

Some progress can be reported in the area of **anti-corruption policy**.

From the first Group of States Against Corruption (GRECO) evaluation round twelve out of thirteen recommendations have been implemented. Further steps were taken to implement the GRECO recommendations from the second round of evaluations thus leading to the fulfilment of all 14 recommendations. The third GRECO evaluation round covering the financing of political parties and incriminations was finalised and the GRECO reports were released in August 2010. These comprise 13 recommendations.

The amendments to the Criminal Code are applicable since March 2010 as regards the criminal liability of legal persons, introducing illicit enrichment, abuse of public procurement procedures, the complementary penalty of interdiction of the exercise of profession and fraud to the detriment of EU funds. A law on public servants was enacted which sets up a regulatory framework for public officials other than civil servants.

Large scale police operations led to the arrest of more than 60 police officers from three border crossing points and more than 35 doctors and officials from the Pension and Disability Insurance Fund charged with corruption offences. First instance convictions to imprisonment have been rendered for 44 of the border police officers. The number of suspended imprisonment sentences dropped to 2% in 2009 as compared to 48 % in 2008. Some additional training activities on confiscation and seizure were carried out for judges, public prosecutors and law enforcement agents. Since 2007 until 2009 the ordered confiscations and seizures showed a slightly increasing trend. However, the number of cases in which seizure or confiscation of assets were ordered remains low. Also, the majority of prosecuted corruption cases are for abuse of official position while prosecutions concerning other corruption offences such as bribery are scarce.

The capacity of the specialised unit on interception of communications within the Organised Crime Department of the Ministry of Interior was strengthened. The interception equipment is now separate from the one of counter-intelligence service. The Basic Prosecutor's Office for the Fight against Organised Crime and Corruption filled in most of its prosecutorial positions and was structured into two separate departments: one for offences against official duties and other for violent offences and another for offences against human rights, human health, public order, humanity and international law.

In 2009, the Sector for Internal Control and Professional standards within the Ministry of Interior brought 36 criminal charges against 50 police officers for 44 criminal offences of which 36 were corruption related (40% less than in 2008).

In 2009, the State Commission for Prevention of Corruption (SCPC) adopted a programme for training the trainers in the public administration on conflict of interest related matters and held 9 training sessions for judges, public prosecutors and civil servants on conflict of interest. 63 conflict of interest cases were initiated in 2009 and 50 were completed. In 20 cases conflict of interest was found. The SCPC adopted a template for the declarations of interest. Only 1,708 elected and appointed officials (i.e. approximately 50%) submitted their asset declarations within the deadline prescribed by the law and 3,223 by the end of July 2010. The SCPC initiated 40 misdemeanour procedures against the elected and appointed officials who failed to submit the declarations of interest and 217 against local self government officials. Also, the checks are not systematic. Thus a track record of implementation remains to be established.

In 2009 SCPC initiated 58 misdemeanour procedures for failure to submit asset declarations. 16 fines were imposed, 8 misdemeanour warnings were applied and 5 cases were dismissed. The Office for Prevention of Money Laundering and Financing of Terrorism gained access to the database storing the asset declarations of elected and appointed officials within the SCPC. The SCPC submitted 29 requests to the Public Revenue Office (PRO) in 2009 for checking asset declarations of elected and appointed officials. In 48% of these cases the procedure is ongoing, 12 cases were dismissed and in 2 cases of two municipality mayors the PRO taxed to 70% the unjustified wealth. Upon its own initiative, PRO opened 6 cases in 2009 of which three were dismissed and in the other three 70% taxation of unjustified wealth was applied. The SCPC took some steps to address the remaining backlog of cases and in 2009 increased the rate of processing complaints with 60% and the rate of completed cases with 46% as compared to 2008.

Cooperation among law enforcement agencies further improved. Two more institutions (i.e. the Broadcasting Council and Securities Exchange Commission) joined the anti-corruption cooperation protocol, bringing the number of signatories to 17. Further steps were taken to set up the National Intelligence Database, including the securing of the necessary funds.

The country moved one rank up in the Transparency International Corruption Perceptions Index 2009. Progress was registered in the publication of court decisions.

However, corruption remains a systemic problem. The track record in processing cases including high level corruption cases remains to be consolidated. First instance court decisions in the five high level corruption cases in which the defendants (i.e. a former prime minister, a former minister of defence, a former governor of the National Bank) had been convicted to imprisonment were overturned due to procedural errors in first instance and sent back to the lower court for the re-opening of procedures.

The concerns regarding independence of the judiciary weaken the capacity of the judiciary to deal with sensitive high level corruption cases. The limited capacity of the Criminal Law Section in the Skopje Court of Appeal was further weakened by the suspension of more than half of its judges for disciplinary procedures. Two of the judges who underwent disciplinary procedures were dismissed by the Judicial Council and the other three returned to the Court after three months. The joint trainings organised for prosecutors and judges on investigative measures and administration of evidence in corruption and organised crime cases are still insufficient.

The legislative framework on interception of communications foresees approval by the minister of interior of each interception order. The legislation is silent on the use of environmental interception (i.e. placing of microphones and/or video cameras in a given environment) and leads to inconsistent interpretation in practice of the required level of authorisation.

The vast majority of the corruption cases prosecuted and brought before courts are for abuse of official position, while the cases of typical corruption offences (e.g. bribing, trading influence) are scarce. The penalties applied by the courts tend to be lenient. The decisions of the public prosecutors for non-indictment are not being reviewed by a judge, thus creating a potential risk for outside interference in the high level or political corruption cases.

Unsatisfactory steps were taken to prepare for the entry into force of provisions of the Criminal Code concerning enforcement agents. Also, the provisions on illicit enrichment have not been implemented. The number of support staff of the Basic Public Prosecutor's Office for Fight against Organised Crime and Corruption remains insufficient. The Anti corruption Unit within the Organised Crime Department of the Ministry of Interior has only 50% of its organisational chart appointed. The human resources capacity of the Sector for Internal Control and Professional Standards within the Ministry of Interior is low. There is insufficient specialisation of law enforcement agents and judiciary at local level, notably on petty corruption. The number of dissuasive disciplinary sanctions and criminal charges brought against customs officers for corrupt behaviour slightly decreased. The Agency for Managing Confiscation of Assets has insufficient human resources and financial capacity to fully perform its tasks.

No sanctions have been applied to the political parties which breached the rules on financing. VMRO, SDSM and DUI submitted their reports a year after the deadline. No prosecutions have been registered so far in the cases concerning expenditure in electoral campaigns. The GRECO recommendation regarding guidelines on requests for lifting immunity for members of parliament is still not implemented.

The recent amendments to the law on conflict of interest introducing the officials' obligation to submit a declaration of interest were not effective. The declarations of interest are treated as confidential and the responsible institutions only register them without carrying out any checks. No convincing track-record on checking asset declarations for elected and appointed officials has been established. The asset declarations for officials who have not been elected or appointed are confidential and are not being checked on substance.

The number of petitions submitted to SCPC decreased in 2009 by approximately 31% as compared to 2008. The level of public trust in the SCPC's independence and impartiality continues to be low. The SCPC continues to be more reactive than pro-active, acting mainly upon complaints.

The number of complaints submitted to the National Commission for Protection of the Right to Public Interest Information dropped significantly (50%). Information related to public expenditure continued to be subject to various exceptions provided by the law.

Overall, some progress was made on anti-corruption policy. The track record on high-level corruption cases remains to be consolidated. The preparation of the entry into force of new Criminal Code provisions, like those on illicit enrichment, was insufficient. The new legislation on conflict of interest and financing of political parties have shown little results so far. The asset declarations are not being properly checked on substance and the declarations of interest are not being checked at all. The country partially meets its priorities in this area.