



Институт за човекови права

Monitoring report



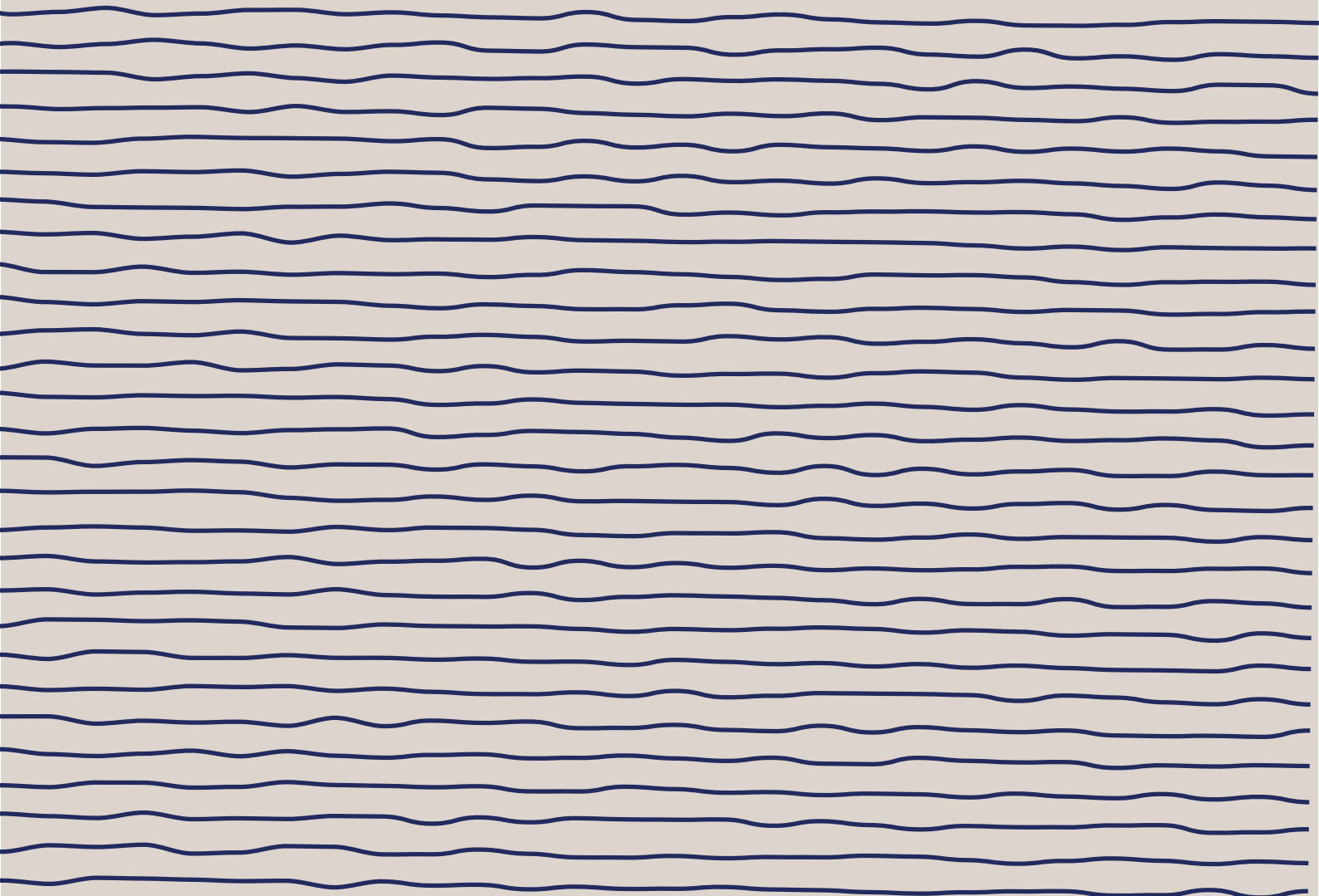
MONITORING REPORT ON THE IMPLEMENTATION OF THE ANTI-CORRUPTION PLAN "ACTION 21" AND THE NATIONAL STRATEGY FOR PREVENTION OF CORRUPTION AND CONFLICT OF INTEREST

January - March 2022

**NATIONAL
STRATEGY**
FOR COMBATING CORRUPTION

Project:
"Monitoring of national actions for combating corruption"

Implementer:
Institute for Human Rights



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INTRODUCTION

The monitoring report on the implementation of the [Anti-corruption plan “Action 21”](#) and [the National Strategy for Prevention of Corruption and Conflict of Interest](#), in the period between January and March 2022 was prepared under the project “Monitoring of National Actions for Combating Corruption”. The objective was to measure the level of implementation of these documents and to show the open issues, gaps and shortcomings in the implementation of the activities planned.

Having in mind that the focus in [first monitoring report](#) was on the anti-corruption plan “Action 21” and the activities undertaken in accordance with the plan, the focus of this Second Report is on the implementation of the National Strategy in its first year of implementation (2021). In order to better assess the level of implementation and to report on the challenges institutions face during its implementation, the measures-activities planned for in the National Strategy will be divided into **five areas** which are common with those in Action 21: (i) Public procurement; (ii) Employment; (iii) Judiciary, (iv) Economy and Business and (v) Public enterprises (PE) and joint stock companies (JSC) owned by the state and the local self-government.

The evaluation of the level of implementation of the activities foreseen in the National Strategy in correlation with activities from “Action 21” on prevention of corruption, will be done by using the **evaluation scale with 4 levels of implementation** (zero, initial, partial and complete) chosen depending on the level of implementation of a specific measure.

Level	Explanation	Color
1	Zero - the implementation has not started yet	Red
2	Initial - the implementation has been started	Orange
3	Partial - several measures have been implemented, but the process is not completed	Yellow
4	Complete - all measures have been implemented and there are impacts that can be assessed	Green

The reporting on the challenges, open issues, gaps and shortcomings in the implementation of the steps planned will be done in the Remarks section, where we also report on the progress achieved in the implementation of specific measures and activities and we will present activities undertaken with this aim. Additionally, we will inform about the possible challenges and we will present our conclusions and recommendations, in order to overcome them.

It is of particular importance to note that in the reporting period IHR met with the [Deputy President of the Government in charge of good governance policies](#), and she informed us that a new government plan was being prepared that would also cover corruption, but with a slightly different focus: instead of on countering corruption, the focus will be put on anti-corruption policies. The government’s new good governance plan contains three main pillars: digitization of processes; transparency and efficiency of institutions and anti-corruption policies.

Additionally, the data used in the preparation of this report were mainly collected at round tables, organized by the [State Commission for Prevention of Corruption \(SCPC\)](#) in order to evaluate the implementation of the National Strategy, but also by reviewing the websites of the respective institutions and during direct meetings with representatives of several institutions.

[The National Strategy for Prevention of Corruption and Conflict of Interest - 2021-2025](#) was adopted in a broad, inclusive and transparent process implemented by the SCPC and it was adopted by the Assembly of the Republic of North Macedonia. The Strategy identifies 54 problems and foresees 111 measures and 191 actions to overcome the problems. The actions are systematized in 15 areas and sectors:

1. **Public procurement;**
2. **Employment;**
3. Political system;
4. **Judiciary;**
5. Law enforcement authorities;
6. Health;
7. Education;
8. Labor and social policy;
9. Urban and spatial planning;
10. Environment;
11. Agriculture;
12. Sport;
13. **Economy and business;**
14. **Public enterprises;**
15. Media and Civil Society

With regard to the monitoring carried out by the IHR and the preparation of this Report, most relevant are the measures-activities provided in the next five areas: (i) Public procurement (4 activates); (ii) Employment (13 activates); (iii) Judiciary (14 activates), (iv) Economy and Business (12 activates) and (v) Public enterprises (PE) and joint stock companies (JSC) owned by the state and the local self-government (6 activates), in which they overlap with the measures in "Action 21".

I.

PUBLIC PROCUREMENT

Measure-activity	Developing and delivering trainings on application of standards in the preparation of technical specifications and application of criteria for determining capacity, with participation of the Institute of Standardization		
Related to "Action 21"	X. Public Procurement		
Level of implementation	Initial		
Deadline	Second half of 2021 - continuous		
Comment	<p>The Public Procurement Bureau as per the Law on Public Procurement, does not have a possibility to use trainers from the Institute for Standardization to develop and deliver trainings on the application of standards in the preparation of technical specifications as well as on the application of criteria for determining capacity. This law does not envisage public procurement trainings to be held by persons who do not hold a certificate for public procurement trainer. Due to these reasons, this activity as it is planned, is inapplicable; however, there are alternative ways to implement it, such as:</p> <ul style="list-style-type: none"> • A memorandum of cooperation could be signed between the PPB and the Institute, in order to train trainers from the PPB to develop and deliver trainings on application of standards in the preparation of technical specifications and on application of criteria for determining capacity. The memorandum has already been signed. • The Standardization Institute could deliver trainings for the trainers from the PPB. It is planned these trainings to be delivered in October 2022. 		

Measure-activity	<ol style="list-style-type: none"> 1. Amending the Law on Public Procurement to prescribe mandatory signing of an impartiality statement in the public procurement procedure. 2. The model tender documents prepared by the PPB, contain an obligation to list persons authorized for receipt of reports submitted by whistleblowers (concerning protected internal and external reporting). 3. Strengthening the supervision with regard to publication of information on public procurement procedures, as per Article 10 of the Law on Free Access to Public Information. 		
Related to "Action 21"	X. Public Procurement		
Level of implementation	Zero	Complete	Zero
Deadline	First half of 2023	Second half of 2020	First half of 2021 - continuous

Comment

1. One possible solution is to merge the existing conflict of interest statement with the statement of impartiality. The deadline is not due.
2. The model tender documents (for small value procurement and for the simplified open procedure) have been amended with information on persons authorized to receive reports from whistleblowers. The model tender documents now contain a place where the contracting authority has to list "the person authorized to receive reports".
3. **The Agency for Free Access to Public Information** (AFAPI) supervises public procurement information published on the web pages of the information holders, only in terms of:
 - Public procurement annual plans
 - Public procurement calls
 - Notices of contracts awarded

However, this is done without analyzing their content.

The Agency has informed us that there are no misdemeanor provisions that stipulate sanctions for not disclosing the above-mentioned information, as indicated in the activity.

Pursuant to Article 10 of the Law on Free Access to Public Information, the institutions have an obligation to publish 21 types of documents. These include the documentation on public tenders. However, no institution is monitoring this process. In any case, AFAPI has not fulfilled its obligation to supervise the application of Article 10 of the Law in relation to public procurement, which is one of its key competencies.

In order to strengthen the supervision with regard to publishing information, it is necessary to introduce misdemeanor provisions in the Law. Additionally, consideration may be given to extending the Agency's powers, in order to monitor also the publishing of documents related to tenders.

II.

EMPLOYMENT

Measure-activity	Changing the Law on Public Sector Employees to abolish the possibility for employing workers through temporary employment agencies and of transforming their employment without a regular employment procedure.
Related to "Action 21"	XIII. Plan for changing and amending the regulations in the field of administrative servants and public sector employees
Level of implementation	Initial
Deadline	Second half of 2021
Comment	The Law on Public Sector Employees has already been changed and the possibility for employment through temporary employment agencies and of transforming their employment without a regular employment procedure is abolished. The draft law was published on ENER on 17 September 2021 and in the reporting period the Ministry of Information Society and Administration (MIOA) was working on improving the legal provisions based on the comments submitted by other institutions. It is expected this Law to be submitted to the Government in the third quarter of 2022.

Measure-activity	<ol style="list-style-type: none"> 1. Realistically assessing the needs concerning the number of employees and their expertise in the public sector entities, by preparing and publishing a functional analysis. 2. Analyzing the need to introduce an annual workload assessment in public sector entities 	
Related to "Action 21"	XIII. Plan for changing and amending the regulations in the field of administrative servants and public sector employees	
Level of implementation	Partial	Zero
Deadline	Second half of 2021 - continuous	Second half of 2021
Comment	<ol style="list-style-type: none"> 1. In accordance with the Law on Public Sector Employees, the institutions in the public sector, as of 2015, have the obligation to prepare the act for internal organization and the act for systematization of positions, based on their functional analysis. For this purpose, MIOA, in 2015, has developed the Methodology for Developing a Functional Analysis, and in 2018 it was subject to some changes and improvements. Additionally, 15 training sessions on applying the methodology were delivered for representatives of various institutions. Since 2018 the MIOA maintains a database of functional analyses developed by public sector entities and they are available on the MIOA website (p.29). In doing so, some of the institutions publish their functional analyses on their websites (Administration Agency, the Academy for Prosecutors and Judges, State Sanitary and Health Inspectorate, MIOA etc.). 2. The MIOA shared information that the analysis of the need to introduce an annual assessment has not yet been developed. 	

Measure-activity	Amending the Rulebook on the Content and Manner of Preparing Acts for Internal Organization and Systematization of Positions, as well as on the Content of the Functional Analysis of Public Sector Institutions, in order to determine the type of higher education needed through areas of research, not through fields of science, in accordance with the Frascati classification of areas of research when determining the type of education in the acts for systematization of positions.
Related to "Action 21"	XIII. Plan for changing and amending the regulations in the field of administrative servants and public sector employees
Level of implementation	Zero
Deadline	First half of 2022
Comment	According to the information received from MIOA, the amendment of the Law on Public Sector Employees, which will be submitted for adoption to the Government in the third quarter of 2022, provides the basis for amending the Rulebook on the Content and Manner of Preparing Acts for Internal Organization and Systematization of Positions, as well as on the Content of the Functional Analysis of Public Sector Institutions, in order to determine the type of higher education through areas of research. The deadline for completion is not due.

Measure-activity	Strengthening the supervision with regard to the publishing of the acts on organization and systematization and on employment, in accordance with Article 10 of the Law on Free Access to Public Information
Related to "Action 21"	None
Level of implementation	Zero
Deadline	First half of 2021 - continuous
Comment	<p>According to the response received from the Agency for Protection of the Right to Free Access to Public Information (AFAPI), in accordance with Article 10 of the Law on Free Access to Public Information, the Agency has no authority to supervise the publication of employment acts. Therefore, the specific indicator contained in the Action Plan of the National Strategy cannot provide valid parameters, because it is not a measurable indicator of the activity.</p> <p>The Agency pointed out that, in accordance with its competencies arising from the Law on Free Access to Public Information, it monitors only the publication of acts for internal organization and systematization, without looking into their content. Out of the 251 monitored institutions, documents for internal organization and systematization have been published by 196 institutions.</p> <p>At the same time, with regard to the provisions of article 10 of the Law, the Agency monitors whether the information holders inform the public through their website by publishing the List of the 22 categories of information.</p> <p>The Agency points out that the indicators from the Action Plan do not correspond with the measurability of the activity, which is why it has been proposed to change them. Also, it was pointed out that the mentioned indicators were determined while the previous Law on Free Access to Public Information from 2006 was still in force, as well as its amendments from 2010. Given the fact that from 2019 there is a new Law, it is necessary to consult the Agency regarding the determination of the indicators.</p>

Measure-activity	<ol style="list-style-type: none"> 1. Establishing criteria (competences, revenues/expenditures, number of employees) in the Law on Public Enterprises (LPE) and in the Law on Companies (LC), with relation to optimization of the number of members in the governing bodies (supervisory and management boards - SB and MB); 2. Changing and amending the LPE and the LC in order to: <ul style="list-style-type: none"> • prescribe a legal obligation, with the Statute to determine the necessary type of education for the managers and for the members of the governing bodies; • prescribe the procedure for timely appointment of the legally determined number of members of the supervisory and management boards; • prescribe misdemeanor sanctions for the founder for untimely appointment of members or unlawful selection of a manager; 3. Harmonizing the statutes of the PE and the JSC, in accordance with the changes in the laws. 		
Related to "Action 21"	VII. Management and supervisory boards		
Level of implementation	Partial	Partial	Zero
Deadline	Second half of 2021	Second half of 2021	Second half of 2022
Comment	<ol style="list-style-type: none"> 1. The Government adopted the Draft-law on Public Enterprises and the Draft-law on Institutions. Once again, the problem for full implementation of this measure is the Assembly of the Republic of North Macedonia, because neither of the two laws has been passed by the Assembly. On the other hand, no such activities have been undertaken with regard to the Law on Companies. The main goal of both laws is to optimize the number of members in the governing bodies and to establish clear criteria regarding their selection. The deadline for completion is extended to the first half of 2022. 2. The suggested changes and amendments to the Law on Public Enterprises (Article 17) in order to reduce the number of members in the management and supervisory boards, as well as the criteria for their appointment, are in the parliamentary procedure. On the other hand, no such activities have been undertaken with regard to the Law on Companies. 3. It is expected that once the amendments of the law are passed by the Assembly the statutes of the PE and the JSC will also be harmonized in accordance with the amendments. The implementation deadline is not due yet. 		

Measure-activity	<ol style="list-style-type: none"> 1. Adopting bylaws to establish objective criteria and an objective evaluation process for employment and promotion depending on the specific needs of each sector; 2. Analyzing the legislation that allows discretion of the person in charge of employment; 3. Implementing the findings of the analysis; 		
Related to "Action 21"	XIII. Plan for changing and amending the regulations in the field of administrative servants and public sector employees		

Level of implementation	Zero	Complete	Zero
Deadline	First half of 2022	First half of 2021	Second half of 2022
Comment	<ol style="list-style-type: none"> 1. The MIOA reported that the adoption of the bylaws determining the objective criteria and an objective evaluation process for employment and promotion depends on the adoption of the Draft Law on Public Sector Employees. The provisions of the Draft Law, which relate to employment and mobility, give the grounds for determining objective criteria and an objective evaluation process, while each institution has to determine them separately in a bylaw. The deadline is not due yet. 2. The activity is completed, and under an IPA project reports on discretion rights in the public sector, education, culture and health are prepared. The findings were presented at the final conference of IPA. The reports are being translated into Macedonian. When they are ready, the SCPC will publish them. 3. During the second half of 2022, the implementation of the findings will begin, starting with amendment of laws regulating discretion rights. 		

III.

JUDICIARY

Measure-activity	<ol style="list-style-type: none"> 1. Amending and passing the Code of Public Prosecutors, with comments and examples; 2. Adopting mandatory training programs on professional conduct for judges and prosecutors; 3. The trainings will be delivered by the Academy for Judges and Prosecutors. 		
Related to "Action 21"	None		
Level of implementation	Complete	Complete	Complete
Deadline	Second half of 2021		
Comment	<ol style="list-style-type: none"> 1. The new Code of Ethics for Public Prosecutors, was adopted by the Council of Public Prosecutors in May 2021. It was determined that the Code could not contain comments and examples and that these could be drafted in an additional activity carried out by the Association of Public Prosecutors – for example by preparing manuals and similar documents. 2. The Academy for Judges and Public Prosecutors (AJPP) reported that they are currently preparing a General Program for continuous professional development of judges, public prosecutors and other representatives from institutions related to the judiciary, which shall cover a period of 2 years. It includes a section on organized crime and corruption and a section on general topics like ethics and integrity. From the information received from AJPP, it cannot be specifically concluded whether the trainings on professional conduct for judges and prosecutors were already delivered as part of the training package that AJPP delivered in 2021. However, it is emphasized that a new training program is currently being developed, which can integrate the training on professional conduct for judges and prosecutors. 3. It is emphasized that in accordance with the general training program, training sessions on ethics and integrity for judges and public prosecutors are regularly delivered. 		

Measure-activity	<ol style="list-style-type: none"> 1. Increasing the PPO budget for new employments. 2. Delivering training for new public prosecutors. 3. Establishing investigative centers within the public prosecution offices. 		
Related to "Action 21"	I. Staffing and digitalization of the Public Prosecution Office and of the investigation centers within the basic public prosecution offices ¹		
Level of implementation	Partial	Partial	Partial

¹ [First monitoring report](#) pg.8

Deadline	Second half of 2021	Continuous	Continuous
Comment	<ol style="list-style-type: none"> 1. Additional funding for new employment in 2022 has been approved and 435,140,000 denars for salaries in the Public Prosecution Office of the Republic of North Macedonia (PPORNM), are allocated in the budget. This represents an increase of about 10.3%, compared to 2021. With the funds planned for 2022, the salaries in PPORNM shall be increased by 15% while the rest of the funds shall be used for unrealized consent for employment from 2021 for 60 persons and unrealized renewal of consent from 2020 for 11 persons. However there is a practical problem because for many of the positions there are no candidates at all, because the legal framework stipulating the conditions that candidates should meet is problematic. Among other things, an international foreign language proficiency certificate is still required even for the lowest positions. An additional challenge is the lack of IT professionals. 2. The AJPP reported that in 2021, trainings related to civil, criminal and administrative law were delivered for the public prosecutors elected in 2020 and 2019. Prosecution offices have a shortage of prosecutors, and AJPP candidates are not enough to make up for the factual shortage of prosecutors. 3. Although the increase in funding has been approved (mostly for increased salaries), additional investigative centers have not been established (besides the four that already exist). Besides this, the centers established are still not fully equipped and lack the IT staff and additional resources to fully perform their duties. The IPA-twinning project Building the Investigative Centers Institutional Capacity was implemented in relation to this activity. Besides this, meetings were held between the State Prosecutor Ljubomir Joveski and Justice Minister Nikola Tupancheski, as well as with the Chief Prosecutor of the General Public Prosecution Office Skopje - Gavril Bubevski. The need for staffing and the possibilities for obtaining technical support for equipping the investigative center were subject of the discussion, as well as the commissioning of the courtroom at the Idrizovo Prison. 		

Measure-activity	<ol style="list-style-type: none"> 1. Analyzing the case management process in the Public Prosecution Office. 2. Procuring an automated system for allocation and tracking of cases. 3. Training of personnel to use the system. 		
Related to "Action 21"	None		
Level of implementation	Partial	Zero	Zero
Deadline	Second half of 2021	First half of 2022	Second half of 2022
Comment	<ol style="list-style-type: none"> 1. An analysis was conducted and a draft Rulebook on the Manner of Allocation of Cases in the Public Prosecution Offices with the System for Electronic Allocation of Cases has been developed. However, the final decision has still not been made if the existing system will be upgraded or a completely new automated system for allocation and tracking of cases will be developed. 2. The Prosecution Office does not have a definite position on how to implement the activity, so they have not yet started the procurement of the system. 3. There is no functional system in place for allocation of cases in the PPO, and the deadline for this activity is not due yet. 		

Measure-activity	Adopting a new Law on State Attorney's Office (SAO)
Related to "Action 21"	None
Level of implementation	Initial
Deadline	Second half of 2022
Comment	<p><u>The State Attorney's Office</u> has notified the Ministry of Justice (MoJ) about the preparation of the new Law on SAO, asking it to integrate its development in the new Justice Strategy, which is currently being prepared. The deadline for this activity will be extended until 2023 and until September 2022 the SAO needs to submit the analysis, they are preparing which shall serve as a basis for the new law.</p> <p>The MoJ reported that they did not plan this activity for 2022.</p>

IV.

ECONOMY AND BUSINESS

Measure-activity	Developing a State Aid Register, under the Commission for Protection of Competition (CPC)
Related to "Action 21"	XVIII. Register of granted state aid ² .
Level of implementation	Zero
Deadline	Second half of 2022
Comment	The activity is not completed, i.e., the Register has not yet been established. As the CPC stated, the reason for this is the lack of funding which should be provided by the Government and it is not known whether in 2022 the Register will be established. By the time the Register is opened, the data kept by the Fund for Innovation and Technology Development may serve as a database. Additionally, not only private, but also all state-owned enterprises should be listed in the Register.

Measure-activity	<ol style="list-style-type: none"> 1. Developing a feasibility study for determining the situation with regard to the use of natural resources per area (optimizing the use of natural resources in order to protect the environment). 2. Adopting policies and measures aimed at meeting the recommendations of the feasibility study. 	
Related to "Action 21"	None	
Level of implementation	Initial	Zero
Deadline	Second half of 2021	Second half of 2022
Comment	<ol style="list-style-type: none"> 1. The Ministry of Economy (ME) states that the planned document is not a feasibility study similar to the study required for investments, but that it is more of a situation analysis. To this end, ME has signed a Memorandum of Cooperation with the Macedonian Academy of Science and Art, which contracted the geologist Blazho Boev (member of MASA) to prepare a Strategy for the next 20 years, with the relevant action plans. It is expected that the Government will soon approve the Contract for the development of the strategy, which will be developed in the next 2 years. Funds have been ensured for the first year of development. 2. Considering that the deadline for the preparation of the study has been extended until 2024, the adoption of policies and measures aimed at meeting the recommendations of the feasibility study will start to apply from 2024. An appropriate action plan will be prepared for the implementation of each measure. 	

² [First monitoring report](#) p.13 and p.14

Measure-activity	Increasing transparency and public disclosure of concession contracts awarded for exploitation of raw materials	
Related to "Action 21"	None	
Level of implementation	Initial	
Deadline	Second half of 2022 - continuous	
Comment	<p>As stated by the Ministry of Economy (ME) and as it could be seen on the e-concessions website, concession contracts are still not being published. As stated, the ME has a general information system which contains all contracts and concession decisions (scanned). However, the system is internal and used only by the Ministry and the contracts are not publicly available. In the coming period, the ME will publish all contracts on its website and on the e-concessions portal.</p> <p>For the time being, in order to increase the transparency with regard to concessions granted, the website of the Ministry of Economy contains a list (excel table) with concessions awarded for mineral raw material exploitation.</p> <p>The activity is ongoing.</p> <p>Additionally, the website of MOEPP presents only a small number of legal entities that have concluded contracts for water concessions and small hydro-power plants. The Ministry of Agriculture, Forestry and Water Economy should publish water management concessions, through concessions for small hydropower plants.</p> <p>According to information shared by the Ministry of Agriculture, Forestry and Water Economy and the information published on their website, it can be determined that the contracts for the purchase of agricultural land have not been publicly announced, but that the register of lessees of state-owned agricultural land has been published. In the past, these contracts were publicly available.</p> <p>The Ministry of Agriculture, Forestry and Water Economy should do the same as the Ministry of Economy, they should publish the data from the contracts – price, location, land area, etc. – and the deadline for this is the second half of 2022.</p> <p><i>A good example of increasing the institutions' accountability with regard to publishing contracts is Slovakia, where public sector contracts may only be executed if they are made public.</i></p>	

Measure-activity	Developing mechanisms for determining the amount and collection rate of the actual concession fee: <ol style="list-style-type: none"> 1. Analyzing and revising the amount of the concession fee and of its collection rate; 2. Developing a Methodology and Mechanisms for Determining a Realistic Concession Fee 	
Related to "Action 21"	None	
Level of implementation	Complete	Zero
Deadline	First half of 2021 - continuous	Second half of 2021

Comment	<ol style="list-style-type: none"> 1. This measure was implemented with the adoption of the new Tariff Book for Determining the Fees for Issuing Permits and Concessions for Performing Detailed Geological Surveys as well as Concessions for Exploitation of Mineral Resources, published on the website of the Ministry of Economy (ME). However, public data on the application of the new Tariff Book are missing. Before adopting the new Tariff Book, the ME has prepared an appropriate analysis. The Tariff Book was adopted in 2020 and its application has started in 2021. The activity was implemented before the National Strategy for Prevention of Corruption was officially adopted. The Tariff Book was published in the Official Gazette No. 24, on 4 February 2020. 2. The activity is not completed because no methodology has been developed in order to calculate if the Tariff Book realistically calculates the concession fees. The deadline will be changed – it will be the first half of 2024 – in order to link it with the adoption of the ME strategy
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Measure-activity	Increasing the control in the exploitation of raw materials after granting concessions: <ol style="list-style-type: none"> 1. Increasing the number of employees in the inspection services; 2. Delivering trainings for inspectors in the competent inspection services. 	
Related to “Action 21”	None	
Level of implementation	Initial	Zero
Deadline	First half of 2021	Continuous
Comment	<ol style="list-style-type: none"> 1. In accordance with Article 100 of the Law on Mineral Raw Materials, the controls in the exploitation of raw materials, after the concessions are granted, are carried out by the state inspectorates for technical inspection, state geological inspectorate, state mining inspectorate, and by state inspectors for electricians in mining as well as by other inspection bodies. As already identified, the inspectorates need more staff and better technical equipment. In order to achieve this goal, in the next period, the directors of the inspectorates should submit information on the current number of personnel and inventory of equipment. The measure has not been implemented – this as a new activity. The Ministry of Environment and Spatial Planning should also take part in this activity, specifically in regard to environment protection supervision. 2. The activity has not been implemented. 	

Measure-activity	Establishing a single record of the real estate owned by the Republic of North Macedonia: <ol style="list-style-type: none"> 1. Updating the electronic records of real estate owned by the state, as well as of state-owned real estate used by state bodies and legal entities established by the state and the local self-government units (LSGUs); 2. Ensuring transparency by making the state-owned real estate register searchable and available on the website of the Agency for Real Estate Cadastre (AREC). 	
Related to “Action 21”	None	
Level of implementation	Partial	Zero
Deadline	First half of 2021 - continuous	
Comment	<ol style="list-style-type: none"> 1. In the past, attempts have been made to update the real estate by introducing a Cadastre Record Book. As planned with this activity, all state institutions were obliged to provide data on the entire property at their disposal. However the implementation failed, because only a few ministries provided data. In accordance with Article 57 of the Law on the Disposal of Items Owned by the Republic of North Macedonia, two years ago, the Agency for Real Estate Cadastre (AREC) began establishing a single record based on the Unique Identification Number (EIB) of state-owned real estate, as well as of state-owned real estate used by state authorities and legal entities incorporated by the state. To this end, a list of state authorities (1342 state authorities) was provided by Ministry of Information Society and Administration. AREC, in accordance with the data made available by the MIOA, has created a register, which is not complete. The activity is ongoing. It continues in 2022. In order to overcome the problems of updating the electronic record of real estate, the Strategy proposes a new activity: namely to form an inter-agency commission – comprising representatives from the Commission for Prevention of Corruption, the Agency for Real Estate Cadastre, State Audit Office, the Government, the Ministry of Information Society and Administration, the Office for Common Affairs of the Government, the State Attorney’s Office, the Association of the Local Self-Government Units. The responsible institution and coordinator would be the Agency for Real Estate Cadastre and the deadline for completion of the activity would be the second half of 2022. The aim of the activity is to make an inventory of the real estate, which would begin in the first half of 2023. Additionally, according to the plan, this activity should be completed by the end of 2022 with the recording of land and facilities that are fully owned by the Republic of North Macedonia and which have unrecorded ownership rights. 2. The activity has not been implemented, because there is no complete and publicly available data on state-owned property; thus the option for establishing an open searchable database of state-owned property on the Agency for Real Estate Cadastre website is not possible. So far, the only way to access the records of land and facilities owned by the state is through the OSSP database available at the AREC website, but only if the specific plot number and the cadastre municipality is known. 	

Measure-activity	Establishing a publicly available register of motor vehicles owned by public sector institutions and local self-government units (except for special purpose vehicles)
Related to "Action 21"	XI. Drafting a Law on Changing and Amending the Law on Use and Disposal of State-Owned Items.
Level of implementation	Zero
Deadline	Second half of 2021
Comment	The activity entails an upgrade to <u>the existing motor vehicle register, kept with the Interior Ministry</u> , with the possibility of making it publicly available and searchable per institution. However, this activity is not completed due to the Interior Ministry's dissent to maintain this register, although it is listed as the competent institution in the Strategy. A change will be made accordingly and the responsibility for the register will be transferred to the Finance Ministry. The new deadline is the second half of 2022.

V.

PUBLIC ENTERPRISES AND JOINT STOCK COMPANIES OWNED BY THE STATE AND THE LOCAL SELF-GOVERNMENT

Measure-activity	Establishing and regularly updating a register of ownership data and financial results of enterprises established or fully and partially owned by the state and the local self-government in accordance with the Law on Public Enterprises and the Law on Companies.
Related to "Action 21"	None
Level of implementation	Zero
Deadline	First half of 2022
Comment	<p>In order to complete this activity, it is necessary to amend the Law on Public Enterprises, as there is no legal basis for establishing the register (as it will not cover public institutions). The Unit on Companies and One Stop Shop System in the Ministry of Economy (ME), as a unit responsible for this activity, is lacking staff.</p> <p>According to the information shared by the Ministry of Economy, they have initiated changes to the Law on Public Enterprises and the Law on Institutions, as per the tasks given to them by the Government under Action 21, in order to optimize the number of members of supervisory and management boards in PE and JSC. At the same time, they stress that the changes planned should be made in coordination with the changes to the Law on Companies. To this end, before implementing such changes, it is necessary to make a detailed analysis of possible legal solutions. The Ministry is currently not working on it, considering that the Unit is not staffed. There are indications that this process could be taken over by the Office of the Deputy Prime Minister in Charge of Economic Affairs, Co-Ordination of Economic Sectors and Investments. Besides this, there is another problem in the Law on PE, and it is the absence of misdemeanor provisions concerning the liability for managing the PE, especially in relation to servicing the debts of the PE.</p> <p>This activity could be implemented quickly only if rapid legal changes are made, thereby establishing the register/-s on ownership and on financial results of public enterprises and introducing the misdemeanor provisions in the respective laws.</p>

Second half of 2024	<ol style="list-style-type: none"> 1. Drafting and adopting an anti-corruption program for enterprises dominantly owned by the state and the LSGUs 2. Establishing effective monitoring over the implementation of the program.
Related to "Action 21"	XII. Preparation of an Annual Anti-Corruption Program

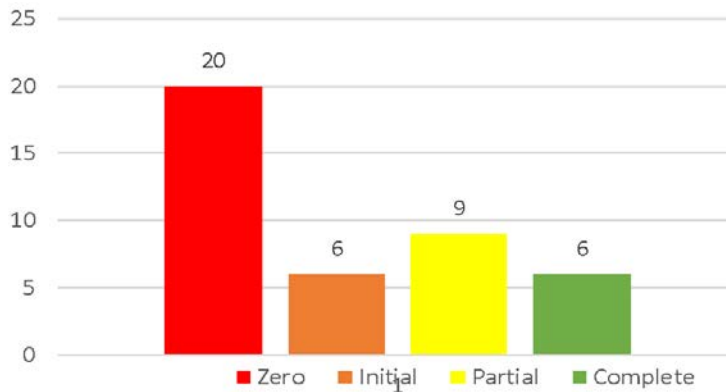
Level of implementation	Partial	Zero
Deadline	First half of 2024	Second half of 2024
Comment	<ol style="list-style-type: none"> 1. As per the Strategy, the preparation and adoption of the anti-corruption program for enterprises dominantly owned by the state and the LSGUs is scheduled for the first half of 2024. However, according to information shared by the Government, 85 institutions already have an anti-corruption program developed and adopted, and it has been reported in the previous report.³ 2. The monitoring over the implementation of the program will begin in the second half of 2024 and it will be an on-going activity. 	

Measure-activity	<p>Establishing a single legal framework for the operation of companies dominantly owned by the state and for the PE established by the government or by the local self-government units:</p> <ol style="list-style-type: none"> 1. Comparative analysis of the legislation in the region and in the EU member states; 2. Adoption of a single law to regulate the operation of these categories of legal entities. 	
Related to "Action 21"	None	
Level of implementation	Zero	Zero
Deadline	Second half of 2022	First half of 2023
Comment	<ol style="list-style-type: none"> 1. The development of the comparative analysis has not yet started. The reason for this is the lack of staff in the Unit for Companies and the One-stop Shop System at the Ministry of Economy, which is competent for this activity. 2. The Ministry of Economy in the information submitted, states that the adoption of one law on the operation of the dominantly state-owned companies and of the PE established by the Government and the local self-government, is not planned following the example of the Republic of Croatia. This issue requires additional coordination with the Deputy Prime Minister in Charge of Economic Affairs and with the Deputy Prime Minister in Charge of Good Governance. 	

³ [First monitoring report](#) p..18

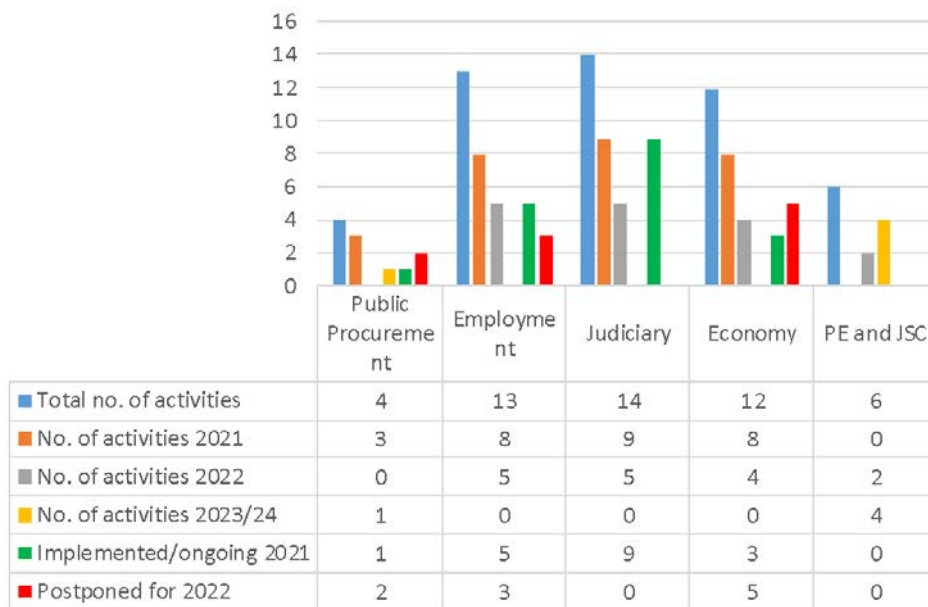
TABLES

Level of implementation of the activities in 5 areas of the Strategy (Public procurement, Employment, Judiciary, Economy and PE and JSC)



* The implementation deadline is not due for 16 activities

Planned, implemented and postponed activities by area and year



CONCLUDING OBSERVATIONS

The monitoring of the level of implementation of activities planned in the five strategic areas: Public procurement, Employment, Judiciary, Economy and business, PE and JSC shows that the implementation of most of the activities has not started yet. Hence the dominant color is red. For some of the activities the implementation deadline is between 2022 and 2024, but this should not be seen as a reason not to start their implementation, especially if these activities are more complex.

Most of the activities in these areas are planned for 2021, i.e. for the first year of implementation of the Strategy. Namely, 28 activities (57%) are planned for 2021, 16 (33%) for 2022, 5 (10%) are planned for 2023 and 2024, and no activity (0%) is planned for 2025.

Of the 28 activities planned for 2021 in the areas listed, 18 (64%) have been fully implemented or are in the process of being implemented, while 10 (36%) have not been started at all and are postponed to 2022. From the data presented we can conclude that the highest level of implementation is in the Judiciary, 9 out of 9 activities have been initiated. On the other hand, in the Economy and business sector, we have only 3 activities initiated or fully implemented out of 8 activities that have been planned for 2021.

The main reasons for delaying the activities are:

- Insufficient and inadequate staffing in the competent units of the respective institutions.
- Delays in the legislative procedure; the changes to some relevant laws or new laws proposed are still in the parliamentary or government procedure.
- Lack of state budget funds to implement some of the activities which are to be funded by the state.
- Lack of coordination between the relevant institutions and unclear mandate for the implementation of the activities planned for in the Strategy.

The data collected during the round tables and during the meetings with some of the competent institutions, show that it is necessary to start a procedure for amending the Strategy. The changes should adjust some of the deadlines for the measures and activities that have not been implemented, as well as change the institutions responsible for implementing some of the activities. Besides this, new problems have been identified, requiring additional measures and actions.

In accordance with the [SPCP Report](#) two new areas are to be added, inspections and disposal of property owned by the state and the municipalities, which correlate with the measures provided for in "Action 21".

ABBREVIATIONS

AREC	Agency for Real Estate Cadastre
AFAPI	Agency for Free Access to Public Information
AJPP	Academy for Judges and Public Prosecutors
JSC	Joint stock companies
PPB	Public Procurement Bureau
Government	Government of the Republic of North Macedonia
SCPC	State Commission for Prevention of Corruption
LSGU	Local self-government units
PE	Public enterprises
Prosecutor's Office (PPO)	Public Prosecutor's Office of the Republic of North Macedonia
MASA	Macedonian Academy of Sciences and Arts
MOEPP	Ministry of Environment and Spatial Planning
MAFWE	Ministry of Agriculture, Forestry and Water Economy
ME	Ministry of Economy
MIOA	Ministry of Information Society and Administration
MoJ	Ministry of Justice
MF	Ministry of Finance
Strategy	National Strategy for Prevention of Corruption and Conflict of Interest
Action 21	Anti-Corruption Plan "Action 21"
RNM	Republic of North Macedonia
FITR	Fund for Innovation and Technology Development

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