on 17 March 2014 upon authorization by the Republic of Macedonia (Greco Eval IV Rep (2013) 4 E).

This Report also reflects on two local laws relevant for the anticorruption mechanisms: Law on Prevention of Corruption and Conflict of Interest; and the Criminal Code. These two laws provide the basis for the anticorruption framework of the country.

The final part of the analysis will be about conclusions connecting GRECO and EU recommendations, including joint recommendations the country needs to pay greater attention to in the following period, if we are to build a system with zero tolerance for corruption.

This Report was developed by the Macedonian Center for International Cooperation (MCMS) in partnership with the Balkan Network for Development of the Civic Society (BCSDN) and with support by local and international experts.

MCMS prepared the *Report on Compliance of the Macedonian legislation with the international recommendations for efficient fight against corruption* and published this document as part of the project for *Monitoring of the Anticorruption Reforms*, supported by the European Union.

II Methodology

The methodology used in this Report is based on secondary sources of data showing the positive experiences in the monitoring of the anti-corruption policies. The analysis includes research of the official sources of national and judiciary institutions, analysis of media reporting for specific events in these areas during the subject period, monitoring of implementation of the urgent reform priorities, a number of analyses and reports prepared by civil society organizations.

The following documents form the basis for this Report: Evaluation Report on the Republic of Macedonia - fourth evaluation cycle; Report on Compliance of the Fourth Evaluation Cycle; and the Second Report on Harmonization of the Fourth Evaluation Cycle of GRECO; including the European Union progress reports for the country for the period 2013 - 2018.

The information included in the Report were collected in the period September 2019 - April 2019.

III Macedonia on its' path towards the EU

Macedonia established contractual relations with the European Union with the signing of the Stabilization and Association Agreement on 9 April 2001. This Agreement entered into force on 1 April 2004. The request for membership was submitted on 22 March 2014 and on 1 October the President of the European Commission, Mr. Romano Prodi, provided the Questionnaire from the European Commission to the Macedonian Government. On 14 February 2005 the Macedonian delegation handed over the responses to the European Commission Questionnaire to the President of the European Commission, Mr. José Manuel Barroso. The Commission gave positive opinion on this request on 9 November 2005. In accordance with the conclusions of the European Council held on 15 - 16 December 2005, Macedonia was officially granted a candidate country status.

The process of harmonization of the EU legislation with the legislation of the candidate country is one of the main prerequisites for a country to become member of the European Union. Without harmonization of the national legislation with the legal norms of the Union, the country will not be able to keep up with the political and economic development of the remaining members.

The requirement for harmonization is enshrined in Article 68 of the Stabilization and Association Agreement. With the adoption of the new Rules of Procedure of the Parliament of the Republic of Macedonia in July 2008, Article 135 stipulates that the content of every law proposal intended for harmonization needs also to include information about the original acts of the European Union, including their full name, reference number and date, as well as harmonization statement. In addition, these law proposals, when they enter the Parliamentary procedure, are to be flagged with European Union flag as a sign that differentiate them from the rest of the laws. Almost all countries that aspire for European Union membership have the same harmonization and unification requirements, and the countries are using similar methods for harmonization of the national with the European legislation.

During January – December 2018², twenty-two laws bearing European flag were considered on 14 plenary sessions, 19 of which are for adoption in regular procedure and 3 in short (fast track) procedure. Two of the plenary sessions that considered two laws with European flag were continuation of unfinished Parliamentary sessions scheduled in 2017.

The priority areas are defined on the basis of realistic expectations on what Macedonian can meet or significantly improve in the following few years, and differentiation is made between the short-term priorities (expected to be met within one to two years) and middle-term priorities (expected to be met within three to four years). The priorities are about adoption of relevant legislation and implementation thereof, in accordance with the structure of the Copenhagen criteria.

Taking into account the values enshrined in the Copenhagen criteria, as well as the dynamics of the EU approximation process for the candidate countries, the first and core criterion is the political criterion. According to this criterion, a candidate country must have “stable institutions that guarantee democracy, rule of law, human rights and respect and protection of the minorities”. The fundamental importance of the values included in this criterion is additionally underlined with the actual dynamic of the enlargement process for each country aspiring to become EU member. In other words, the adoption of a decision for initiation of accession negotiations for the EU candidate country is possible only if the candidate country completely meets the political criterion from Copenhagen. This segment also includes the fight against corruption, as a prerequisite for rule of law and democracy in the candidate country.

III.1. Chapter 23. Judiciary and fundamental rights from the European Union legislation

The content of Chapter 23 – Judiciary and Fundamental Rights is based on Article 2 of the European Union Treaty which is about the principles of human dignity, freedom, democracy, equality, rule of law and protection of the human rights. These principles are common for the member states “in a society dominated by pluralism, non-discrimination, tolerance, justice, solidarity and equality between men and women”, and also binding for the candidate countries. The Chapter 23 elements are closely related to the political criteria that need to be met in order for the negotiations for start. Chapter 23 is structured in four large areas: judiciary; prevention of and fight against corruption; fundamental rights; and rights of the EU citizens. The key areas of Chapter 23 are further consisted of a number of elements. Due to the limited scope of the Acquis Communautaire in many of these areas, the criteria that need to be met are mainly set in accordance with the general legal principles and best European practices. Therefore, there are difficulties sometimes to identify what needs to be achieved and how to measure the progress. In terms of fight against corruption, the main requirements are for the EU member states to ensure

² <https://idscs.org.mk/wp-content/uploads/2019/04/Комисија-за-европски-прашања-финална-верзија.pdf>

effective fight against corruption as a serious threat for the democratic institutions. Article 83, Paragraph 1 of the Treaty on the Functioning of the European Union sets mandate for the Union to establish minimum rules when defining the criminal acts and sanctions in the area of corruption.

III.2. European Commission progress reports on Macedonia

This analysis includes the reports of the European Commission for the period 2013-2018, in the areas relevant for the rule of law and fight against corruption.

The general recommendation, in accordance with the most recent report of the European Commission on the Republic of North Macedonia from 17 April 2018, is that there are positive shifts, and the recommendation is even further strengthened with a new Chapter in the Introduction part dedicated to the progress towards achievement of the requirements for opening of the negotiations, in which the Commission is giving the arguments for the recommendation – positive evaluation on fulfillment of the Przhino Agreement and the Urgent Reform Priorities.

The good remarks are mainly about the attitude of the Government towards the core principles of the rule of law, dialogue with the society and the opposition, including the steps undertaken to separate the state from the political party.

Still on the topic of political criteria, there are unsatisfactory remarks about the progress in the fight against organized crime and corruption – the ascertainment here is that verdicts are still pending for the high-profile corruption and organized crime cases.

More specifically, the Report notes that some progress has been made in the fight against corruption compared to last year recommendations, mostly thanks to the several high-profile cases managed by the Special Public Prosecution Office. Still, the Commission notes that the “corruption is prevailing in many sectors and is becoming a serious problem”. It is also said that the “capacities of the national institutions for effective dealing with the issue show structural and operational gaps”. Therefore, the Commission recommends to the Government to implement the following measures in the following years:

- ▶ To reaffirm the political will for fight against corruption by ensuring active institutions in the prevention and repression of the corruption, with relevant autonomy, resources and trained staff who will be employed on the merit-based system.
- ▶ Further improvement of the evidence in investigations, prosecutions and verdicts in high profile corruption cases, including through financial investigations that would be implemented by special financial action teams in accordance with the standards applicable to the fight against money laundering, confiscation of criminally acquired proceeds.

- ▶ Implement all measures necessary for integration of the Special Public Prosecution Office into the prosecution system on permanent regulatory basis in order to finalize the process of establishing the legal responsibility for the illegal wire-tapping and recording.

The comments of the State Commission for Prevention of Corruption are saying that, although this institution should play the leading role in the prevention of, and fight against, corruption, the independence of this body is still disputable, and the same can be said for implementation of its mandate.

The Commission identified that it is still a challenge for the State Commission for Prevention of Corruption to implement a significant policy for prevention of corruption. The 2018 Report stipulates that without investigative powers, the State Commission for Prevention of Corruption is limited to administrative verification of the data pertaining to conflict of interests and assets.

III.3. Situation established in the European Commission progress reports on Macedonia in the period 2013 – 2018

On 17 December 2005, the European Council granted the candidate country status to the Republic of Macedonia and reports about the progress of the country are prepared on regular basis since 2006 by the European Commission. The format and the content of the reports were changing throughout the years, including the conclusions of the Commission on the progress in specific areas.

Five European Commission reports were considered for the purpose of this analysis, for the period 2013 – 2018, including the ascertainties for specific areas directly related to anticorruption measures such as: fight against corruption, public procurements and judiciary and fundamental rights³.

This analysis shows how much has the country progressed or regressed during the years in the specific areas and how much of the EU political criteria were actually implemented.

³ In 2017 change was introduced in the manner in which the European Commission is preparing the reports, caused largely by the political events in 2016. Because of that, for the entire 2016 and some part of 2018 are covered in the most recent of the European Commission from April 2018.

Area: Fight against corruption

Report from 2013

In the area of anti-corruption policy, the legislative framework is largely in place and has undergone repeated rounds of GRECO evaluations between 2002 and 2012. Numerous national bodies and agencies are involved in combating corruption and administrative capacity is being strengthened. A track-record of criminal investigations, prosecutions and convictions by law enforcement and courts is being developed, as are the corruption-prevention activities of the State Commission for the Prevention of Corruption.

Report from 2014

The legal and institutional framework is in place and the country is steadily building a track record of investigations, prosecutions and convictions. Data has been gathered on several hundreds of corruption cases initiated since 2009 and over 30 high-level corruption cases initiated since 2004, all of which are now subject to continuous monitoring from investigation until final sentencing. However, more concrete results need to be seen in practice, both in terms of reduction and deterrence of corruption. The human and financial resources of the various enforcement bodies and supervisory agencies remain weak and their powers, status, independence and visibility need to be strengthened in order to engage in effective operations. Inter-agency cooperation and communication still needs to improve further and data exchange and sharing is limited. Problems include the lack of IT interconnectivity between the courts and the prosecution service and the absence of a central register of public officials, which hampers the supervisory work of the State Commission for the Prevention of Corruption. The lessons learned from past anti-corruption policies and measures need to be put to use much more effectively. There is currently little strategic planning in this area, and future policies should be better targeted towards the real problem areas, including public procurement, political corruption and high-level corruption. Awareness-raising measures and greater political commitment are urgently needed. Claims of selective enforcement and political influence in this area persist, and a more proactive stance is needed to eliminate these serious concerns. Public trust in anti-corruption bodies remains low. As is the case elsewhere in the region, corruption remains prevalent in many areas and continues to be a serious problem.

Report from 2015

The country has some level of preparation in the fight against corruption, having set up the necessary legislative and institutional framework over the last decade as well as developing a track record on both prevention and prosecution. No progress has been achieved in the past year on the outstanding issues identified. Corruption remains widespread. The capacity to effectively address it is currently being undermined by a lack of political will and political interference in the work of the relevant bodies, which is hampering their ability to act proactively and non-selectively, especially in high-level cases (Urgent Reform Priorities). In addressing the shortcomings outlined below, the country should pay particular attention in the coming year to:

- demonstrating real political will in the fight against corruption in the form of autonomous and effective measures by law enforcement and supervisory bodies, notably the State Commission for Prevention of Corruption
- increasing the visibility of anti-corruption measures and the results achieved to improve public awareness and trust.
- developing a credible track record on fighting high level corruption; creating an effective framework for the protection of whistle-blowers, in line with European standards and best practices (Urgent Reform Priorities).

Report from 2016

The country has some level of preparation. The legislative and institutional framework has been developed over a decade, as well as a track record on both prevention and prosecution. No progress was achieved in the past year on the outstanding issues or on last year's recommendations. Corruption remains prevalent in many areas and continues to be a serious problem. A significant slowdown was noted in both prevention and repression activities. The capacity to effectively tackle corruption continued to be undermined by political interference in the work of relevant bodies, hampering their ability to act proactively and non-selectively, especially in high-level cases ('Urgent Reform Priorities'). In addressing the shortcomings outlined below, the country should pay particular attention in the coming year to:

- demonstrating real political will by providing law enforcement with necessary autonomy, specialised staff and equipment and by defining clearly specific objectives and indicators to measures achievements or failures;
- reviewing the status and composition of the State Commission for Prevention of Corruption (SCPC) to make it more transparent, merit-based and independent from political parties;
- improving public awareness and trust in the fight against corruption by increasing the visibility of anti-corruption measures and the results achieved;
- developing a credible track record on fighting high-level corruption, including asset recovery (as per the 'Urgent Reform Priorities');
- implementing an effective legal framework for the protection of whistle-blowers, in line with European standards (as per the 'Urgent Reform Priorities') and Venice Commission recommendations.

Report from 2018

Some progress with in relation to the last year's recommendations has been achieved, mostly through the several high-profile processes managed by the Special Prosecutors Office. Still, the Commission establishes that the "corruption is prevailing in many sectors and remains a serious issue". Furthermore, it is said that the "capacities of the national institutions for effective dealing with the issue show structural and operational gaps". Therefore, the Commission recommends to the Government to implement the following measures in the following years:

- To reaffirm the political will for fight against corruption by ensuring active institutions in the prevention and repression of the corruption, with relevant autonomy, resources and trained staff who will be employed on the merit-based system.
- Further improvement of the evidence in investigations, prosecutions and verdicts in high profile corruption cases, including through financial investigations that would be implemented by special financial action teams in accordance with the standards applicable to the fight against money laundering, confiscation of criminally acquired proceeds.
- Implement all measures necessary for integration of the Special Public Prosecution Office into the prosecution system on permanent regulatory basis in order to finalize the process of establishing the legal responsibility for the illegal wire-tapping and recording

Conclusion

The corruption, as an area, starts to become important for the European Commission with the Report from 2013 which notes that the country does have anticorruption bodies that are part of the system and whose aim is exactly that – prevent corruption. It is emphasized that the legal framework is in place in this area, without going into details. This report is a herald for the reports that put more and more emphasis on the fight against corruption and evaluate in more details the country's progress in that area. More specifically, the European Commission says that the practical enforcement of the laws is disputable and that the capacities of the institutions for fight against corruption are weak. It is also said that there is a lack of inter-institutional cooperation and here the tone of the message gets more serious by saying that, in addition to the core forms of corruption, the country should deal more also with the corruption in the politics and with the high-level corruption. This situation also continues in the Report for 2015. For example, the Report for 2014 says that the corruption remains widespread in many areas, while the Report for 2015 says that the corruption is already widespread. It is noted that the Republic of Macedonia has not done any progress in the last year, seen by the lack of political will and political interference in the fight against corruption. The criticism is even more evident in 2016 where it is said that there is significant slow-down of the prevention and repression activities. In addition to the legal framework that exists for this area, the EC does not see that the country is doing anything to eliminate the corruption, with special emphasis on the high-level corruption. Following the political and social changes in the country, the report from 2018 is like blowing wind in the sails and there is a sense of some positive progress expressed in the ascertainments of the European Commission. The Report says that the high corruption cases are being targeted through the Special Prosecutor Office. However, the main remarks remain:

- To reaffirm the political will for fight against corruption by ensuring active institutions in the prevention and repression of the corruption, with relevant autonomy, resources and trained staff who will be employed on the merit-based system.
- Further improvement of the evidence in investigations, prosecutions and verdicts in high profile corruption cases, including through financial investigations that would be implemented by special financial action teams in accordance with the standards applicable to the fight against money laundering, confiscation of criminally acquired proceeds.

- Implement all measures necessary for integration of the Special Public Prosecution Office into the prosecution system on permanent regulatory basis in order to finalize the process of establishing the legal responsibility for the illegal wire-tapping and recording.

Area: Public procurements

Report from 2013

Good progress was made in the area of public procurement. There is a medium-term strategy for the public procurement system. Legislation on concessions and public-private partnerships is almost harmonised at sector level but its implementation has been delayed. The negative reference list has yet to be aligned with the acquis, including on the right of economic operators to appeal against their inclusion. Administrative capacity in the public procurement field is sufficient, with the exception of concessions and PPPs. Overall, preparations in the area of public procurement are advanced.

Report from 2014

Progress in the area of public procurement was only limited during the reporting period. There are concerns about the overall quality of implementation of the laws. Greater efforts need to be made to ensure that the use of public funds is efficient and transparent. From a legislative point of view, preparations remain at an advanced stage.

Report from 2015

The country is moderately prepared in this area, which is an area particularly vulnerable to corruption. Some progress was achieved, especially through the mandatory use of e-procurement, but recent amendments to the procurement law reduced the level of alignment with the acquis. More efforts are needed to prevent corruption during the procurement cycle.

Significant efforts are needed to ensure an efficient and effective public procurement regime. Allegations of serious conflicts of interest and abuse of public office have not yet been investigated. In the coming year the country should in particular:

- increase the transparency of public spending by publishing real-time information on all public procurement contracts;
- remove inconsistencies with the acquis including on blacklisting companies, conditions for using awarding criteria; ensuring harmonisation with EU procurement rules on defense and security as well as the 2014 EU procurement Directives, especially on concessions;
- ensure that reports of irregularities are properly investigated.

Report from 2016

The country is moderately prepared in this area, which is particularly vulnerable to corruption. There was no progress in the reporting period. None of the recommendations were implemented. Significant efforts are needed to ensure a transparent, efficient and effective public procurement regime. More needs to be done to prevent irregularities and corruption during the procurement cycle. Investigations into allegations of serious conflicts of interest and abuse of public office need to be followed up. In the coming year the country should in particular:

- reconsider the mandatory use of e-auction and the role of the Public Procurement Council;
- ensure the equal treatment of EU procedures and align fully to the acquis especially in the area of concessions;
- ensure that reports of irregularities are properly investigated.

Report from 2018

The country is moderately prepared in this area, which is particularly vulnerable to corruption. Some progress was made with the launch of the reform of the public procurement legal framework. Some of the recommendations of the 2016 report were implemented. However, substantial efforts are still needed to ensure a stable, transparent, efficient and effective public procurement system. Further efforts are needed to prevent irregularities and corruption during the procurement cycle. Investigations into allegations of serious conflicts of interest and abuse of public office need to be followed up.

In the coming year the country should in particular:

- step up efforts to finalize the reform of the public procurement system by approximating to the 2014 EU Directives on public procurement especially by reconsidering the mandatory use of e-auctions;
- ensure that reports of irregularities related to public procurement in general are properly investigated and offenders are sanctioned;
- strengthen the administrative capacity of the Public Procurement Bureau regarding oversight and monitoring of public procurement and of the Ministry of Economy regarding management of concessions and public-private partnerships.

Conclusion

The Report from 2013 provides recommendation about the public procurement system. The whole picture is shown - that the country is on a good path towards regulating this area that can be relevant for reduction but also for increase of the corruption. Regardless of the fact that there is decline in the area, mainly in the area of transparency and efficiency of the public procurement system, there is still a certain dose of positive expectations if the remarks are implemented. The following two reports, for 2015 and 2016, already establish that the country is moderately prepared and many inconsistencies of the domestic legislation with the EU Acquis are identified. During this period the European Commission stipulates that the country should in particular:

- reconsider the mandatory use of e-auction and the role of the Public Procurement Council;
- ensure the equal treatment of EU procedures and align fully to the acquis especially in the area of concessions;
- ensure that reports of irregularities are properly investigated.

There are some improvements ascertained in 2018 already, mainly starting with the fact that reforms of the entire system have been initiated in that period. Since the new Law on Public Procurements has already entered into force, it is important to emphasize, among other recommendations, the need for identification whether the irregularities related to public procurements have been properly investigated and whether the perpetrators were sanctioned.

Area: Judiciary and fundamental rights

Report from 2013

Some progress has been made in the field of the judiciary, notably with the introduction of stricter professional requirements for judges and the elimination of remaining backlogs in the courts. Further improvements are needed to ensure the independence of the judiciary in practice, notably as regards the systems for evaluation and dismissal, as well as to ensure that all judicial appointments are based on merit and to address the problem of lengthy court proceedings. In the area of corruption, the legislative framework is in place and steps have been taken to develop and consolidate the country's enforcement track record. Efforts are needed to ensure proper follow-up of cases referred to the public prosecution service and improve the effectiveness of courts both in terms of sanctioning and speed of proceedings. As regards fundamental rights, progress was made on the rights of the child, the protection of property rights and data protection. However, overall efforts in this area are hampered by a persistent lack of funding and capacity, and all relevant institutions need to become more proactive in promoting and safeguarding fundamental rights in practice. Serious efforts are needed to address concerns in the area of freedom of expression.

Report from 2014

The country has already completed the majority of reforms and has established the necessary legal and administrative structures in this area. However, there is a risk of back-sliding in some areas, including the judiciary and the fight against corruption. Further efforts are needed to safeguard the independence of judges, to improve quality of justice and to facilitate access to justice. Far more focus needs to be placed on effective implementation of the existing fundamental rights framework, notably as regards funding, staffing, awareness raising, interagency cooperation and strategic planning, in particular in the areas of prisons, children's rights, anti-discrimination, LGBT rights and the Roma. The situation as regards the freedom of expression remains problematic and greater efforts are needed to improve the media culture.

Report from 2015

Macedonia has some level of preparation for applying the *acquis* and European standards in this area. The legal and institutional framework is largely in place. However there has been no progress in the past year. The current lack of political will to tackle the remaining challenges at the highest level is holding back the capable administration from reaching its full effectiveness. The *de facto* de-politicisation of judicial appointments and promotions, overhaul of the professional evaluation system and reform of the disciplinary provisions are still outstanding. A credible approach to fighting high level corruption is needed and public trust in the relevant institutions needs to be strengthened. Adequate staffing, funding and coordination are required in the field of fundamental rights. In the coming year, the country should in particular:

- demonstrate real political will to ensure the full independence of the judicial system; provide full support and resources to the Special Prosecutor appointed to look into the making and content of the intercepted conversations;
- strengthen the institutions in charge of preventing and fighting corruption and desist from any political interference in their work;
- ensure full freedom of expression and the media and take strong measures to address police impunity and sub-standard conditions in the prison system;
- restore public confidence in delivery of justice especially for the politically sensitive cases through increased transparency of court procedures and consistency of jurisprudence (See also the specific recommendations on the judicial system, the fight against corruption and freedom of expression in sections 2.3 and 2.4.)

Report from 2016

The country has achieved some level of preparation for applying the *acquis* and European standards in this area. The legal and institutional frameworks are largely in place. However, there was no progress in the past year. The authorities did not demonstrate sufficient will to tackle effectively the lack of independence of the judiciary. Corruption remains prevalent in many areas and continues to be a serious problem. The Special Prosecutor faced administrative and judicial obstruction. Political interference and structural weaknesses undermined the functioning of the State Commission for the Prevention of Corruption. The institutional framework for promoting and protecting human rights needs to be improved through adequate resources, staffing and support for the fulfilment of relevant institutions' mandate. Credible measures need to be taken to ensure the full exercise of freedom of expression.

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

- demonstrate greater political will to ensure the independence of the judicial system and to allow the Special Prosecutor to work unhampered;
- ensure the functional independence and merit-based recruitment of regulatory, supervisory and oversight bodies so that they can fulfil their duties in a professional and proactive manner (an Urgent Reform Priority);

- take strong measures to strengthen the institutions in charge of preventing and fighting corruption and desist finally from any political interference in their work;
- ensure freedom of expression and adopt and implement credible measures to support pluralism in the media;
- urgently address police impunity and sub-standard conditions in the prison system.

Report from 2018

The country has some level of preparation to apply the acquis and European standards in this area. The new government has shown political will to address the “Urgent Reform Priorities”, recommendations of the Venice Commission and the Senior Experts’ Group on systemic Rule of Law issues. This led to good progress in addressing the recommendations of 2016, through the adoption of strategic documents and amendments to the legal framework, particularly in the area of judiciary, to address police impunity and improve the climate for freedom of expression and the media. The obstruction faced by the Special Prosecutor’s Office (SPO) has diminished following the change in political environment and the dismissal of the former State Public Prosecutor. This enabled the office to successfully file several indictments and have a first judgement handed down in one of its cases. Beyond the SPO, other relevant institutions need to demonstrate a much more proactive attitude to effectively fight corruption. Fundamental rights continue to be largely enshrined in law, but as in all other areas, implementation will require sustained commitment to reforms. Competent independent and regulatory bodies need to be further strengthened, with adequate budget and skilled staff. The functional independence of these bodies must be guaranteed in practice.

In the coming year, the country should in particular:

- adopt and implement measures envisaged in the judicial reform strategy, including by reforming the systems for appointment, promotion, discipline and dismissal of judges and prosecutors, and demonstrating that the independence of the judicial system is respected and promoted at all levels;
- adopt and implement measures to strengthen the institutions in charge of preventing and fighting corruption and encourage, from the highest political level, a more proactive attitude on the part of all actors engaged in this area,
- take concrete steps to improve the situation in prisons and other places of detention and take measures to promote an enabling environment for freedom of expression to foster professionalism and accurate reporting, including through strengthened independence of the public broadcaster.

Conclusion

If we look back at the reports throughout the years, this area is continuously one of the most criticized and is an area where the country is least prepared. The Report from 2013 says that some progress has been achieved in the area of judiciary, especially in the introduction of more strict professional requirements for judges and elimination of remaining backlog of cases in the courts, but also that the efficiency of the courts remains problematic.

The selectiveness remains. In 2014 this situation has not been significantly improved. Much greater focus must be put on efficient implementation of the existing framework on fundamental rights, especially in terms of financing, staffing, awareness raising, interinstitutional cooperation and strategic planning. The years of 2015 and 2016 are ones in which the judiciary has been evaluated as critical area in which the progress is almost non-existent. The European Commission established that the authorities failed to show sufficient will to effectively deal with the lack of independence of the judiciary. The European Commission is raising an important request - showing of greater political will in order to ensure independence of the judiciary system and enable the public prosecutor to work unhampered.

In 2018 the progress is already evident and there is ascertainment that the recommendations from the previous year started to be implemented. The European Commission is saying that the country should adopt and implement the measures foreseen in the Strategy for Judicial Reforms, including reform of the systems for appointment, promotion, discipline and dismissal of judges and prosecutors, and to show that the independence of the court system is being respected on all levels. In the fight against corruption area it is said that encouragement is required from a highest political level or more proactive attitude by all stakeholders involved in this area.

IV GRECO on the harmonization of the domestic legislation in the area of measures for fight against corruption

The group of states against corruption (GRECO) was established in 1999 by the Council of Europe for the purpose of monitoring of the harmonization of the countries with the anticorruption standards of this organization.

The purpose of GRECO is to improve the capacity of its member states for fight against corruption by monitoring their compliance with the Council of Europe standards for prevention of corruption through a dynamic process of mutual evaluation and peer pressure. This helps to identify the gaps in the national anticorruption policies, instigating the necessary legal, institutional and practical reforms. Furthermore, GRECO provides a platform for sharing of the best practices in the identification and prevention of corruption.

The evaluation procedures of GRECO are about collection of information through questionnaires, field visits, enabling the evaluation teams to request additional information during high level discussions with the core local stakeholders and preparation of evaluation reports. These reports are reviewed and adopted by GRECO and include recommendations to the evaluated countries in order to improve their level of harmonization with the provisions that are considered. The measures undertaken for implementation of the recommendations are then evaluated by GRECO under a special harmonization procedure.

GRECO has so far initiated four evaluation rounds pertaining to specific provisions from the twenty guiding principles (and auxiliary provisions from the Criminal Convention). These include:

- ▶ Independence, specialization and assets available to the national bodies involved in the prevention of, and fight against, corruption.
- ▶ The degree and scope of immunity.
- ▶ Identification and confiscation of the corruption proceeds.
- ▶ The public administration and the corruption (audit systems, conflict of interests).
- ▶ Efficiency and transparency in relation to corruption.
- ▶ Preventing legal entities from being used as shields for corruption.
- ▶ Tax and financial legislation for fight against corruption.
- ▶ The links between the corruption, organized crime and money laundering.
- ▶ The incriminations foreseen by the Criminal Convention on Corruption, its Additional Protocol and Guiding Principle 2.

IV.1. Fourth evaluation round of GRECO for Macedonia

Macedonia initiated its first evaluation process in 2002 and so far had four cycles of the GRECO evaluation, as of the end of 2018.

The country became GRECO member after the closure of the first evaluation report, on 31 December 2002.

For the purpose of this analysis, the following are subject of the monitoring: the fourth round of evaluation adopted on the 62 plenary session of GRECO (6 December 2013) and made available to the public on 17 March 2014, following authorization from the Republic of Macedonia (Greco Eval IV Rep (2013) 4 E); The Report on the Harmonization for the fourth round was adopted by GRECO at its 72 plenary session (1 July 2016) and was published on 12 October 2016, following the approval by the authorities of the Republic of Macedonia (GrecoRC4 (2016) 8).

The fourth evaluation round of GRECO pertains to *Prevention of the corruption among the members of the parliament, judges and prosecutors*”.

As it is required by the GRECO rules or procedure, the authorities of the Republic of Macedonia submitted a Situation Report about the activities undertaken for implementation of the measures. This Report was received on 26 June 2015. GRECO had to postpone the discussion about the said report, and for many other harmonization reports from the fourth round, in order to deal with the increased workload created by the unfinished harmonization procedure from the third round. The authorities submitted an updated version of the Report on 6 June 2016. These submissions were the basis for the Report on Compliance. On additional note, the Report on Compliance of the Republic of Macedonia with regards to the fourth

evaluation round was adopted at the 72 plenary session of GRECO held in Strasbourg on 27 June - 1 July 2016 and was published on 12 October 2016 following the approval by the authorities of the Republic of Macedonia (GrecoRC4 (2016) 8).

GRECO submitted 19 recommendation to the Republic of Macedonia in its Report on Evaluation. GRECO concluded that the Republic of Macedonia has implemented in satisfactory manner, or have been dealt with on satisfactory level, only three out of nineteen recommendations included in the Report on Evaluation of the fourth round. As for other recommendations, ten are partially implemented and six are not implemented.

More specifically, recommendations vi, x and xvii are satisfactory implemented, recommendations v, vii, viii, xi, xii, xiii, xiv, xv, xviii and xix are partially implemented, while recommendations i, ii, iii, iv, ix, xvi are not implemented.

Pursuant to GRECO Rules of Procedure, the authorities of the Republic of Macedonia submitted situational report with additional information on the measures undertaken for implementation of the sixteen current recommendations that were partially implemented in accordance with the Report on Compliance. This Report was received on 31 January 2018 and served as the basis for the second Report on Compliance which was adopted by GRECO at the 80 plenary session (18-22 June 2018).

The general remark of GRECO is that in this phase of the process the performances are obviously disappointing and the country should clearly implement more decisive and focused action in relation to the many recommendations provided four and a half years ago.

GRECO concludes that the current very low level of harmonization with the recommendations is “globally unsatisfactory”, in a sense of Rule 31, Paragraph 8.3 of the Rules of Procedure. Therefore, GRECO decides to implement Article 32, Paragraph 2 (l) for member states for which it is established that they do not comply to the recommendations included in the Report for Mutual Evaluation and requests from the head of delegation of the Republic of Macedonia to provide Report on the progress in the implementation of the following recommendations: i to v, vii, xi, xii, xiv to xvi, xviii and xix as soon as possible, and no later than 30 June 2019.

According to the numbers published GRECO, Macedonia is among the four countries with largest number of recommendations that have not been implemented (six in total) and before Macedonia we have Belgium with 12 and Azerbaijan and Luxembourg - each with 6. In terms of recommendations for prevention of corruption among the members of the Parliament, the Report stipulates that Macedonia is the only country that has not implemented a single recommendation.

In addition, Macedonia is among the countries with lowest level of implementation (including non-implementation and partial implementation) of the GRECO recommendations for prevention of corruption among judges and prosecutors. Worse than Macedonia (80%) is Ireland (83,3%) and Albania, which is on the same level (80%).

IV.1.1. Analysis of the GRECO recommendations

Below we provide an analysis of the six recommendations evaluated as not-implemented⁴ in the first Report on Compliance from 2016, including a short commentary of the situations that determine the implementation thereof.

In order to have a full overview of the situation, we also considered the comments included in the second Report on Compliance of GRECO from 2018 and the situation as on 30 April 2019.

Each individual recommendation will be structured as follows: first the full commentary of GRECO will be shown, followed by reflection on the current situation i.e. what is actually implemented by 30 April 2019, and at the end we shall provide our recommendation for the future steps that should be implemented.

Recommendation I (Parliament):

GRECO recommended (i) swiftly proceeding with the development of a code of conduct for members of the Assembly and ensuring that the future code is made easily accessible to the public; (ii) establishing a suitable mechanism within the Assembly, both to promote the code and raise awareness among its members on the standards expected of them, but also to enforce such standards where necessary.

Implemented as on 30 April 2019:

Although significant time has passed since the adoption of this recommendation and regardless of the intensive activities, it was still not possible to achieve consensus among all political parties for adoption of the Code. GRECO has noted those efforts multiple times, including the failed outcome in trying to achieve the objective. In this regard, the satisfaction was the fact that the country is taking into consideration the international experience for preparation of Code of Conduct for the members of the Parliament. However, regardless of the failure to adopt the Code, which was the essence of the recommendation, GRECO further extended this recommendation - that it will have to reconsider the situation once the standards of conduct will be adopted in full, in order to evaluate whether adequate measures for their implementation have been undertaken (promotion, awareness raising, implementation mechanisms).

Pursuant to the Rules of Procedure of GRECO, the authorities submitted a Situational Report with additional information on the measures undertaken

⁴ From the total of six non-implemented recommendations noted in the first Report on Compliance (2016), if we take as a criterion the entities to which they are referring to, four of them pertain to the members of the Parliament (1-4), one is for the judges (9) and one is for the prosecutors (16).

for implementation of the sixteen current recommendations that were partially implemented (according to the Report on Compliance). This Report was received on 31 January 2018 and was used as a basis for the second Report on Compliance.

In June 2018, a group of Parliamentarians in the Macedonian Parliament submitted a proposal for Code of Ethics for the members of the Parliament of the Republic of Macedonia. The purpose of this Code was to preserve and provide affirmation of the dignity and reputation of the Parliament and the members of the Parliament. This Code aimed to increase the trust the citizens and the public have in the core values and in the integrity of the parliamentary profession as well as in the Parliament as a representative body of the citizens and main carrier of the legislative power.

Pursuant to Article 184, Paragraph 1 of the Rules of Procedure of the Parliament of the Republic of Macedonia (Official Gazette of the Republic of Macedonia No. 91/2008, 119/10 and 23/13), the Parliament of the Republic of Macedonia adopted the Code of Ethics of the members of the Parliament of the Republic of Macedonia on 11 June 2018⁵, hence we can establish that this recommendation **has been formally implemented**. The suggestions provided by GRECO in terms of the adoption of this act were met in full, and special attention was paid to the comparative experience. It should be mentioned that the Code was adopted with consent by all political parties. It sets the core ethical values, rules and standards of behavior for the members of the Parliament (Article 1) and the purpose of the Code is preservation and affirmation of the dignity and reputation of the members of the Parliament and of the Parliament. The Code includes twenty-two provisions that enshrine the relevant recommendations insisted upon by GRECO.

This progress was welcomed by GRECO in the second Report on Compliance from June 2018. The Report further establishes that this Recommendation (No.1) is only partially implemented (in the first section which is about adoption of the Code). In addition, GRECO notes that certain requirements from the Code are not taken into consideration, such as relevant violations (for example, with regards to gifts and conflicts of interest) and this is something that would have to be resolved and that the warning, as the only valid sanction (regardless of the fact that such sanction is public), are not enough for dealing with different situations that could arise. In this phase, GRECO notes with interest that the Code requires from all members of the Parliament to explicitly commit themselves, by putting their signature, that they will comply with the Code. Such “best practice” could inspire other GRECO members to supplement their promotional mechanisms and efforts related to the rules for behavior of the members of the Parliament and other categories of civil servants.

In order to properly implement the GRECO Recommendation No.1, the Code of Ethics of the members of the Parliament of the Republic of North Macedonia was very quickly amended (in January 2019⁶) in order

⁵ Official Gazette of the Republic of Macedonia No. 109 from 12 June 2018.

⁶ Pursuant to Article 184, Paragraph (1) of the Rules of Procedure of the Parliament of the Republic of Macedonia („Official Gazette of the Republic of Macedonia“ No. 91/2008, 119/10 and 23/13), the Parliament of the Republic of Macedonia, at the session held on 28 January 2019, adopted a Code for Changes and Amendments to the Code of Ethical behavior for the members of the Parliament of the Republic of Macedonia.

to further specify the provisions pertaining to the relevant items: conflict of interests, receiving gifts and record-keeping of the gifts received, about the severe violations of Article 14 of this Code (in addition to public warning, the Commission can also adopt a decision to suspend a member of the Parliament from his/ her membership in a working body. If the member of the Parliament repeats the violation a decision can be made for 5% off his/ her salary for a duration from 3 to 6 months).

Recommendation on future steps:

This recommendation is partially implemented at present but we can ascertain that the latest intervention in the Code mean a serious step forward towards full implementation of the first recommendation and the expectations are that in the next (third) Report on Compliance there will be more positive evaluation of the country's progress in this area.

Still, the Parliament of the Republic of North Macedonia should commit itself on consistent implementation of the Code of Ethical Behavior and to take care that this document does not remain on paper, without practical implementation. Among other things, it will be necessary for the Parliament of the Republic of North Macedonia to report to the public on annual basis about the implementation of the Code, the number of violations of the Code and the sanctions that have been imposed in accordance with the Code.

Recommendation II (Parliament):

GRECO recommended that internal mechanisms and guidance be further developed within the Assembly on the prevention of conflicts of interest and the acceptance of gifts, hospitality and other advantages and that compliance by parliamentarians with these rules be properly monitored.

Implemented as on 30 April 2019:

This recommendation is supplemented by the first recommendations and it was mentioned that this is an auxiliary issue that would be resolved with the implementation of recommendation No.i from the Report. In other words, **the Code of Ethics for the members of the Parliament of the Republic of Macedonia** should include provisions pertaining to international mechanisms and guidelines for prevention of conflict of interest and receiving gifts, hospitality and other benefits. In that regard, Article 8 of the Code speaks about conflict of interests. More specifically, the provision is very focused and it stipulates that “the member of the Parliament is required to comply to the rules pertaining to *prevention of conflict between the public and the private interest*. This normative solution now imposes the following dilemma: Is the “capacity” of the said

legal norm optimal, because it refers to other law and, in principle, has a serious quantum of declarativity. Expressed in other words, does it mean that this provision will be able to fully pass through the very “minute filter” of GRECO?

It was exactly in this direction that changes and amendments were made to the Code of Ethics for the members of the Parliament of the Republic of Macedonia in January 2019. Specifically – new Article 8 is added which specifically arranges the procedure in a case of suspicion for conflict of interest. In this same context we also have the role of the Mandate-Immunity Commission and of the State Commission for Prevention of Corruption.

In this context we must not also neglect the new ***Law on Prevention of Corruption and Conflict of Interest from 19 January 2019***⁷ which is also elaborating this issue. More specifically, when it comes to *conflict of interest*, this Law arranges in more details the procedure for identification of conflict of interest and provides solutions that could mean qualitative shift of the prevention and repression of this socially negative phenomenon that is very present in this region. Chapter Seven from the said Law is titled ***Prevention of Conflict of Interest*** (Articles 72-81) and, in addition to Article 8 of the Code, this Chapter is the necessary ingredient for full implementation of the first part of the second recommendation from the Report. The new Law on Prevention of Corruption and Conflict of Interests includes provisions pertaining to the second part of the second recommendation titled: ***Prohibition for Receiving Gifts (Article 58) and Sponsorships and Donations (Article 59)***.

In this context we should probably also mention the provisions from the Criminal Code of the Republic of Macedonia: Article 53 (Unauthorized receiving of gifts); Article 357 (Receiving bribe) and Article 353 (Receiving gift for illicit influence) which also “deal” with the issue of receiving gifts.

As a last activity, the *lex specialis* in the context of resolving of the comments provided by GRECO, including those mentioned in the second Report on Compliance from 2018, are the changes and amendments to the Code made in January 2019 in an entire *Chapter titled III-a: Receiving gifts, record-keeping of the gifts* where this issue is arranged in the following segments: receiving a gift, reporting a gift and registry of received gifts.

It seems that this nontechnical and legislative approach should be sufficiently good for annulling Recommendation No.2 of the Report. It is understood that this new moment should be a good input for receiving a positive evaluation in the next Report.

⁷ On additional note, the old *Law on Prevention of Conflict of Interest* was from 22 October 2009 (Official Gazette of the Republic of Macedonia No. 128/09) and its provisions turned out to be exceptionally ineffective in dealing with this issue.

Recommendation on future steps:

Presently, GRECO continues to consider that the Recommendation No. ii was not implemented at all (the same is in the first and in the second Report). However, the efforts put to overcome the remarks with other legal solutions should be welcomed (as it was initially explained). What remains is to consider the practical implementation of these legal solutions.

Recommendation III (Parliament):

*GRECO recommended introducing rules on how Members of Parliament engage with **lobbyists and other third parties** who seek to influence the legislative process.*

Implemented as on 30 April 2019:

Following the identification of serious weaknesses in terms of the existing structure of lobbying based, *inter alia*, on the Law on Lobbying from 2008 and the Law on Changes and Amendments to the Law on Lobbying from 2011, the Republic of Macedonia showed that it intends to continue with a number of changes (introduction of a Code for Lobbyists, amendments to the said Law, among other things) and GRECO emphasized the need to combine all these initiatives “with greater transparency of the contacts the members of the Parliament have with lobbyists and third parties for current legislative proposals outside the sessions of the Parliament or sessions of the Parliamentary Commissions”. However, the general ascertainment is clear – it is the conclusion that the process of implementation of this recommendation is currently in a very early phase.

The current Law on Lobbying has been in place for 10 years already and only one lobbyist applied, and he is already deleted from the Registry of Lobbyists.

At the end of 2018, the Ministry of Justice started to draft changes and amendments to the Law on Lobbying due to the failure to implement the existing Law beyond the legal framework. The intention is to resolve the weaknesses identified in the current text of the Law on Lobbying and these can be systematized in three areas: a) Defining of the term *lobbyists* and the activities considered to be lobbying and those that are not considered to be lobbying; b) Further elaboration of the procedures for registration and deletion from the Registry of Lobbyists; and c) Implementing effective supervision over the work of the lobbyists. The timeframe foreseen for drafting of the law proposal is 1 January – 31 March 2019.

If we take into consideration the GRECO recommendations, we should start from the fact that the Law on Lobbying is not a requirement of GRECO but comments are provided to the existing Law, and it is requested to regulate this issue but mainly in terms of behavior of the members of the Parliament when it comes to lobbying. Whether the lobbying will be regulated with law or with bylaws – this is still not specified. Hence, the Rules of Procedure can be the act that would include the lobbying provisions, without the need to have a separate law. Furthermore, it is necessary to strengthen the tool used by the State Commission for Prevention of Corruption for anticorruption verification of the legislation, as a powerful mandate for verification of all legal solutions in terms of suppression of corruption.

Recommendation on future steps:

The recommendation is fully not implemented. In order to finalize the regulation pertaining to this area, analysis of the codes of ethics would have to be made: the Code of Ethics for the Members of the Parliament of the Republic of North Macedonia, the Code of Ethics for the Local Officials and the Code of Ethics for the members of the Government of the Republic of North Macedonia, including those pertaining to public officials appointed by the Government of the Republic of North Macedonia and implementation of non-regulatory measure for awareness raising and identification of the lobbying (workshops, advisory sessions, campaign). The executive power should primarily do analysis on the needs for this law, in accordance with the social environment, and establish which measures are realistically needed to regulate this area.

Recommendation IV (Parliament):

*GRECO recommended ensuring (i) that **sanctions are provided in the relevant laws for all infringements they contain and (ii) that appropriate enforcement action is taken in all cases of misconduct by Members of Parliament.***

Implemented as on 30 April 2019:

Relevant response to the Recommendation No.4 which is consisted to two parts should be the new Law on Prevention of Corruption from January 2019, including the changes and amendments to the Code of Ethics for the members of the Parliament of the Republic of North of Macedonia (also from January 2019).

Both documents tackle directly the issue referred to in this recommendation and they are highly evaluated by the international factor. It seems that they now have sufficiently good solutions that meet the minimum standard. The establishment of the new Anticorruption Commission in accordance

with brand new criteria, the revising of the old solutions that did not include sanctions for all misdemeanors, as well as the correct catalogue of sanctions foreseen for inappropriate behavior of the members of the Parliament – are all optimal indicators for the progress of Macedonia on this area. All these novelties, along with good argumentation, should be integral part of the next communication to GRECO.

Recommendation on future steps:

The recommendation No. iv remains to be fully non-implemented in the second Report on Compliance as well. However, the assumption is that GRECO should evaluate in the next report the legal solutions that are already developed, that have impact on this recommendation and that are developed after the publishing of the last report of GRECO.

Recommendation V (Judiciary):

*GRECO recommended that, with due regard to the principle of judicial independence, **the system of appraisal of judges' performance be reviewed to i) introduce more qualitative criteria and (ii) remove any automatic lowering of a judge's grade resulting from the reversal of his/her decisions.***

Implemented as on 30 April 2019:

The changes and amendments to the Law on Judicial Council adopted in May 2018 (Official Gazette of the Republic of Macedonia No.83 from 8 May 2018) essentially completely revise the system of appraisal of judges and especially emphasize the qualitative criteria. The changes actually include the following quantitative criteria: a) the number of decisions canceled due to serious procedural violations in relation to the total number of resolved cases; b) the quality of managing the court procedures (compliance to the legal deadlines for implementing process activities and for developing and publishing court decisions, the duration of the court procedures and their compliance to the principle for trial in a reasonable time; c) the number of decisions changed in relation to the total number of resolved cases; d) the degree of specialization in the profession; e) the number of grounded complaints and petitions of the parties for the work of the judge and the number of grounded requests for exemption at the request of a party; f) disciplinary measures imposed. The new rules provide that the assessments will use the computerised court management system, which allows to retrieve figures on certain decisions/ remedies/ invalidations/ procedural violations, on the level of activity in the management of the case and on compliance of all procedural steps with the deadlines.

Regarding the qualitative criteria, the amendments list the following: a) completion of the work program, b) consistency in the application of the Rules of Procedure of the Court (annual work schedule, exemption of judges, reallocation of cases, etc.); c) functioning of the automated case management system; d) quality of decisions performed in the court administration; e) Public relations and transparency in the work. The appraisals shall be based on the Annual Report on the respective court workload, after it has been reviewed at a general session of the Supreme Court, on the Working Program of the President of the court, as well as on the results of control reports carried out by the higher courts, the Judicial Council and the Ministry of Justice.

In the final overall assessment, the weight of the notations for qualitative criteria will represent 60% (quantitative criteria: 40%) (articles 107 and 108 of the Law on the Judicial Council). The working hours will also be taken into account. The amended law also provides for a specific list of criteria for court presidents, largely based on the above.

GRECO satisfactory sees that the Law on Judicial Council was changed in order to reconsider the assessment system and to put less emphasis on the quantitative aspects of the work of the judge. This part of the recommendation is implemented. With regards to the second part of the recommendation, with the way in which the system is designed now (with focus on the qualitative aspects) it is pushing out the *de facto* automatic reduction of the assessment of the judge as a result of cancellation (overturning) of his/ her decisions.

The recommendations and conclusions included in the EU progress reports of the Republic of Macedonia in the recent years, the recommendations of the High Experts Group for systematic issues on the rule of law pertaining to the monitoring of the communications, the recommendations of the High Experts Group for systematic issues on the rule of law from September 2017, the Urgent Reform priorities of the European Commission for the Republic of Macedonia (June 2015), the Evaluation Report of GRECO for the Republic of Macedonia - fourth round (December 2013), the Report on Compliance of GRECO for the for the Republic of Macedonia - fourth round (July 2016) were the main motive for the Government to adopt, in November 2017, a Strategy for Reform of the Judiciary System for the period 2017-2022, along with Action Plan 7 intended for implementation of the Strategy.

The process of drafting of this Strategy was transparent and implemented with intensive communication with the civil society organizations working in the area of judiciary. As a result of that, some of the remarks and proposals of the civil society organizations were taken into consideration and were integrated into the Strategy and the Action Plan, while some of them were gradually incorporated in the newly proposed legal solutions. The work of the Council included a series of disagreements between the members which resulted in resigning of some of the university professors⁽⁸⁾ whose remarks were that the work is implemented in a bureaucratic manner. In January 2018 a Council for Monitoring of the Implementation of the Strategy for Reforms in the Judiciary was established⁽⁹⁾, to be

8 <http://novatv.mk/kalajdziev-si-podnel-ostavka-od-sovetot-za-reformi-vo-pravosudstvoto/>

9 <https://www.mkd.mk/makedonija/politika/konstitutivna-sednica-na-sovetot-za-sledenje-na-reformite-vo-pravosudstvoto>

chaired by the Prime Minister, Mr. Zoran Zaev, and that will include the presidents of the Supreme Court, the Appellate Court in Skopje, the Basic Court Skopje 1 and the Public prosecutor of the Republic of Macedonia and the Special Public Prosecutor. This composition stirred very intensive reactions in the public, especially because some of the members of this Council were connected to the previous Government.

Specific steps towards increasing the judiciary independence aimed to meet the EU and GRECO recommendation, including the intention to harmonize with the comments of the Venice Commission were made with the process of drafting of the Law on Changes and Amendments of the Law on Courts¹⁰ published on ENER in January 2018, including the draft Law on Changes and Amendments of the Law on Courts¹¹ published in July 2018 bearing European flag. These changes introduced the following: improvement of the text of the Law; revision of the section on organization and mandate of the courts; new, more strict criteria for election of judges were introduced; redefining of the grounds for dismissal and for determining responsibilities; proposal for establishment of Center for Coordination of, and Managing with, Information-Communication Technologies in the Judiciary, under the umbrella of the Ministry of Justice, with a main mandate to manage the IT Centers in the judiciary institutions. The Law on Changes and Amendments of the Law on Courts was adopted by the Parliament on 4 March 2019 with two-third majority. **The President has not yet signed the Promulgation Decree in the moment of drafting of this Report¹², hence it has not been published in the Official Gazette and has not entered into force.**

Although the changes and amendments of the Law on Judicial Council¹³ adopted in May 2018 entirely revise the system for appraisal of the judges and puts special emphasis on the qualitative criteria. GRECO has established that this recommendation is implemented. Still, in the middle of December 2018 a brand-new law proposal for judicial council was submitted from the Parliament to the Government¹⁴, bearing European flag and currently in Parliamentary procedure. What is peculiar is that the text of the Law on Changes and Amendments of the Law on Judicial Council was published on ENER system, and another completely new text of the Law was published on the website of the Parliament. The main purpose of the Law is to integrated the recommendations of the Venice Commission, GRECO and the TAIEX evaluation mission for training of judges and public prosecutors in the Republic of Macedonia with regards to election and dismissal of the judges and the presidents of the courts, the responsibility of the members of the Judicial Council of the Republic of Macedonia. It was also about introducing measurable qualitative and quantitative criteria for appraisal of the work of the judges and presidents of the courts if they are promoted. Attention was also paid to achieve

10 https://ener.gov.mk/default.aspx?item=pub_regulation&subitem=view_reg_detail&itemid=XYtZr8RCbnko9tHmV+hzoA==

11 https://ener.gov.mk/default.aspx?item=pub_regulation&subitem=view_reg_detail&itemid=kLr1ETMDCCI9xJjhgdAz2g==

12 <https://www.novamakedonija.com.mk/makedonija/собрание-иванов-не-потпиша-укази-за-пр/>

13 Official Gazette of the Republic of Macedonia No. 83 from May 2018

14 <https://www.sobranie.mk/materialdetails.nspx?materialId=2be59d87-44c7-424f-8af1-45af47de6f18>

balance in the appraisal system criteria. It included intervention in the provisions pertaining to member of the Council with a right to vote, ranking of the candidates for election of judges in higher court, the responsibility for work in the Council is strengthened, etc.

Recommendation on future steps:

The recommendation No.9 which was evaluated in the first Report as not implemented (2016), was evaluated as satisfactory implemented in the second Report on Compliance in 2018.

Although Macedonia does have legal framework that generally includes the international standards for independent and impartial judiciary and proper work of the judiciary system, there is a need for additional legal interventions that will ensure greater independence and impartiality in the work of the judiciary and the Public Prosecutor Office and will implement the EU and GRECO recommendations. It is also necessary to sign the Promulgation Decree for the Law on Courts in order for this Law to enter into force and commence with implementation.

Recommendation VI (Prosecutor Office):

*GRECO recommended that the disciplinary regime applicable to prosecutors be reviewed so that **(i) infringements are clearly defined and that (ii) the range of available sanctions be extended to ensure better proportionality ensuring, in particular, that dismissal of a prosecutor is only possible for the most serious cases of misconduct.***

Implemented as on 30 April 2019:

The draft text of the Law proposal for Public Prosecutor Office was published on ENER on 4 December 2018, while the draft text of the Law proposal for Special Public Prosecutor Office was published on 5 December 2018. The Government adopted a Law proposal for Public Prosecutor Office on the 124th session held on 5 March 2019 with a completely different text compared to the prior two solutions developed by the working group and presented in front of the Council for Monitoring of the Judicial Reforms (that include members from civil society organizations). Since this legal solution circumvented the Council, it essentially also circumvented the civil society organizations, not leaving any space for developing expert public debate and deliberations on the proposed legal solution. On additional note, the text of the law proposal that was endorsed at the government session was not published on ENER (actually, just one version of the draft text of the Law proposal for Special Public Prosecutor Office was published on ENER while the Government adopted something

completely different that was never published or discussed before that). This was adopted using the shortened (fast-track) procedure which additionally contributed to the lack of transparency of the entire process and made it hidden from the expert public and from the citizens. The law proposal that was adopted limits the use of the so called “bombs” – the possibility to use the audio materials as evidence in a procedure, which undermines the purpose of establishing the Prosecutor Office, and that was to fight the high level corruption and organized systematic abuse of the state and the state resources for exercising private interests and acquiring proceeds. In addition, the content of the law proposal refers to “overlapping” of the mandate between the Special Public Prosecutor and the OJOGOKK because the same type of criminal acts are prosecuted by these two prosecutor offices. It also refers to renewal of the human resources from the team of public prosecutors every 6 months until they are completely replaced, which additionally puts under question the existing resources this prosecutor office has, and a lot has been invested so far in those resources.

Recommendation on future steps:

This GRECO recommendation remains non-implemented in full. It is necessary to secure political will and to continue the process of consolidation of the Law for Public Prosecutor Office and the Law on Special Public Prosecutor Office. It is also necessary to involve all stakeholders in this process, mainly the civil society organizations that are concerned and to make the process transparent and inclusive.

IV.2. Status of the GRECO recommendations that received negative evaluation

Six recommendations out of nineteen in total for Macedonia were negatively evaluated by GRECO in the fourth round of evaluation. However, the second Report on Compliance from June 2018 showed a positive movement towards the overall estimation.

More specifically, the first recommendation, that used to be non-implemented in full, is now only partially implemented and our estimation is that it could be possible for this recommendation to be implemented in full (in the new Report) with the changes and amendments of the Code of Ethics for the members of the Parliament of the Republic of North Macedonia from January 2019. It is especially necessary to emphasize that the biggest step forward in a positive sense was achieved with recommendation 9 that pertains to the judiciary – it used to be non-implemented in full but in the second Report it became satisfactory implemented. The serious criticism in relation to the Report from the fourth evaluation round continue to be current, but it is a fact that some

minor improvement of the situation has been achieved, which properly reflects on the initial very bad picture about Macedonia.

As a summary, the positive balance between the first and the second Report on Compliance (time distance of two years) is the following: from the total of six negative recommendations given to Macedonia (in a period of four and a half years), one is partially implemented (No.1) and the other (No.9) has been now evaluated as satisfactory implemented, compared to the initial evaluation of non-implemented. The remaining four recommendations remain non-implemented.

IV.3. Status of the GRECO recommendations evaluated as partially or satisfactory implemented

Recommendation No.	GRECO conclusion	Implementation status	Recommendation/ comment
Recommendation V (Minister of Justice)	In order to strengthen the independence of the judiciary from undue political influence, the ex officio membership of the Minister of Justice in the Judicial Council be abolished	Recommendation No.5, partially implemented with the first Report (2016) is not yet implemented with the second Report (2018)	In order for the recommendation to be implemented in full, it is necessary not only to prevent the Minister of Justice from voting, but to completely exclude his/ her membership from this body.
Recommendation VI (Judiciary)	The authorities should ensure that the legal criteria and rules for appointment of judges in first instance courts are effectively implemented in practice, especially with regards to the need for all new judges to have undergone training in the Academy for Judges and Public Prosecutors.	This recommendation is satisfactory implemented, as noted in the first Report	Efforts are made for effective implementation of the Law on Courts. In this context we would just add that there has been more and more thinking recently for certain percentage of the judges to be elected outside the Academy as well. Similar attitude was also promoted in the draft Strategy for Reform of the Judiciary Sector 2017-2022, which was later changed in the final version. It is necessary to exercise caution regarding this issue because GRECO has a quite firm standpoint which, in principle, does not correspond to these commitments.
Recommendation vii (Judiciary)	Appropriate measures be taken with a view to strengthening the independence, impartiality and integrity of lay judges, inter alia, by introducing specific guidelines and training on questions of ethics, expected conduct, corruption prevention and conflicts of interest and related matters	Partially implemented.	Additional efforts are necessary for full implementation of this recommendation that would mean increased scope of subjects that should be included on the said trainings related to the integrity of the judges and of the lay judges.
Recommendation viii (Judiciary)	Decisions of the Judicial Council on the promotion of judges be accompanied by a statement of reasons and be subject to judicial review.	The first GRECO Report from 2016 concluded that this recommendation is partially implemented. The second Report on Compliance from 2018 concluded that the recommendation is now satisfactory implemented.	/

Recommendation X (Judiciary)	Introduce a set of clear standards/ codes of professional behavior, accompanied by comments and explanations and/ or practical examples that will pertain to all judges.	In the first Report, this recommendation is implemented in satisfactory manner.	/
Recommendation XI (Judiciary)	Rules and guidance should be developed for judges on the acceptance of gifts, hospitality and other advantages and that compliance with these rules be properly monitored	The first and the second Report conclude that this recommendation is partially implemented.	In order to ensure full implementation of this recommendation, especially important are the practical results that should be achieved by the advisory body for judicial ethics.
Recommendation XII (Judiciary)	(i) disciplinary infringements applicable to judges be clearly defined and that the range of sanctions be extended to ensure better proportionality and (ii) that dismissal of a judge only be possible for the most serious cases of misconduct, ensuring, in particular, that the possibility to dismiss a judge solely in case one of his/her decisions is found to be in violation of the right to a trial within a reasonable time be abolished.	Partially implemented	Although there are certain improvements in the scope of misdemeanors and sanctions and the automatic sanctions are abolished, some important elements from the both parts of this recommendation are still not resolved.
Recommendation XIII (Judiciary)	Disciplinary proceedings applicable to judges be reviewed so that (i) infringements are subject to one single disciplinary procedure and, (ii) with due regard to the principle of judicial independence, the authority to initiate proceedings and to investigate be separated from the authority to decide on sanctions.	This recommendation is partially implemented in the first Report and satisfactory implemented in the secondary Report.	
Recommendation XIV (Prosecutors)	A set of clear standards/ code of professional conduct, accompanied by explanatory comments and/or practical examples, should be established which will apply to all prosecutors.	Partially implemented.	It can be concluded that the objectives of this recommendation that should ensure clear standards of conduct, accompanied by explanatory comments, are not fully met. .
Recommendation XV (Prosecution)	Rules and guidance should be developed for prosecutors on the acceptance of gifts, hospitality and other advantages and that compliance with these rules be properly monitored.	Partially implemented.	There is confusion between the Code of Ethics for the Public Prosecutors from 2004 and the one from 2014, including the insufficiently elaborated guidelines provided in the Guideline for Practical Implementation of the Code of Ethics for the Public Prosecutors.
Recommendation XVII (Other categories)	Additional explanation in writing of the terms "family member" and "real estate of greater value" should be available when reporting the asset status.	Partially implemented.	The new composition of the State Commission for Prevention of Corruption and the new Law on Prevention of Corruption and Conflict of Interests should be the best arguments in the next evaluation of the situation in this area.
Recommendation XIX (Other categories)	(i) The financial and personnel resources of the State Commission for the Prevention of Corruption in the areas of conflicts of interest, lobbying and asset declarations be increased as a matter of priority and that (ii) the Commission demonstrate a more balanced and proactive approach in these areas.	Partially implemented.	

IV.4. Conclusion on the harmonization with GRECO

It can be concluded that recommendations: v, vii, viii, xi, xii, xiii, xiv, xv, xviii and xix (10 in total) that were partially implemented in the first Report on Compliance from 2016, were defined in the following manner in the second Report from 2018: one recommendation (No.5) from partially implemented became non-implemented, the remaining 10 are partially implemented, progress was ascertained for two recommendations (8 and 13) and they were evaluated as satisfactory implemented.

The overall score for the fourth evaluation round of the Republic of North Macedonia by GRECO, following the second Report on Compliance is as follows: 19 recommendations in total; recommendations vi, viii, ix, xiii and xvii are implemented satisfactory, the recommendation x is implemented in satisfactory manner, the recommendations i, vii, xi, xii, xiv, xv, xviii and xix are partially implemented and the recommendations ii, iii, iv, v and xvi are not implemented.

In other words, this means that Macedonia has implemented satisfactory or in satisfactory manner only six out of the nineteen recommendations included in the Report on Evaluation from the fourth round. As for the rest of the recommendations, eight are partially implemented and five are not implemented.

The next session between GRECO and the Republic of Macedonia is scheduled for 30 June 2019 (this is a time interval of only around ninety days) and Macedonia is faced with not-an-easy-task regarding these recommendations and the upcoming third Report on Compliance. There is a large number of the recommendations that should be implemented and to be evaluated in positive manner.

The current judiciary reforms will definitely have a prominent place and will be considered as relevant factor improvement of the situation (especially the new Law on Public Prosecutor Office), the already adopted Law on Prevention of Corruption and Conflict of Interest, the new composition of the State Commission for Prevention of Corruption and its initial results in the area of conflict of interest, gifts, property lists, etc. The corrected Code of Ethics for the members of the Parliament of the Republic of Macedonia (January 2019), the Law on Courts, etc. All in all, Macedonian is faced with a serious challenge.

V Core domestic regulation relevant for the fight against corruption

V.1. Law on Prevention of Corruption and Conflict of Interest

The new Law on Fight Against Corruption and Conflict of Interest¹⁵ implements the GRECO recommendations regarding changes in the legislation, the European Commission recommendations, Mr. Pribe's recommendations as well as other recommendations by other experts. One of the European Commission recommendations is the need for reform of the anticorruption institutional framework in order to increase the efficiency and independence of the State Commission for Prevention of Corruption. More specifically, the progress report on the Republic of Macedonia from 2016 noted that the State Commission for Prevention of Corruption is missing functional independence ("the process of selection and appointment of its members is not transparent and it seems like it is favoring political loyalty and not professionalism and integrity") and points out to the need to revise the Statute and the composition of the State Commission for Prevention of Corruption in order to ensure greater transparency, merit-based and independence from the political parties.

The core purpose of the Law, according to the proposing party (Government of the Republic of North Macedonia) is strengthening of the efficiency and independence of the State Commission for Prevention of Corruption as well as strengthening of the legal and institutional anticorruption framework. The objective for adoption of this Law is also aimed to ensure more efficient prevention of, and fight against, corruption.

This Law sets the measures and activities for prevention of the corruption when exercising power, the public authorizations, the official duty and the policy, measures and activities for prevention of the conflict of interest, including the measures and activities for prevention of corruption when

¹⁵ <https://www.sobranie.mk/materialdetails.nspx?materialId=1b24fd7d-544c-4b51-805a-187619a3aa6c>

doing public interest works by the legal entities related to implementation of the public functions.

The key novelties in the legal changes are the following: expanding the competence of the State Commission for Prevention of Corruption by introducing several new competencies of the Commission, including explicit and precise competence for monitoring of the financing of the political parties. In the event of suspicion of illegal financing of a political party, on its own initiative it will undertake measures for determining the actual situation and may initiate a procedure for determining responsibility before the competent authorities.

The State Commission for Prevention of Corruption is also in charge of preparing analyses on vulnerability to corruption in various sectors; implementation of activities for building of the personal and institutional integrity; adoption of Code of Ethics for the members of the State Commission and the staff of the Secretariat of the State Commission.

It also specifies the obligations of other authorities required to act upon requests and proposals by/ or the State Commission for Prevention of Corruption, as follows: the State Commission for Prevention of Corruption has the right to request information about individuals and about legal entities from banks and other financial institutions, and the submission of the data request shall not be considered violation of the bank secret; additional obligations are introduced for the bodies towards which the State Commission for Prevention of Corruption has raised initiative for dismissal or undertaking measures of responsibility, including the bodies towards which initiative for control of the financial operations has been raised.

An important change in this Law is that the State Commission for Prevention of Corruption is to be consisted of President and five members appointed by the Parliament of the Republic of Macedonia, with mandate of five years, without the right to be reelected for the next five years. The President and the members of the State Commission will elect deputy-President from its members, with majority vote, using the rotation principle every six months.

In addition to the composition of the Commission, the conditions for election and appointment of President and members of the State Commission for Prevention of Corruption are also changed. More specifically, in addition to the general requirements, the candidate should have: higher education in the area of legal, political, economic or communication sciences; to have at least ten years of working experiences after the end of the higher education in order to be a President, or eight years of experience to be a member; to have experience in identifying cases of corruption; in prevention of corruption; in the area of rule of law or in the area of good governance; must not have been a member of the Parliament or of the Government and must not have been exercising specific function in political party bodies. The President and the members are elected on a public competition announced by the Parliament of the Republic of Macedonia. Within ten days after shortlisting the candidates that meet the requirements, interview is organized with the candidates for President of the State Commission and with the candidates for members of the State

Commission. The interview is broadcasted at the Parliamentary Channel. The Commission for selection of the candidates is consisted of seven member – one member is nominated by the Ombudsman, representative of the association i.e. foundation, appointed as member of the Council for Cooperation between the Government and the civil society sector for the area of *democracy and rule of law*, representative of the association i.e. foundation appointed as member in the Council for Cooperation between the Government and the civil society sector for the area of *media and information society*, two members of the Parliament from the ruling party and two members of the Parliament from the opposition.

It further specifies the grounds and procedure for dismissal: resignation, death, prison sentence of at least six months and also if it was established that the conditions for election were not met or if severe violation of the provisions of this Law, the Code of ethics or the Rules of Procedure of the State Commission for Prevention of Corruption have been perpetrated. The circle of people whose property status is controlled by the State Commission for Prevention of Corruption is also expanded. In addition to all appointed and elected officials, persons responsible in public enterprises, public institution and other legal entity with state owned capital, the requirement to submit asset declaration to the State Commission for Prevention of Corruption and to the Public Revenue Office, including statement for giving up the bank secrecy, is now expanded on the notaries and enforcement agents.

The civil sector was involved since the very beginning in the process of adoption of the Law and the text of the Law is harmonized with the requests that came from the civil society organizations.

The biggest novelty in this Law is the procedure for selection of the State Commission for Prevention of Corruption members. The transparency that was introduced is implemented with the establishment of Committee for Selection within the Commission for Elections and Appointments the membership of which includes representatives from the civil society organizations and the Ombudsman. The interviews of the candidates are public. Representatives of civil and media associations also have the right to participate at the interviews and can ask questions to the candidates. This whole process is broadcasted by the public broadcaster.

This step forward was very important for transparency and elimination of the political party influences from the process of election of the new State Commission for Prevention of Corruption. It made it possible to hear the voice and to assess the attitude and opinions of each candidate and also for each member of the Commission for Selection to assess all the parameters required in impartial manner.

V.2. Criminal Code

According to the GRECO Report, the amendments to the Criminal Code from April 2011 meant implementation of some of the recommendations. With the changes that were made in the period 2011 – 2014 and in the years that followed, the Criminal Code is harmonized with the international

standards. For the most part the Code is harmonized with the provision of the Punishment Convention of the Council of Europe as well as with the United Nations Convention Against Corruption. The Criminal Code, *inter alia*, introduced large number of corruption criminal acts as recommended by the convention – in addition to the bribery, as elementary form or corruption, the following were also introduced and further specified: trading in influence, abuse of official position, bribery in the private sector, bribery by foreign national, etc. The Criminal Code includes 19 corruption-related punishable acts.

Still, the very frequent and many changes and amendments of the Criminal Code, and especially the large number of extra-criminal regulations, resulted in losing the sense for codification of all criminal acts in the Criminal Code. These phenomena caused problems on several levels: first, in the defining of the criminal acts, deviating from the principles and the nomotechnique included in the Criminal Code; secondly, it created difficulties for the judges, public prosecutors and other relevant entities in the implementation of the provisions prescribing the criminal acts in other laws, because they are confusing and not harmonized with the Criminal Code. There is also non-harmonization of the penalties and the severity of the criminal acts i.e. the protected good. There is also a need to harmonize the penalty area with the latest EU Directives.

Because of the above, the Strategy for Reform includes adoption of new Criminal Code. However, instead of adopting a brand-new Criminal Code, the Parliament, at the 77th session held on 28 December 2018 used the short (fast-track) procedure for adopting changes and amendments to the Criminal Code. These changes and amendments are about criminal prosecution of hate crimes and introduction of new provisions for protection of witnesses and provisions that sanction the obstruction of the justice. However, in addition to these positive legal solutions, the changes and amendments also resulted in reduction of the prison penalty in Article 275-c for the crime “Abuse of the procedure for public call, awarding of public procurement contract or public-private partnership” and included a new criminal act in Article 279-a “Tax fraud”. The changes in Article 275-c and the introduction of Article 279-a are not mentioned in the PVR Report and in the elaboration of the law proposal. The lack of clear elaboration on what is the reason for reduction of the penalty policy for this type of criminal acts, having in mind the social context and the very big presence of these crimes in practice, the adoption of the Law through the short (fast-track) procedure without any transparency whatsoever and public debate that would be appropriate for such changes of the Criminal Code, raises the question of the real intention of the legislator for introduction of these changes. The same goes for the lack of elaboration for introduction of new criminal act (279-a “Tax Fraud). More specifically, the PVR Report does not include statistical information about criminal acts perpetrated in relation to this modified type of the existing criminal act “Tax evasion”, that would justify the need for introduction of this new act, and there are no sufficient relevant information about advisory opinions from expert groups (domestic or international) for the same purpose.

VI Conclusions and recommendations

Significant reforms are ahead of the Republic of North Macedonia when it comes to the fight against corruption and they are also often raised by the international institutions and organizations. The existing monitoring over their implementation is only increasing the pressure for sooner and comprehensive resolution of all issues in this area, mainly with the purpose of increasing the democracy in this society.

From all the above recommendations provided by the European Union and GRECO it is more than obvious that the recommendations overlap or complement each other, and they aim to harmonize the Macedonian legislation with the European legislation.

The basis for all recommendations is in the principle of transparency and openness of the institutions when implementing their activities, by involving all stakeholders in the processes.

Here are the summary **conclusions** stemming out of the recommendations included in the European Commission progress reports, GRECO and from the new changes of the legislation:

► Fight against corruption

The adoption of the new Law on Prevention of Corruption and Conflict of Interests was a step towards introduction of legal framework in accordance with the civil society demands and the international standards. Consistent implementation of the legislation and impartial implementation are still challenge for the society.

The bodies in charge of fighting the corruption still lack the capacities and their readiness for undertaking activities for which they are in charge is still not improved. The independence of all these bodies and their full political and party independence remains to be a challenge. Although there is a clearly expressed political will, there is a lack of realistic involvement of all stakeholders in the prevention and repression of the corruption.

► Judicial system

In November 2017 the Government adopted the Strategy for Reform of the Judicial System for the period 2017 – 2022 through an inclusive process, together with an Action Plan. In accordance with this Strategy, a number of laws for harmonization of the Macedonian with the European legislation were proposed but they have not yet entered into force.

The standards for professional work of the judges, the independence and the transparency are still at low level.

► Public procurements

The new Law on Public Procurements entered into force in April 2019. It was adopted in transparent and inclusive manner and the voice of the civil society was heard in this process. Starting from the fact that it is too early to ascertain its practical implementation, it remains to be seen how much it will show transparency and efficiency. The financial accountability in spending state funds remains to be further defined.

Summary **recommendations** from the European Commission progress reports and GRECO reports

Although the recommendations provided by the GRECO reports and the EC progress reports about the country are concise and decisive in terms of what North Macedonia needs to do in the following period in order to deal with the corruption, there are still some general recommendations that can be extrapolated from this analysis and should be the basis for the further mechanisms in the fight against corruption.

► Fight against corruption

The complete independence, transparency and accountability of the state institutions is a postulate for dealing with the corruption and for strengthening the trust among the citizens. These are the basic tools for monitoring the work of the institutions and for the citizens to have insight how much these bodies have met their mandate and in what they are implementing the competencies they are vested by law.

It is necessary to have autonomy, resources and trained staff in the state institutions that will be employed on the merit-based system in order to expect real progress in the fight against corruption. This goes especially for the State Commission for Prevention of Corruption in order for this institution to implement its main role – prevention of corruption, with special focus on the so called “high-level” corruption in the country. It is necessary to consistently implement the new rules for prevention of, and fight against, corruption and to instigate, from the highest political level, a more proactive attitude by all stakeholders in this area.

► Judicial system

The country started with reforms in the judicial system that should aim towards independent judiciary, free from the chains of the political establishments. It is also necessary to resume the implementation of the

Strategy for Reforms in the Judiciary in order to ensure fully functional and reliable system. Involvement of all stakeholders in the reform process should be also secured, which is the only prerequisite for transparency and accountability.

Secure political will and continue the process of consolidation of the legal framework relevant for the judicial system, with special focus on the Public Prosecutor Office by involving all stakeholders. It is necessary to additional legal interventions the implementation of which will ensure greater independence and impartiality in the work of the judiciary and of the Public Prosecutor office and the GRECO and EU recommendations will be implemented.

► Public procurements

The public procurements are one of the key areas that have impact on the reduction of the corruption. Consistent implementation of the Law is required in order to achieve progress in this area. The expectations are to finalize all bylaws in this area in order to ensure full implementation of the new legal solutions. The transparency of the institutions in their spending and the way in which they procure the goods is essential, in order to have picture about how due diligent is the Government when it comes to finances. In this regard, it is necessary to ensure that the reports on irregularities in the public procurements have been properly examined and that the perpetrators are punished. In order for this to be implemented it is necessary to strengthen the capacities of the Bureau for Public Procurements and the State Audit Office.

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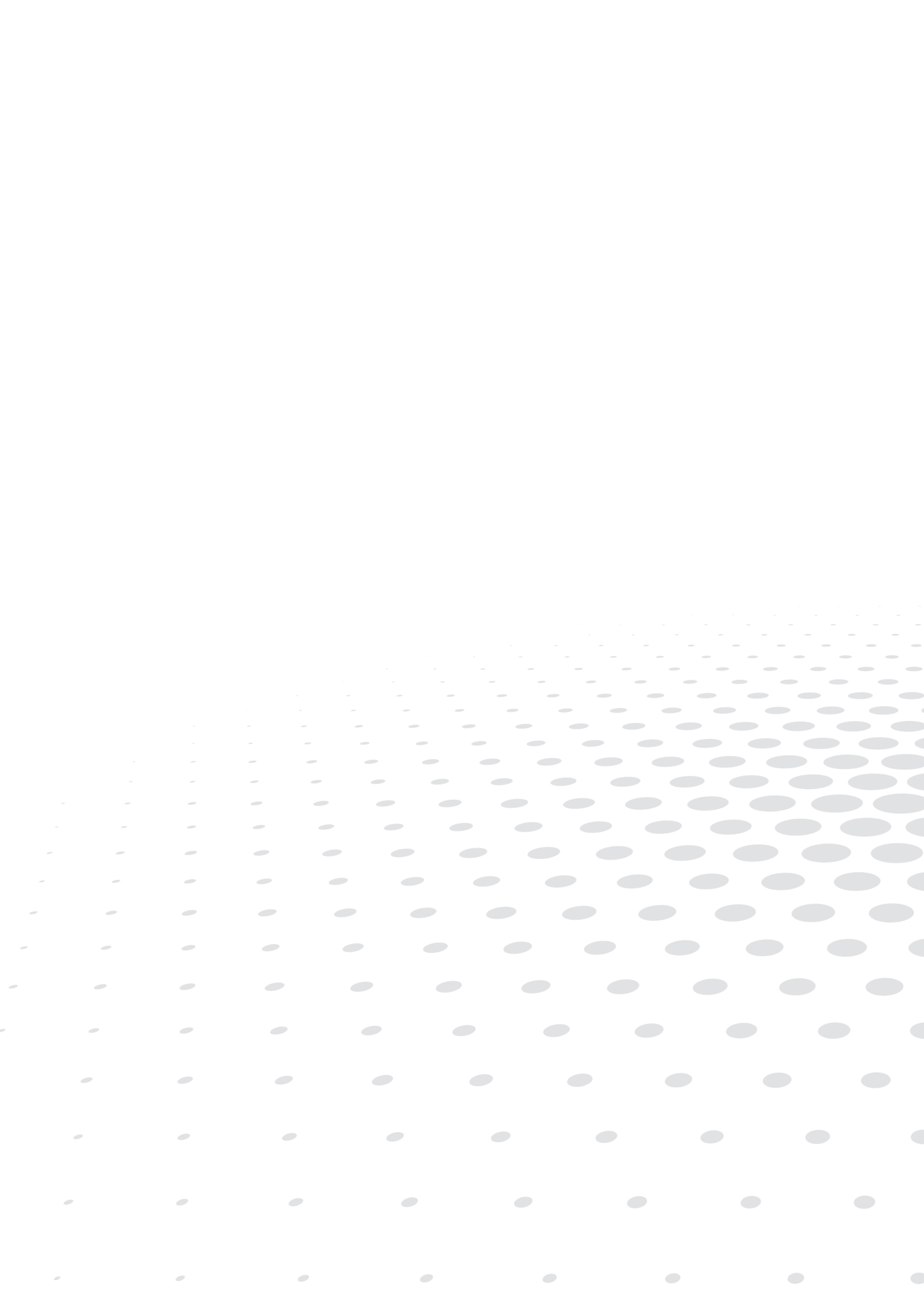
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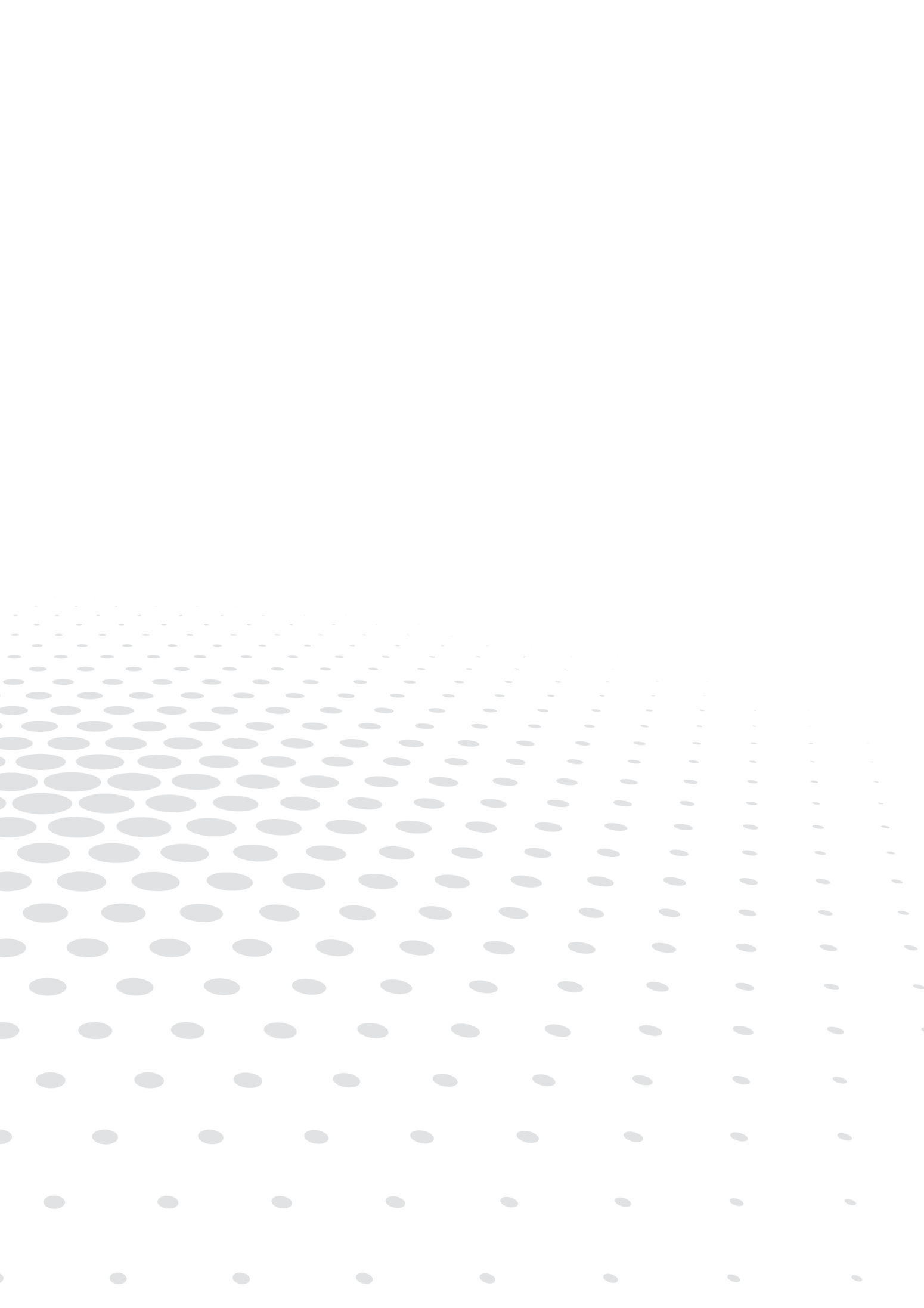
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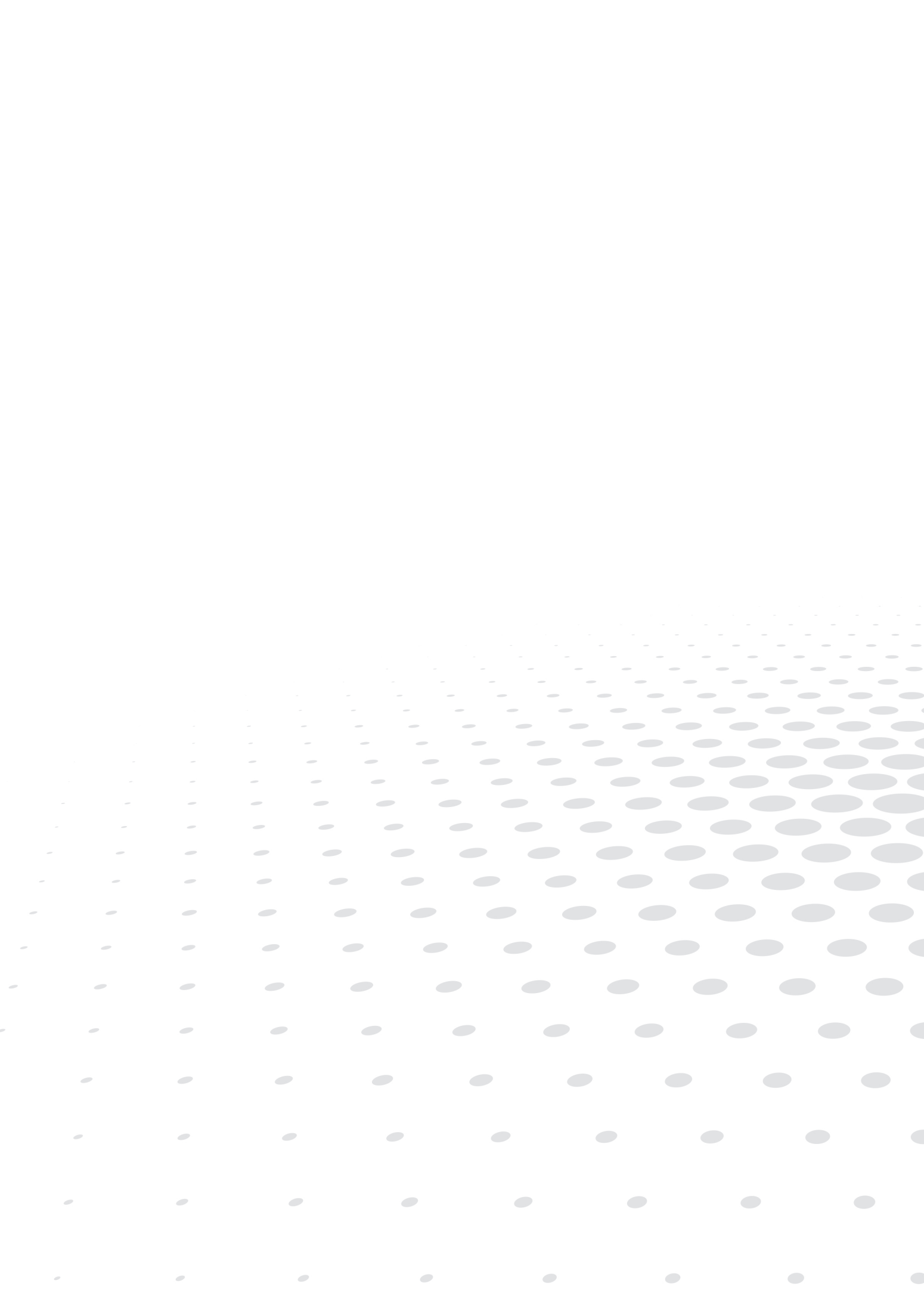
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