

REPUBLIC OF MACEDONIA

MINISTRY OF JUSTICE

STABILITY PACT ANTI-CORRUPTION INITIATIVE

7th STEERING GROUP MEETING

**ANNUAL SPAI REPORT ON THE ACTIVITIES
IN THE AREA OF PREVENTING CORRUPTION**

SKOPJE, APRIL 2004

INTRODUCTION

a) Establishment and conditions for work of the Commission

The National Commission for the Prevention of Corruption in the Republic of Macedonia (hereinafter: National Commission) was established on the basis of the Law on the Prevention of Corruption, adopted in April 2002 ("Official Gazette of RM", no. 28 of 2002). Pursuant to Article 1 of the Law, the National Commission is constituted as independent, having the competence to establish the measures for the prevention of corruption in the implementation of authority and in the performance of entrusted public mandates, the measures for the prevention of conflict of interests, as well as the measures for the prevention of corruption when carrying out matters of public interest of the legal entities linked with the implementation of authority.

In the Republic of Macedonia the National Commission was set up for the first time on 12 November 2002, when the Assembly of the Republic of Macedonia elected the members of the Commission.

Immediately after its setup, the National Commission undertook a number of immediate measures and activities for institutional creation, as well as for the definition of the manner of work and operation of the Commission. Within this framework it adopted the Rules of Work Procedures of the National Commission, as well as the Working Programme in 2003.

Under Article 47 of the Law, the National Commission is autonomous and independent in the performance of its legal competences. Although formally, with the election of its members, the National Commission was set up by the Assembly, it is neither a parliamentary body, nor a Government body. The members of the National Commission are answerable before the Assembly of the Republic of Macedonia for their work.

b) National programme for the prevention and suppression of corruption

Pursuant to Article 49 of the Law on the Prevention of Corruption, the National Commission is authorised and required to draft and adopt the National Programme for the Prevention and Suppression of Corruption. The National

Commission also has a legal obligation to adopt annual programmes and plans for the realisation of the national programme. Pursuant to the legal obligations and the programme for work, on 17 June 2003 the National Commission drafted and adopted the National Programme for the Prevention and Suppression of Corruption with an Action Plan. The National Programme contains recommendations on the necessary measures and activities which are to be undertaken aiming at establishing an efficient system for the prevention and suppression of corruption, concrete action plan for the implementation with envisaged short-term, mid-term and long-term objectives, as well as a system to monitor and evaluate its implementation.

Implementation of the National Programme

At the close of September this year, the National Commission, being the body competent to follow and evaluate the implementation of the National Programme, made a request to the Government and to other competent bodies for information in connection with the measures and activities undertaken to implement the recommendations. The request was supported with a conclusion of the Government to prepare this information, following which some of the ministries and other institutions competent for the implementation of the National Programme communicated the information requested.

Within the framework of the first evaluation concerning the course of the implementation of the National Programme, notifications were received that in the first three months following the adoption of the Programme the activity in the Public Prosecutor's Office was directed at the drafting of a working version for a new Law on the Public Prosecutor's Office; a working version of the text for changing and supplementing the Law on the Public Attorney's Office was drafted in the Public Attorney's Office of the Republic of Macedonia, which partially covers the recommendations of the National Programme, giving an assessment that the implementation of the recommendations relating to the constitutional ground to change the status of the Public Attorney's Office requires more extensive preparations by including other institutions as well; the Directorate for the Prevention of Money Laundering submitted the Law on Changing the Law on the Prevention of Money Laundering, which is already in parliamentary procedure; the Customs Administration submitted information on the current activities in the area of internal reorganisation and

establishment of a new sector for professional responsibility which includes an Internal Inspection Department and an Internal Investigation Department for Examining Cases of Corruption of Customs Officers, as well as on the project of an open telephone line; the Ministry of Justice informed that given the obligations from the National Programme in the period after its adoption (June-September 2003) a larger number of law texts were drafted such as the adopted change in and supplement to the Criminal Code, changes and supplements to the Law on the Republican Judicial Council, Law on Independent Court Budget, Law on the Public Attorney. In procedure is the Law on the Public Prosecutor's Office, the Criminal Procedure Code, the Law on Institutions, the Law on Administrative Inspection, the Law on Free Access to Public Information, the Law on Political Parties, the Law on Preventing Conflict of Interests, the Law on Civil Servants, the Law on Associations of Citizens and Foundations, and the Electoral Law. The implementation of the recommendations of the National Programme is particularly taken into account in all these laws.

Taking into consideration the recommendations and time limits defined in the Matrixes and the Action Plan in the National Programme, the National Audit Bureau carried out 22 audits in risky institutions, the reports were communicated to the Public Prosecutor's Office of the Republic of Macedonia, partial manning with the expectation for further full realisation, continuous education of the employees, under preparation is the printing of the Manual for Carrying Out National Audit, and in their final stage are the activities for communicating an initiative of the NAB for changes in and supplements to the Constitution of the Republic of Macedonia. The Council for Radio Diffusion notified the National Commission of the acceptance of the evaluations for insufficient transparency of the sources of financing of the media, that is, the lack of transparency in the distribution of foreign donations and in its reports to the Assembly it points to the necessity for changes in the regulations and adopting a new Law on Radio Diffusion, for which a number of public debates were organised, it supported and implemented the recommendation for consistent implementation of the regulations in allotting and taking away concessions for radio diffusion, and it raised an initiative to adopt a Code of Advertising, which will establish ethical norms in the media.

The National Statistics Bureau considers that the methodology and classification for statistic following of criminality are in direct correlation with the valid criminal legislation, the changes in which it will timely follow and update.

The Privatisation Commission in the Government of the Republic of Macedonia informed about several activities, such as: the completion of the privatisation of the so-called commercial sector of Macedonian economy; the priority in the procedure on complaints for control and revision of the procedure for transformation (privatisation) for the solving of which, pursuant to the recommendations of the National Programme, are engaged experts from certain institutions the Public Revenues Administration; communication of requests for concrete actions to the Public Attorney and to the Public Prosecutor of the Republic of Macedonia; co-operation with the Commission for Securities in connection with cases for illegal sale of stocks in enterprises; a large number of resolutions were passed on taking over business assets from enterprises for property that was not reported in the privatisation procedure; communication of a proposal of the Government to change and supplement the Law on Transformation of Enterprises with Public Capital, then By-law for a Procedure in the Sale of Stocks and Shares issued by the Agency for Privatisation, and pursuant to the recommendations in the National Programme and the legal time limits, the Commission gives an agreement to initiate privatisation of those enterprises in which it has not started.

The National Bank of the Republic of Macedonia also attached important attention to the implementation of the recommendations. According to the information, it harmonises its work with the National Programme so that it: practices transparent work by publishing the decisions made by the Council of the NB and the instructions and decisions of the Governor in the Official Gazette, making announcements for the public and announcing the Website of the National Bank; the members of the Council of the NB are required at least once a year to give a statement for the existence or non-existence of conflict of interests, and if there is such they make a statement for exemption from the decision-making on certain matter; civil servants and members of the NB Council accepted the obligation to report property and did it within the time limit defined; the NB annual account is checked and evaluated by the Audit

Association, under international standards, and the NB is required to announce this report; when making public procurements by the NBRM, before signing the contract with the most favourable bidder, it is necessary to have the signature and authorisation of the Legal Affairs Directorate, whereby the entire tender documentation, the manner of selection, etc., is taken into consideration when assessing the legality; for employment in the NBRM there is a procedure of selection by means of a public announcement, which eliminates the possibility for employment by abusing official position.

Taking into consideration the measures and activities presented, despite the failure to obtain the information requested from some of the competent bodies and institutions, the National Commission assessed that the implementation of the recommendations in the National Programme took place mostly according to the time limits defined.