

Anti-corruption policy

The Electoral Code was amended to address shortcomings highlighted by OSCE/ODIHR in relation to the financing of election campaigns, and the Criminal Code was amended to introduce the new criminal offence of illegal disbursement of state funds during elections. The Law on Management of Confiscated Assets was extended in scope to cover misdemeanour and administrative cases, and the rules on management of seized and confiscated assets were refined. GRECO carried out a fourth round of evaluation in late 2013, covering corruption prevention in relation to members of parliament, judges and prosecutors. The OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions has not yet been ratified.

Administrative capacity was strengthened slightly, including through the employment of 34 legal and administrative support staff in the Public Prosecution Offices (PPOs) across the country and 5 new junior auditors in the State Audit Office's Unit for supervision of political party and election campaign financing. The chief Public Prosecutor's Office, Skopje Basic PPO and the Skopje High PPO were all relocated to a new building with modern facilities. However, the relevant enforcement bodies and supervisory institutions remain understaffed, under-resourced and inadequately equipped in light of their responsibilities and workload, which presents a serious challenge to the effective fight against corruption. The Ministry of Interior's Anti-Corruption Unit was upgraded to the Sector for the Fight against Corruption but its status remains weak; only 19 posts are allocated to it, of which over a third still have to be filled. Substantial human and material resources are still needed in order for the prosecution service to ensure full implementation of the new Law on Criminal Procedure. Some basic PPOs still work in inadequate premises with insufficient IT support. The Investigative Centre within the PPO for the Fight against Organised Crime and Corruption, although formally established in 2011, has yet to become operational, and no further Investigative Centres have been set up. Only around 40 % of the 45 posts foreseen within the State Commission for the Prevention of Corruption (SCPC) have been filled and it remains hampered by its limited powers. Although the Ministry of Interior's Sector for Internal Control and Professional Standards (SICPS) has been granted new powers in the area of integrity, it still lacks independence.

As regards ***enforcement activities***, there was a 50 % drop in convictions for corruption-related offences in 2013 (63 compared to 123 in 2012); 56 of the convictions related to abuse of public office, while only 3 related to bribery. The overall capacity of the courts to deal with corruption cases remains weak, in particular as regards high-level cases, where proceedings are lengthy and inefficient. The need for further improvements to the criminal procedure should be considered, in particular to counteract deliberate delay tactics by accused persons and their representatives. The fact that amendments, aimed at preventing repeated remittals of cases by appeal courts to lower courts for re-trial, are only applicable to new cases significantly hampers their effectiveness. The SCPC continued to receive low numbers of citizen complaints (201 in 2013, 177 in 2012). It filed 9 requests to the PPO to initiate criminal proceedings in 2013. Cases referred by the SCPC to the PPO have rarely led to successful prosecutions, and the PPO needs to provide more feedback on cases referred to it, to ensure a higher success rate. There was a sharp drop in confiscations of assets in corruption cases (10 cases in 2013 compared to 70 in 2012) and the use of special investigative measures in corruption cases remains rare.

The SCPC continued to carry out its corruption *prevention activities*. It initiated misdemeanour proceedings against 36 public officials in 2013 for failure to submit legally-required asset declarations and 9 officials were subsequently fined by the courts. The SCPC requested the Public Revenue Office to conduct asset examinations in 30 new cases in 2013, and the latter charged three officials with the 70 % tax rate on undeclared assets, following the completion of asset examination procedures which had been initiated in previous years. As regards conflicts of interest, the SCPC received 1 459 statements of interests in 2013. It also carried out a systematic verification of the judiciary sector and initiated misdemeanour proceedings against 32 judges for failure to submit statements of interest. A total of 196 cases of potential conflict of interest were processed by the SCPC in 2013, and in 15 cases officials were given a public reprimand. The SCPC is not empowered to impose any other penalties for conflicts of interest, following annulment of parts of the Law on Conflicts of Interest by the Constitutional Court in 2010. The absence of a registry of elected and appointed officials continues to hamper effective control of assets and conflicts of interest. In cases where the SCPC initiates misdemeanour proceedings for failure to submit asset declarations or statements of interest, the courts' weak application of the available penalties undermines its work and fails to send a sufficiently deterrent message to public officials who abuse the rules.

The SICPS of the Ministry of Interior initiated corruption-related *disciplinary proceedings* against 12 police officers in 2013 and 6 were fined as a result. It also initiated criminal proceedings in 6 corruption-related cases. The Customs Administration enhanced internal control measures, adopted a new code of conduct and organised anti-corruption training for staff. No corruption-related disciplinary proceedings were initiated against customs offices in 2013, but criminal charges were brought against two customs officers for smuggling. The Customs Administration needs to step up efforts to fight corruption and should acquire the technical capacity to independently carry out special investigative measures, which fall within its legal mandate.

As regards *political party and election campaign funding*, shortcomings persist in both the legislation and its implementation. The powers and resources of the State Audit Office need to be enhanced to enable effective control of the origin of donations. Rules on expenditure verification should be further strengthened. The closure of campaign bank accounts and the treatment of campaign debts are yet to be regulated to prevent abuse. Penalties for breaches of the relevant legislation have started being imposed in practice, but a credible track record has yet to be developed in this field and the lack of transparency and accountability of political parties in relation to party funding remains a concern.

Convictions under the Criminal Code for abuse of *public procurement* procedures dropped to just 6 in 2013, compared to 12 in the previous year. The Law on Public Procurement was amended to include criminal penalties (imprisonment) for violations of tender procedures, however their positive impact on the integrity of the procurement system, as well as their proportionality and enforceability, have yet to be demonstrated in practice. No administrative penalties are yet foreseen for milder violations of the law. There is still no institution assigned to ensure effective and timely control and supervision of public procurements, concessions, public-private partnerships and the execution of contracts. Corruption in public procurement remains a serious concern.

The Law on Free *Access to Public Information* and its implementation remain deficient. The enforcement mechanism for breaching this law is inefficient and penalties are not imposed in practice. Political parties remain excluded from the list of holders of information, releasing

them from the enforcement regime. Public awareness of the National Commission for the Protection of the Right to Free Access to Public Information remains low. Transparency and accountability of public institutions and enterprises, and of public expenditure, continue to be insufficient.

In 2013, the SCPC and the Academy for Judges and Prosecutors organised anti-corruption *training activities* reaching more than 700 participants. However, much remains to be done as regards capacity building and raising citizens' awareness. The enforcement of anti-corruption legislation and its results remain largely invisible to the public. The internal control system in central and local administration remains weak and whistle-blowing mechanisms in public and private sectors have yet to be set up. The relevant anti-corruption bodies need to be more proactive and to focus on the systemic problems. Public trust in their effectiveness and independence needs to be improved to encourage citizens to resist and expose corruption, and greater independence of the judiciary and media freedom would reinforce anti-corruption efforts.