



REPUBLIC OF MACEDONIA  
STATE COMMISSION FOR  
PREVENTION OF CORRUPTION



# ANNUAL REPORT

ON THE WORK OF THE  
STATE COMMISSION FOR PREVENTION OF CORRUPTION  
IN 2008

MARCH, 2009





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## **INTRODUCTION:**

The State Commission for Prevention of Corruption, in accordance with article 49 of the Law on Prevention of Corruption and article 21 of the Law on Prevention of Conflicts of Interests, presents this report about its work in 2008 to the Parliament of the Republic of Macedonia and submits it to the President of the Republic of Macedonia, to the Government of the Republic of Macedonia and to the media.

This report refers to the second year of the term of office of the present composition of the State Commission, or the seventh year of its overall existence. The report openly, authentically and objectively presents the overall work of the State Commission with respect to the achievement of its complex legislative responsibilities. The report offers insight and provides possibilities for all competent institutions and other interested parties, institutions and individuals to get first hand information and to build their own standpoints and convictions regarding the invested efforts and the quality of the work done by the State Commission in 2008.

Last year in general featured an obvious preoccupation of the institutions in the country to make operational the clearly expressed political will to prevent corruption, as an adverse and harmful social activity, with special priority in accordance with the significance of the fight against corruption in the strategic Euro-Atlantic objectives and interests of the Republic of Macedonia. This was a year when the Republic of Macedonia raised the level of awareness, perception and intolerance towards corruption. A confirmation of this is the corruption perception index of Transparency International which puts the Republic of Macedonia on the 72<sup>nd</sup> position, which means 12 places higher than 2007, when this index placed Macedonia on the 84<sup>th</sup> place in the world.

Hence, the State Commission for Prevention of Corruption, as a specialized, autonomous and independent institution, performs its tasks in this field in continuity and with special dedication. This can be corroborated by the high level of consistency in the realization of the main priorities for EU accession for 2008, such as: the enactment of the State Program, the Action Plan and the Conflict of Interest Guide, the development of cooperation with related bodies and authorities, networking and concrete results in the application of the anticorruption legislation.

Considering the fact that the dealing with corruption, which by definition is as much as international problem as it is an internal problem, requires consistent inter-institutional and international cooperation, the State Commission in 2008

went beyond the previous stage and developed permanent cooperation with related bodies and authorities at home as well as internationally. This cooperation is especially fruitful between fifteen authorities and institutions in the Republic of Macedonia working in the field of corruption and conflicts of interest. In 2008, the State Commission promoted regional cooperation and with full capacity of a specialized institution of a country signatory of the United Nations Convention for Combating Corruption, as a member of the Council, the SCPC became a part of the International Association of Anti-Corruption Authorities IAACA.

2008 was also a year when the early parliamentary elections took place which meant dedicated work with a view to implementing the commissions legislatively imposed competences in the election process, expressed both through actions in specific cases as well as in the determination of directions for improvement of the legislation related to safeguarding the electoral process from corruption.

The State Commission acts preventively and repressively and always approaches its work legalistically whether when participating in the improvement of the normative and institutional environment and capacity of the country – which corresponds to leading a long term strategic anticorruption policy, or when undertaking actions in specific cases of corruption or conflicts of interests. The procedural competences of the State Commission are direct in the misdemeanor procedures, and indirect, or initiating in all other procedures for determining criminal or other accountability. Having this in mind, in 2008 the Commission acted on a total of 713 cases, as follows:

- corruption 567 cases; received complaints 767;
- conflict of interests 29 cases; worked on 44 cases;
- election related cases 117;

These data illustrate the scope and the promptness in resolving the inflow of cases for which the commission is competent to act. In addition the following data are relevant for the work of the State Commission:

- received 357 assets lists;
- instigated 33 misdemeanor procedures related to assets declarations;
- submitted 19 requests to the Public Revenue Office to instigate procedures for examining the assets;
- submitted 27 initiatives for criminal prosecution to the Public Prosecution Office;
- instigated 2 misdemeanor procedures in the courts; and
- instigated 4 initiatives for determining accountability.

This report elaborates, by area of competence, the work of the State Commission, its findings and conclusions, the procedures and the feedback obtained from other authorities and institutions to which the State Commission has appealed, thus providing a comprehensive insight in its work in 2008 as well as an illustration of the situation and the fight against corruption in the Republic of Macedonia.

Respectfully,

Mirjana Dimovska President

Zoran Dodevski member

Mane Kolev member

Cvetko Mojsoski member

Ljubinka Muratovska Markova member

Arif Musa member

Iljmi Selami member

## **1. STATUS AND CONDITIONS FOR WORK OF THE STATE COMMISSION FOR PREVENTION OF CORRUPTION**

### **1.1. Status**

The State Commission for Prevention of Corruption in the Republic of Macedonia (hereinafter in the text "the SCPC") was formed in the basis of the Law on Prevention of Corruption, enacted in April 2002 ("Official Gazette of the Republic of Macedonia" no. 28 from 2002), in order to implement the measures and activities for prevention of corruption when legal entities perform activities of public interest or exercise public authorizations as well as measures and activities for prevention of corruption in companies.

The State Commission for Prevention of Corruption performs the tasks determined by law autonomously and independently.

The SCPC comprises 7 members appointed by the Parliament of the Republic of Macedonia, which have applied on a previously published announcement, with a term of office of five years without the right to be reappointed.

The members of the SCPC have the status of appointed persons which perform their function in parallel to the regular employment they have in other institutions, i.e. they do are not professionally employed in the SCPC and they are entitled to receive a monthly remuneration, determined by law, for their engagement in the Commission.

For their work, the members of the State Commission report to the Parliament of the Republic of Macedonia.

The present, second composition of the SCPC was appointed on the 29<sup>th</sup> of January 2007.

### **1.2. Competences**

The competences of the SCPC are determined in the Law on Prevention of Corruption, the Law on Prevention of Conflict of Interests, as well as in the Law on Lobbying in the area on lobbying supervision.

According to the laws the competences of the SCPC are:

- to enact strategic state documents – State program for prevention and repression of corruption and a State program for prevention and reduction of the incidence of conflict of interests with an Action Plan for realization;
- to initiate and provide opinions on proposed laws of significance for the prevention of corruption;
- to instigate initiatives before the authorities responsible for controlling the financial and material operations of the political parties, unions, associations of citizens and foundations;

- to initiate the implementation of procedures for dismissal, reassignment or replacement, as well as procedures for determining other accountability measures against appointed and elected officials and responsible persons that dispose with state capital;
- to initiate the instigation of procedures for criminal persecution of appointed and elected officials and responsible persons that dispose with state capital;
- to act on cases from the area of conflict of interests and to initiate the imposition of accountability measures if cases when conflicts of interests have been identified;
- to record and monitor the assets and the changes of the assets of elected or appointed officials and the responsible persons that dispose with state capital;
- to supervise lobbying and impose measures determined by law;
- to prepare an annual report about its work and the undertaken measures and activities for prevention of corruption and reduction of the incidence of conflict of interests. The Commission presents this report to the Parliament of the Republic of Macedonia, and submits it to the President of the Republic of Macedonia, the Government of the Republic of Macedonia and the media;
- to cooperate with national and international institutions in the field of prevention of corruption and reduction of the conflicts of interests;
- to educate the authorities responsible for detection and prosecution of corruption and detection of conflicts of interest;
- to perform other tasks, according to the laws.

### **1.3. Capacity of the State Commission**

#### **1.3.1. Secretariat of the SCPC**

The professional, administrative and technical activities of the SCPC are the responsibility of the Secretariat as an administrative office of the SCPC comprising civil servants. From the beginning of the reporting year 2008, the SCPC secretariat employed more people in comparison to 2007, i.e. it employed 5 new civil servants. By the end of the year, one advisor and one junior assistant left the Commission and went to work for other institutions, and therefore there were 14 employees at the end of the year.

The need for capacity building of the Secretariat has been determined in all strategic documents, which is of special significance having in mind the objective to maximally realize the complex competences of the SCPC.

The existing composition of the Secretariat is continuously upgraded with professional trainings in various areas. The determination to further staff the team, especially the managerial part of the team, still stands.

### **1.3.2. Budget**

The funds required for the SCPC to perform its functions are provided by the Budget of the Republic of Macedonia. The SCPC as an independent body has its own budget line item in the Budget of the Republic of Macedonia. When the budget for 2008 was approved, the SCPC presented a separate program 20 – *prevention of corruption and conflict of interests*, and thus it was taken out from the current government program G – *strengthening of the rule of law, sub-program G1 – fight against corruption*.

The SCPC began 2008 with a budget of a total of 20,485,000 MKD, while its initial budget for the previous year, 2007 was 18,739,000 MKD. From the Budget for 2008, 10,900,000 MKD were allocated for the realization of the functions of the SCPC. The other 9,061,000 MKD were allocated to salaries, rents and fees, which is an increase in comparison to 2007, mainly attributable to the five new employments. The overall work of the members of the SCPC including their work on various projects for cooperation with other institutions is paid exclusively by the fee determined by law.

During March 2008, funds were reallocated. Namely, when the SCPC moved to its new offices on “Dame Gruev” street no. 1, it saw that these offices need to be properly equipped and furnished. In accordance with the opinion of the Ministry of the Interior that, for safety reasons, preventive and technical protection of the offices should be applied, it was necessary to procure technical equipment and perform some construction works. Having in mind that the funds for these purposes objectively could not have been planned for in the 2008 Budget, the SCPC asked for and was approved a reallocation of part of the funds within the framework of its Budget.

With the changes and additions to the Budget of the Republic of Macedonia for 2008 (“Official Gazette of the Republic of Macedonia” no. 90/2008), in the section 40 – *salaries, rents and employee fees*, the Budget of the SCPC increased from 20,485,000 to 22,424,000 MKD, i.e. by 9,45%.

With a decision by the Parliament of the Republic of Macedonia (“Official Gazette of the Republic of Macedonia” no. 137/2008) for reallocation of funds between the central government budget users and the extra budgetary funds, the Budget of the SCPC, in the items 401, 402 and 425, was reduced by 3,500,000 MKD, after which for 2008 it was 18,924,000 MKD. In comparison, in 2007 the budget was 21,719,000 MKD of which 2,980,000 MKD were earmarked for reconstruction of the new offices of the SCPC. The net effect for the budget of the SCPC is that it does not change.

Implementing all of the planned activities, by the end of 2008, the SCPC had a total realization of 16,905,192 MKD, i.e. 89.33% of the funds approved with the Budget for 2008 which is assessed as an extremely conscientious

utilization of the funds, and a disbursement of about ninety percent means appropriate and good quality budget planning.

### **1.3.3 Spatial conditions**

Since the beginning of February 2008 the SCPC works in the new offices, which were awarded to it by a Government decision in 2007. Therefore one of the core problems for the work of the SCPC was overcome.

Office and other equipment were procured during the course of the year, in accordance with the planned funds, which significantly improved the conditions for work.

## **2. ACTIVITIES OF THE SCPC FOR THE ACHIEVEMENT OF THE OBLIGATIONS OF THE REPUBLIC OF MACEDONIA FOR MEMBERSHIP IN THE EUROPEAN AND ATLANTIC STRUCTURES**

Continuously, during this reporting period, the SCPC actively participated in all activities of the Republic of Macedonia in the preparations for the assessment missions conducted by the European Commission in the Republic of Macedonia being a candidate country for membership in the European Union, such as: partnership for accession of the Republic of Macedonia in the European Union, the preparation of the Annual National Program for NATO membership for the period 2008 – 2009 and in the achievement of the activities arising from the National Program for Adoption of the Acquis Communautaire (NPAA).

The SCPC is one of the entities whose actions are directly monitored and which has concrete tasks, as part of the political criteria that had to have been fulfilled. These tasks were implemented exceptionally promptly, which was also confirmed by the report of the European Commission for 2008. The SCPC successfully fulfilled its part in the additional eight priorities from the European Union Accession Partnership – Accession Partnership Key Priorities.

This means that the Commission fully realized the planned measures and activities from “*Priority V – Achieve concrete results for implementing anticorruption legislation*” i.e.:

- it compiled the reports of the institutions responsible for the concrete results through the cooperation the SCPC had with these institutions in the corruption related cases and prepared information about the status of corruption related cases;
- it enacted the Program for Prevention and Reduction of the Incidence of Conflicts of Interests;
- together with the PRO, the SCPC established criteria about the method to specify the asset declarations that will be subject to verification.

With equal dedication, the SCPC participated in the preparation for the Assessment mission of the European Union related to the visa liberalization which took place from October to December of 2008. For that purpose it updated all of its activities, which means:

- in May it enacted the Program for Prevention and Reduction of the Incidence of Conflict of Interest;
- it implemented the first task from the Action Plan by drafting a Guide for managing conflicts of interests;
- it implemented training of officials – judges and public prosecutors in all appellate regions in the country;
- it undertook measures to strengthen the capacity of the SCPC by realizing internal training with foreign technical assistance, on public relations;
- it determined guidelines for the public relations strategic plan;
- it fully implemented the obligation related to networking with the databases of the Public Revenue Office with a view of having the possibility to view the data from the asset lists.

At the same time, by submitting the requested information about the realization of the activities on time, the SCPC fully responded to the requirements related to the preparation of the Annual National Program for NATO membership for the period 2008 - 2009. The Annual National Program shows the realization of the obligations of the SCPC arising from the documents for the priorities and the visa liberalization.

The National Program for Adoption of the Acquis Communautaire (NPAA), in addition to the already indicated items also contains an obligation to strengthen the cooperation and coordination of the authorities responsible for combating corruption and in that context the SCPC made a significant step. The SCPC, as the initiator and a driving force of the Protocol for Cooperation for Prevention and Repression of Corruption and Conflict of Interest, signed in 2007, established and raised the cooperation of 12 institutions to a notable level which means daily communication, rapid and timely flow of information and implementation of joint activities. The strengthening of the cooperation could also be seen from the fact that the, upon an initiative of the SCPC, three other institutions that have competences in the field of corruption and conflict of interest joined the Protocol increasing the total number of institutions working on the basis of this Protocol to 15.

All of the activities of the SCPC related to the achievement of the obligations of the Republic of Macedonia for accession in the European and Atlantic structures were realized with concrete participation on all preparatory meetings organized by the Secretariat for European Issues, the Ministry of Justice and the Ministry of Foreign Affairs. In parallel with this participation, upon a request for the State Commission, there were meetings held with representatives of the international institutions and organizations such as the Office of the European Commission in the Republic of Macedonia, SIDA, SIGMA and NATO officers.

### **3. IMPLEMENTATION AND MONITORING OF THE REALIZATION OF THE STATE PROGRAM FOR PREVENTION AND REPRESSION OF CORRUPTION**

Implementing the first of its legislatively specified competences, in May 2007, the SCPC enacted a State Program for Prevention and Repression of Corruption (hereinafter in the text: State Program) with an action plan its realization in the period 2007 - 2011. It should be noted that the Government of the Republic of Macedonia undertook the activities from the State Program and

determined its own action plan for realization of the activities under its competences and the funds necessary to realize these activities have been planned for in the Budget of the Republic of Macedonia, which confirms the expressed political will to efficiently combat corruption, where the SCPC has the leading role. The identification of the status of corruption and the reasons for it, as well as the proposing of future measures and activities, involved about 200 authorities and institutions which, through expert assistance, helped the SCPC to structure this strategic document as a continuous system of achieving the tasks and servicing the process of monitoring the implementation of the State Program.

The State Program is structured in six pillars of the national integrity system, which encompasses a total of 34 problems and 140 activities to overcome those problems. Of those activities, 98 are short term, with time for realization from one to two years.

The level of realization of the planned activities is as follows:

- **Political system, Parliament and political parties** – planned activities: 16, completely or partly realized activities: 6
- **Judiciary** – planned activities: 20, completely or partly realized activities: 12
- **Public administration and local self government** - planned activities: 20, completely or partly realized activities: 11
- **Law enforcement authorities** - planned activities: 17, completely or partly realized activities: 17
- **Economic and financial system and legal sector** - planned activities: 11, completely or partly realized activities: 9
- **Civil society, media and unions** - planned activities: 14, none of these have been completely realized, and 3 activities have been partly realized.

In order to assess the level of achievement of the State Program, in the first year of implementation, in July 2008, an Annual Conference was held where the pace and the quality of realization of the short term activities stipulated in the State Program was examined.

The basic assessment is that the activities are being implemented at a satisfactory level with different intensities in the different pillars. The activities of normative nature in the economic and financial system, which have an impact on the implementation of other tasks, are going well, which is not the case with this type of activities in the political system, and there is a lack of implementation of the activities in the sixth pillar referring to civil society, media and the unions. It was also noted that in the implementation of the activities, the formal approach is more emphasized in comparison to the substantive approach, which is an indicator for the realization of the substance of some of the planned anticorruption activities.

The assessments and recommendations from the assessment conference were forwarded by the SCPC to the Parliament, the Government, the Ministries and all stakeholders in order to stimulate the realization of all short term activities in the envisaged deadlines. Having this in mind, the SCPC made the following recommendations:

1. In the second year of the short term period, the institutions should realize the remaining short term activities with an increased intensity. This

particularly applies to the normative activities in the area of political system that have an impact on the realization of other tasks in the State Program;

2. At the same time the medium term activities should continue to be implemented with the envisaged pace in order to update the State Program as a whole;

3. The content of the new legislation should preserve the substantive objectives determined in the State Program;

4. When drafting the legislation the State Commission should be consistently allowed to perform its competence, i.e. to participate in the drafting of the laws related to its field of work;

5. To achieve an optimal flow of information from the institutions involved in the realization of the State Program in order to facilitate the monitoring and evaluation of the processes;

The SCPC monitors the entire process of implementing the State Program and every six months it collects the data from the participating institutions and it processes those data within the framework of the system for monitoring the implementation of the activities stipulated in the State Program. It appears that there is an additional need to redefine particular short term and medium term activities.

#### **4. CASE WORK**

The SCPC devotes a significant portion of its work to case work on cases formed from complaints submitted by natural persons or legal entities or cases initiated by the SCPC itself based on information of various sources. In the procedures, the SCPC, *inter alia*, using the Manual for obligatory submission of information and documents upon the request from the SCPC, enacted by the Government, and the Protocol for cooperation among 15 competent institutions, determines the relevant circumstances regarding the cases it has under advisement, taking into account the issues of protection of the personal identity of the petitioners - collaborators of justice and trying to make maximal use of the preventive options for case resolution as well as the direct and indirect repressive procedural competences in accordance with the law.

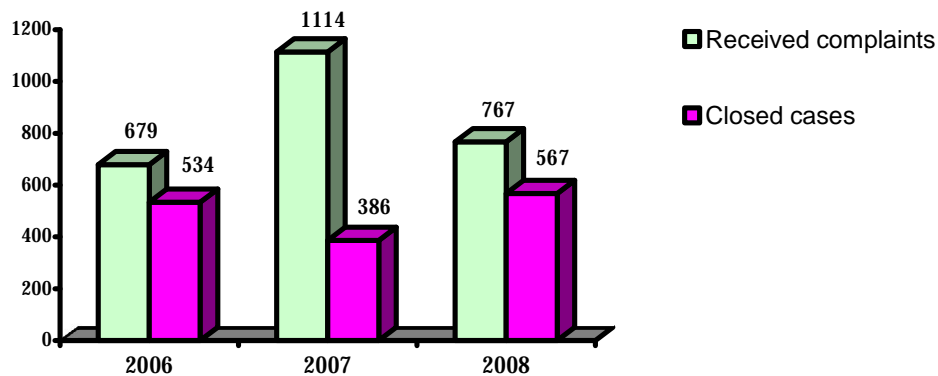
It should be emphasized that the SCPC regularly informs all petitioners whose identity is known to the SCPC about the actions it undertakes in the specific case, which builds a credible relationship with the petitioner in the specific case of fighting against corruption. In fact, this is corroborated by the number of submitted complaints to the SCPC, i.e. there every year for the past few years, several hundreds of complaints were submitted to the SCPC.

SCPC in 2008 received 767 complaints. Taking into account the fact that in 2007 there were 1114 complaints, and in the preceding years this number was never more than 600, it is obvious that the citizens and the institutions have become increasingly aware of the problem of corruption and are not indifferent to the dangers and the harm that can come from corruption with respect to the vital values of society, showing an emphasized mobility and motivation to deal with it.

Continuously working on the received cases, in 2008 the SCPC finished

its work on 567 cases formed from complaints or from SCPC's own initiative, which compared to the previous reporting period means increased promptness and efficiency. In this context we should add the fact that in 2008, the SCPC worked on 44 cases in the area of conflict of interest as well as on 117 cases formed during the latest parliamentary elections which means that the SCPC in 2008 acted on and finished a total of 713 cases, which is a record in the work of the SCPC.

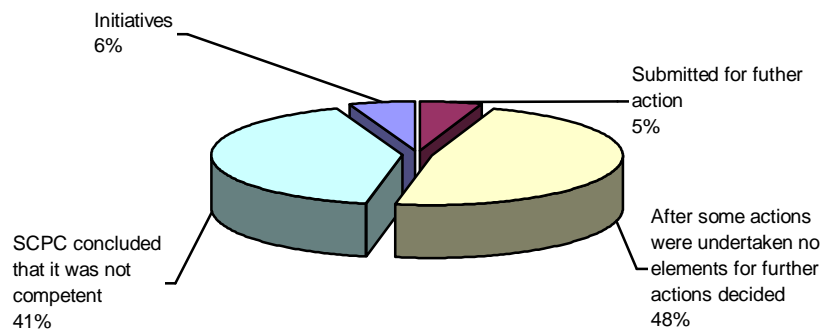
### Graphical overview of received complaints and closed cases



With respect to the structure of closed cases, the situation is as follows: a total of 31 initiatives for accountability have been instigated, of which 27 initiatives have been filed to the public prosecution office to instigate a criminal prosecution procedure, and 4 initiatives have been submitted to different authorities and they relate to determining a different type of accountability.

Two misdemeanors procedures have been instigated, in 29 cases the SCPC assessed that a different authority is more competent to resolve the matter, in 266 cases the SCPC undertook actions and thereafter it decided that there is no elements to take further actions, while in 231 cases the SCPC concluded that it was not competent to act.

### Structure of closed cases



There are a lot of cases where the SCPC determined that it was not competent to act and there are mostly cases that should be referred to the

courts or cases that have to be acted upon by the administrative authorities involving ownership disputes between citizens and which cannot be subject to actions by the SCPC.

During the reporting period the SCPC started 6 procedures requiring some kind of financial performance control, to the State Audit Office, the Public Revenue Office and the Ministry of Finance, and in multiple occasions the SCPC appealed to supervisory and control authorities within various ministries requesting them to assess the work of some of their officers.

The SCPC sent 368 letters to state institutions and authorities as well as to authorities of the local self government asking for data, reports and other information necessary to determine the factual situation and to enact a proper decision, and it received 281 responses. The protocol for cooperation between 15 institutions competent to work in the field corruption significantly improved the acquisition of responses; however there is still a need to further develop this institutional cooperation dimension. (attachment-TABLE 1)

#### **4.1. Instigated initiatives and started procedures**

##### **4.1.1. Instigated criminal initiatives**

Implementing its repressive competences expressed through instigating initiatives and procedures for accountability of elected or appointed officials, officers or responsible persons in public enterprises, institutions and other legal entities that dispose of state capital, the SCPC, in 2008, submitted to the Public Prosecution Office of the Republic of Macedonia and to the Basic Public Prosecution Office, 27 initiatives for instigating a procedure for criminal prosecution, of which 24 referred to the crime **Abuse of official position and authority**, 2 refer to **Misuse and negligent work in the service** and one refers to **Negligent work in the service**.

For the purposes of this report, within the framework of the cooperation with the Public Prosecution, the SCPC provided information about all actions taken with reference to the SCPC's initiatives until the end of 2008.

Below is an overview of the initiatives and the related actions:

1. AGAINST: official persons in the Ministry of Agriculture, Forestry and Water Economy, the Municipality of "Gazi Baba", the State Authority for Geodetic Works, the Public Enterprise for exploitation of pastures, the Ministry of Economy and the Ministry of Environment and Physical Planning because there is reasonable doubt that they have committed a criminal activity involving misuse of the official position and authority in accordance with article 353 of the Criminal Code of the Republic of Macedonia, because they have facilitated illegal use and disposition of state owned land with a total surface area of 449.20.97 ha, leased to the company for production and marketing of agricultural and livestock products "Fakultetsko zemjodelsko stopanstvo" AD v. Trubarevo – Skopje as well as for instigating a procedure for criminal prosecution of the person Tanas Trajkovski within the capacity of the director of the company for production and marketing of agricultural and livestock products "Fakultetsko zemjodelsko stopanstvo" AD v. Trubarevo – Skopje and the legal

entity being the company for production and marketing of agricultural and livestock products “Fakultetsko zemjodelsko stopanstvo” AD v. Trubarevo – Skopje, because there exists reasonable doubt that they have committed a criminal activity referred to in articles 218 and 230 of the Criminal Code of the Republic of Macedonia.

*The Basic Public Prosecution Office (BPPO) for prosecuting organized crime and corruption (BPPO – POCC) Skopje informed that the procedure is pending.*

2. AGAINST: management officials in the Cadastre Department in Struga, managerial staff in the municipal administration and the Mayor of the municipality of Struga, because there is doubt that they have acquired gains related to construction land.

*BPPO Struga informed that there are no grounds for criminal and legal prosecution*

3. AGAINST: the Mayor of the Municipality of Shuto Orizari Mr. Erduan Iseni, officials in the local self government of Shuto Orizari and officials from the Ministry of Transport and Communications that supervise the legality of the work of the municipal authorities, because there is reasonable doubt that they the illegal construction of residential buildings – family houses in the yard of the school “Brakja Ramiz i Hamid” Shuto Orizari - Skopje.

*The Public Prosecution Office of the Republic of Macedonia responded that a case was opened*

4. AGAINST: the person Erduan Iseni, Mayor of the Municipality of Shuto Orizari, because there is reasonable doubt that he has committed the criminal activity Frivolous performance of official duty, i.e., contrary to rules related to conflict of interests, he appointed his father to the position of director of the elementary school “Brakja Ramiz i Hamid.

*The BPPO Skopje informs that this activity cannot be prosecuted ex-officio and that the initiative was rejected. The SCPC has asked the public prosecutor of the Republic of Macedonia to reassess the case.*

5. Against Vlado Korunoski – Mayor of Kichevo because of a reasonable doubt that he spent the municipal funds illegally and for illegal purposes and thus precluded the Municipality from functioning properly.

*A case has been registered with the BPPO-POCC, the case has been referred to the BPPO Gostivar.*

6. AGAINST: responsible officers in the public enterprise “Makedonski Poshti” with reference to multiple robberies of postal vehicles in a period of 5 years.

*Due to the assessment of the BPPO-POCC that there is no place for public prosecution activities the SCPC asked that the Public Prosecutor reassess the case and the public prosecutor informed that the procedure is pending.*

7. AGAINST: Mayor of the Municipality of Chair, Mr. Izet Medjiti and officers from the Municipality of Chair, because there is reasonable doubt that they have embarked on an illegal restoration – rehabilitation of a cultural heritage structure which is the memorial house of Jashar-beg in Skopje.

*BPPO Skopje informed that no crime was committed that can be prosecuted ex-officio and that the structure did not suffer any interventions after having been placed under temporary protection. Considering the factual circumstances, the SCPC asked the public prosecutor of the Republic of Macedonia to reassess the case.*

8. AGAINST: the person Tome Lisichkov – bankruptcy trustee in the bankruptcy procedure against the Company “PREHRANA” in bankruptcy, from Bogdanci, because there is reasonable doubt that he has committed the crime of Abuse of the official position and authority and frivolous performance of the official duty by illegally selling the assets of the above mentioned company in favor of his spouse whereby he acquired personal profit in the amount of **2,335,000.00 MKD**.

*This initiative was taken under advisement by the Po Inicijativata postapuvaa OJO Gevgelija, OJO Veles i povtorno OJO Gevgelija koe ja otfri Inicijativata, DKSK ima barano preocenska na predmetot od JO na RM.*

9. AGAINST: the responsible officers in the Fund for Local Roads and Streets of the Municipality of Struga, because there is reasonable doubt that they have signed a public procurement contract in the amount of 3,395,963.00 MKD using prices which were twice as high as the market prices.

*BPPO Struga determined that there is no basis for criminal prosecution*

10. AGAINST: the person Chedomir Ristevski, former Mayor of the Municipality of Ilinden, because there is reasonable doubt that he abused municipal funds in the amount of 3,132,000.00 MKD.

*BPPO for POCC informed that the procedure is ongoing.*

11. AGAINST: the person Eshtref Iseni, former Mayor of the Municipality of Studenichani, because there is reasonable doubt that he has abused 10,000,000 MKD in various ways and Azem Sadiki former mayor of the Municipality of Studenichani because there is reasonable doubt that in a public procurement procedure he misused about 8,000,000.00 MKD municipal funds.

*BPPO for POCC informed that the procedure is ongoing.*

12. AGAINST: Aleksandar Petreski – Mayor of the Municipality of Ohrid because there is reasonable doubt that municipal funds have been abused in

public procurement procedures.

*BPPO for POCC informed that the procedure is ongoing.*

13. AGAINST: management officers in the Ministry of Finance, Directorate for property matters, Department in the municipality of Chair, as well as officers from the State Authority for Geodetic Works – Sector for Survey and Cadastre Skopje because there is reasonable doubt that they have committed the crime of illegal divestiture of property subject to denationalization.

*BPPO Skopje informed that the procedure is ongoing.*

14. AGAINST: the person Janez Sajovic, executive director, and member of the management authority of the Public Enterprise “Makedonska Radio Televizija”; the person Mlljaim Ljatifi, deputy executive director, and deputy member of the management authority of the PE “Makedonska Radio Televizija” and other management officers in the PE “Makedonska Radio Televizija”, because there is reasonable doubt that they have committed the crime of Abuse of the official position and authority because they caused harmful consequences to the PE MRT and earned illegal personal profits.

*BPPO for POCC informed that the procedure is ongoing.*

15. AGAINST: of the Mayor of the Municipality of Kisela Voda Djordje Arsov and officials responsible for public procurements in the municipality, because they have implemented public procurements with harmful consequences for the municipal budget.

*The BPPO Skopje informed that the procedure is ongoing.*

16. AGAINST: the person Hazbi Lika, Mayor of the Municipality of Tetovo and of the persons: Hairula Hasani, Emin Islami, and Nizamedin Ahmeti because there is a reasonable doubt that they have conducted a public procurement procedure whereby they profited and damaged the Budget of the Republic of Macedonia.

*BPPO for POCC informed that the procedure is ongoing.*

17. AGAINST: the Mayor of the Municipality of Cucer-Sandev, Vojislav Kirandzic and officials responsible for public procurements in the municipality, because there is reasonable doubt that during the procedure for public procurement they caused damages to the municipal budget.

*BPPO for POCC informed that the procedure is ongoing.*

18. AGAINST: the responsible officer – director of the national institution “Albanski Teatar” – Skopje, because he illegally used the budget funds and worked illegally thus causing damages to the Budget of the Republic of Macedonia.

*BPPO for POCC informed that the procedure is ongoing.*

19. AGAINST: the officials in the Ministry of Defense, because there is reasonable doubt that they have misused their official position and authority and enabled illegal, nontransparent spending of the funds from the Budget of the Republic of Macedonia for purposes other than those initially envisaged thus enabling natural persons and legal entities to gain illegal profits to the detriment of the Budget of the Republic of Macedonia.

*BPPO for POCC informed that the procedure is ongoing.*

20. AGAINST: the officials from the Ministry of Transport and Communications and officials from the Second Instance Commission for Denationalization in the Municipality of Center, because there is reasonable doubt that, contrary to the laws, they have divested construction land subject to denationalization, owned by the Republic of Macedonia, located opposite of the complex of banks in Skopje and that they committed these abuses in order to gain illegal profits.

*BPPO for POCC informed that the procedure is ongoing.*

21. AGAINST: the responsible persons – directors in the Bureau for undeveloped areas because there is reasonable doubt that they have acquired illegal profits by misusing the funds of the Bureau.

*BPPO for POCC informed that the procedure is ongoing.*

22. AGAINST: responsible persons – directors and other responsible persons – members of the management authorities of the Public Enterprise “Komunalec” Bitola because there is a reasonable doubt that they worked and failed to prevent illegal activities of the enterprise whereby they earned illegal profits.

*BPPO Bitola informed that the procedure is ongoing.*

23. AGAINST: the responsible persons in the Municipality of Krivogastani because there is a reasonable doubt that through illegal operations related to the disposal of the municipal funds and representation of the municipality they have acquired illegal profits thus damaging the municipality significantly.

*BPPO for POCC informed that the procedure is ongoing..*

24. AGAINST: responsible persons in the Municipality of Debarca because there is a reasonable doubt that contrary to the Law on Local Self Government and the Law on Public Procurement they facilitated the acquisition of personal profits to the detriment of the movable and immovable assets to the municipality.

*BPPO for POCC informed that the procedure is ongoing..*

25. AGAINST: the responsible persons and officials in the JSC for generation of electricity "Negotino" TPP in state ownership, because there is reasonable doubt that they have illegally, not-transparently spent state funds for purposes other than those originally envisaged and have caused damages in the amount of 15,979,000 MKD.

*BPPO for POCC informed that the procedure is ongoing..*

26. AGAINST: the responsible persons – officials in the Public Enterprise for Management and Protection of the Multy Purpose Area "Jasen" - Skopje, because there is reasonable doubt that they have worked illegally, in a non transparent way and have spent money for purposes other than those originally intended, thus damaging the funds of the Public Enterprise.

*BPPO for POCC informed that the procedure is ongoing..*

27. AGAINST: the former director of the Agency for Youth and Sport, Igor Gjorgjievski and other officials in the Agency for Youth and Sport, because there is reasonable doubt that they have misused their official position and authority to misspend funds in the amount of 387,889,996.00 MKD, and the envisaged sport arenas were not build, thus causing significant damage to the funds of the Budget of the Republic of Macedonia.

#### **4.1.2. Initiatives to determine accountability**

According to the competence stipulated in article 49 of the Law on Prevention of Corruption, the SCPC has submitted to the competent authorities 4 initiatives to determine accountability:

1. To the Government of the Republic of Macedonia to undertake disciplinary measures against the responsible people in the public enterprise "Makedonski Poshti", i.e. to dismiss and replace these persons because they have operated illegally, frivolously and irresponsibly, because when the multiple robberies of postal vehicles occurred in a period of five years, by failing to do their official duty, these people have damaged the Public Enterprise in a way where they did not organize the transport of monetary funds for payment of pensions and other incomes in accordance with the envisaged procedures and standards for this kind of activity and they did not undertake measures to prevent such irregularities in the future.

2. To the Judicial Council of the Republic of Macedonia, to dismiss Milancho Rambabov, judge in the Basic Court in Shtip, because of unprofessional and frivolous performance of the judicial function when enacting the decision for registering a change of the authorized person in the company registry of the registration court in Shtip.

*The judicial council informed us that the procedure is pending*

3. To the Judicial Council of the Republic of Macedonia, to determine unprofessional and frivolous performance of the judicial function of Vezenkovska Stanka, judge of the basic court Skopje I - Skopje, because, upon the submitted request of the SCPC to initiate a misdemeanor procedure she released an officer – general consul, that failed to file an asset declaration which caused the case to reach its absolute statute of limitations.

4. To the Ministry of Finance, to determine the accountability of the officers from the Denationalization Commission in the municipality of Gostivar and the officers from the Commission that decides matters in the area of denationalization in the second instance, because acted contrary to the Denationalization Law and did not facilitate the transfer of ownership of a denationalized property.

#### **4.1.3. Requests for misdemeanor procedures**

Doing its case work, the SCPC filed two requests for instigating misdemeanor procedures:

1. Against Dragan Nasteski, member of the Management Board of the Public Enterprise “Makedonski Shumi”, because he failed to inform the SCPC about the established business relations between his private company and the PE “Makedonski Shumi” Skopje where he performed the function of a Management Board Member.

*The competent court enacted a judgment, but because the stipulated fine of 200.00 EUR (12,200 MKD) is very low, the SCPC appealed the judgment.*

2. Against Erduan Iseni, because as the mayor of the municipality of Shuto Orizari passed a decision electing his father to be the director of the primary school “Brakja Ramiz i Hamid” Shuto Orizari - Skopje, and failed to inform the SCPC which is contrary to article 29, paragraph 2 of the Law on Prevention of Corruption.

#### **4.2 Looking at corruption through the actions of the SCPC**

Out of the total number of closed cases in 2008, 211 refer to corruption in state authorities and units of the local self government and that is where the SCPC has instigated most of its initiatives for accountability before the competent authorities. The risky areas are disposition of budget funds, public procurements, denationalization procedures, construction and urbanism. The inappropriate disposition of budget funds is manifested through illegal, uncontrolled spending which is not transparent and not for the intended purpose, especially by the local authorities where decentralization is mostly felt like a personal privilege. The authorities competent to prevent such abuses, usually do not exert sufficient control. This approach is applied without any respect for the legislatively determined procedures, mostly in the area of public

procurement. Near the end of the denationalization process there are serious obstructions of the procedures and the spirit of the law through inefficiencies and links between the competent authorities which leads to the establishment of ownership rights over property subject to denationalization, in order to satisfy business interests supported by individuals working for the authorities competent to enforce the law. In the areas of urbanism and construction there are abuses in all stages, and thus, in the name of personal and group purposes, urban plans are changed, illegal construction is tolerated with a possibility of legalization through corruption, approvals for construction are issued even if the requirements envisaged by law are not fulfilled and in enclosed corruptive circles. The construction inspection mainly registers the problem but is powerless to resolve it with an explanation that there are insufficient funds in the municipal budgets for that purpose.

From the number (a total of 174) of closed cases, the citizens acquire the perception that there is an emphasized level of corruption in the judiciary. This impression is often connected with discontent with the content of a court decision which is not within the competences of the SCPC. However, it is a fact that the dissatisfaction arises from the long duration of the court procedures, irregularities in the implementation of the procedures, provision of a legal form frequently to the detriment of the fair and objective adjudication. All of this can be deemed as circumstances which are not conducive to the efficient fight against corruption. In such cases the SCPC appeals to the Judicial Council which is competent to act on such issues, with a request that the council assesses the professional and contentious work of the judges which has some influence on the decisions of the Judicial Council for determining accountability.

Several forms of corruption can be identified in the sphere of the public enterprises and institutions where there are serious status deficiencies as well as weaknesses related to poor management with these enterprises manifested through materialistic behavior in disposing of the enterprise's assets and interests without appropriate and efficient supervision and control. The SCPC acted in 65 cases in the area of education, health, communal and other activities of public nature.

The remaining closed cases are from the area of privatization, bankruptcy and performance of companies. These cases mostly involve issues which are not corruptive in nature or issues where the SCPC is not competent to act. (attachment - TABLE 2)

#### ***4.3 Work on cases related to the early parliamentary elections in 2008***

According to SCPC's competences specified in the Law on Prevention of Corruption, in the section dealing with corruption in politics, the SCPC in 2008 worked on 117 cases related for findings of noncompliance with the legislative regime during the election process during the parliamentary elections, started on 12.04.2008 and held on 01.06.2008 which lead to the constitution of the Parliament and the selection of Government of the Republic of Macedonia. The State Commission for Prevention of Corruption determined rules and standpoints since the very beginning of the process in accordance with the Law as well as an operative plan for work which contained the regime of behavior

regarding the financing of the elections and the disposition of the public goods and assets as well as the basic rules for its actions. These rules were publicly disclosed by the SCPC and they were posted on its web site and were submitted to multiple institutions participating in the process and obligated to comply with a special regime of behavior in the election process. The SCPC worked intensively on the preventive aspect providing its opinions regarding 44 requests submitted to it by state authorities, public enterprises, and institutions as well as from the units of the local self government. Most of these requests referred to public procurements and the rest of them were related to signing of contracts for divesting and leasing of construction land and employments in the public sector and signing of collective agreements. The feedback is in favor of the conclusion that the opinions of the SCPC are respected and used.

The elections in 2008 seen through the prism of the SCPC's work showed a characteristic related to one of the forms of the work of the SCPC, namely various institutions received suggestions from the SCPC on how to act, and these suggestions referred to 70 advertisements for employing a total of 1160 people. Out of them, 709 people were indicated as necessary employments in public enterprises and state authorities, and 451 in the health sector alone.

In one case the SCPC acted upon a reasonable doubt regarding the bribing of voters and informed the public prosecution office. The basic public prosecution office in Struga initially stated that there was no basis for the public prosecution office to intervene because the act of bribery was not actually determined, i.e. that in this case this is not something the public prosecutor should act upon ex-officio, and thereafter the SCPC appealed to the Public Prosecutor of the Republic of Macedonia to reassess the case. After this intervention the SCPC received feedback that an investigation is being implemented against two people suspected of committing the crime of bribery during elections and voting in accordance to article 162 from the criminal code.

In 17 cases, the SCPC found elements of reasonable doubt regarding noncompliance to the determined regime when employing, expressed, inter alia, by failure to provide information or providing slow and incorrect information to the SCPC. Summarizing the whole process, the SCPC assessed that it needs to offer its findings as recommendations for the process to change the electoral code, as well as to use them in the next steps of the process to change the Law on Prevention of Corruption. These recommendations to intercept and sanction corruptive behavior relate to the changes in the electoral norms, as well as the employments, the various forms of disposing of state owned assets (leases, concessions etc.) utilization of public goods, disposition of state capital within legal entities and well as making the penal and misdemeanor accountability during elections even more strict.

In the beginning of August 2008, the SCPC formulated its proposals through the following conclusions and recommendations which were published on its WEB site and made available to the expert team working on the changes of the Electoral Code.

### **Conclusion 1:**

Bases on the data available to the State Commission for Prevention of Corruption submitted by the Broadcasting Council about the expenditures for the paid political advertising during the election campaign in the electronic media (for the real duration of the paid political program) and the information from regularly monitoring the printed media, the SCPC concluded that both coalitions that organized election campaigns and that had unique candidate lists in all six electoral units have exceeded by far the legally allowed limit regarding the funds that can be spent for an election campaign, prescribed in article 84 of the electoral code.

### **Conclusion 2:**

Based on a comparison between the data submitted by the Broadcasting Council about the expenditures for the paid political advertising during the election campaign in the electronic media (for the real duration of the paid political programming), and from the regular monitoring of the printed media, in on one hand and the legal limit and the official price lists of the media, these data do not reflect the real situation considering the fact that discounts of up to 90 percent were approved an utilized.

The providers and the beneficiaries of the discounts do not have an obligation to report them and therefore it is impossible to track such discounts, which makes the previous conclusions rather relative.

This precludes any possibility to verify the fact which the law imposes as an obligation, and that is that the discounts for all participants in the election campaign should be equal.

### **Conclusion 3:**

The official financial reports of the political parties, published and submitted to the State Election Commission and the State Audit Office suggest that the participants in the elections have shown larger expenditures than revenues. This difference as well as the insufficiently accurately elaborated sources of revenues used to finance the campaigns casts a doubt that there are other sources of financing in addition to those prescribed by law, which, from the point of view of the Law on Prevention of Corruption brings up the issue of the existence of illegal and anonymous sources of financing.

### **Conclusion 4:**

Based on a comprehensive analysis of the data obtained from the Broadcasting Council, from the report for the paid political advertising, the official price lists of the media, the financial reports of the political parties published and submitted to the State Election Commission and the State Audit Office, the State Commission for Prevention of Corruption determined the following

## **RECOMMENDATIONS:**

1. In the electoral code, the various types of financing should be delineated and the issue of whether a political party can be sponsored or can only use donations should be regulated as well as the form of the donations (material or otherwise), whether a political party can use borrowed funds and whether funds from the regular account can be used for an election campaign (by determining the method of depositing and using these funds), considering the need to have a special giro account for this purpose in accordance with article 71 of the election code. In addition, a unified form for the financial reports of the political parties should be determined.

2. The electoral code should regulate how and when to present the funds that can realistically be expected to arrive to an active election campaign account, after the expiration of the deadline of one month in which the political parties should submit their financial reports to the State Election Commission and the State Audit Office.

3. Specify an obligation whereby the financial reports should be audited and the findings should be submitted to the authority that takes the decision on the distribution of funds from the Budget depending of the election results, before the expiration of the legislative deadline to enact such a decision.

4. After the SCPC informs about having reasonable doubts that voters were bribed, the Public Prosecutor should act urgently.

5. Reexamine the provisions from the Law on Prevention of Corruption regarding the prohibition to dispose of public funds during election and the possibilities to deviate from these provisions.

6. Sharpen the penal measures imposed for violating the electoral regulations in the area of election campaign financing.

7. Raise the level of consistency in the laws related to elections.

## **5. ASSETS DECLARATIONS FOR REPORTING THE ASSETS**

For the purpose of insight and control in the assets of the persons elected and appointed to public functions, authorizations, positions and duties, as well as in order to prevent and sanction the use of the public work for gaining personal benefit, the Law on Corruption Prevention sets the obligation for the officials, when they take over the position and when they leave the position, to file a assets declaration to the State Commission for Prevention of Corruption and to the Public Revenues Office in which the person has to declare the real estate, the movable assets of greater value, securities, receivables and debts, including all other assets they own or owned by the closer family members. The officials are also obliged to report and declare every increase in the assets that is greater than twenty average salaries in the previous three-month period.

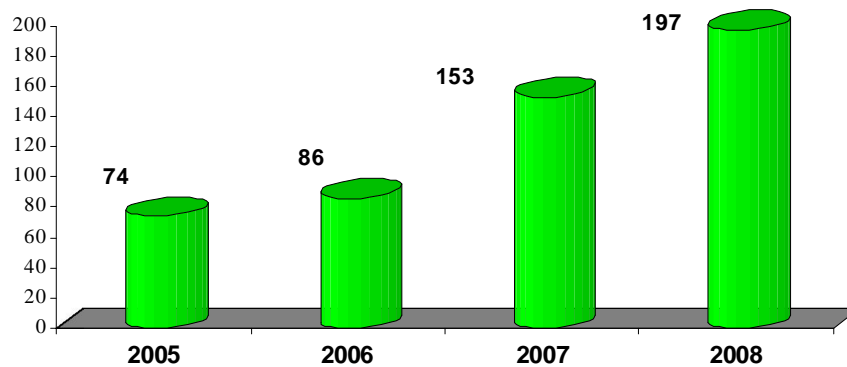
According to the changes in the Law in 2006, the official person, when employed in the state body, in the municipal administration and in the administration of the City of Skopje will fill in the assets declaration and submit such declaration to the authority he/ she is becoming an employee of.

Failure to submit a assets declaration means initiation of misdemeanor procedure in which the legal penalty is between 500 to 1.000 euros, in denar equivalent. This procedures is initiated upon request by the State Commission for Prevention of Corruption which can also initiate a procedure to the Public Revenues Office for examination of the property and the assets of the official

person, if the person did not submit assets declaration, but also if that person did not submit any information, submitted false and incomplete data, did not report change in the assets, or if it was ascertained that his/ her property or the property of his/ her family member has been disproportionably increased during the his/ her mandate, compared to his/ her salary.

The information on the assets are public character information which, since July 2007 the State Commission for Prevention of Corruption, following previous processing from the aspect of protection of personal information, publishes on its website. So far the information published is about 1.005 assets declarations. The public availability of the assets declarations has positive effect on the accountability of the public officials, which can be seen by the number of reports for change in the assets which were increased twice in the last two years, compared to the period when the assets declarations were considered official documents and the documentation therein were confidential.

### Total declarations submitted concerning change in the assets



A total of 357 new assets declarations were received by the State Commission for Prevention of Corruption in 2008. This gives a total of 3.598 assets declarations in the State Commission for Prevention of Corruption from appointed or elected officials. In the period a total of 204 assets declarations were also filed after the end of their mandate.

The year of 2008 was typical because it was the year when, for the first time, the Parliament of the Republic of Macedonia was dismissed and early parliamentary elections were held. From a total of 120 members of the Parliament (MPs), 114 filed assets declaration after the end of their mandate. In the new composition of the Parliament, only one MP did not submit assets declarations after the verification of his mandate. All 22 members of the Government of the Republic of Macedonia submitted assets declarations after their election, and from the previous 23 only four members of the Government did not submit assets declaration after the end of their mandate, and only one of them did not submit a assets declaration for change in the position because he was elected as MP. This confirms the positive trend in the last two years by complying to this obligation by the officials.

(Annex - Table 3)

In accordance with its mandate, the State Commission for Prevention of Corruption initiated misdemeanor procedures to the relevant courts against the

seven MPs, four Government members and the other 22 elected and appointed officials that failed to submit assets declaration.

In the reporting year, acting upon the initiations filed, the courts made 39 decisions and verdicts, as follows: financial penalty in 10 cases, misdemeanor warning in 7 cases, in one case the initiation was rejected and 12 cases were found by the court to be absolutely obsolete and old for the misdemeanor procedure. Since the Law was not entirely implemented, the State Commission for Prevention of Corruption filed two appeals against the court decisions – one against the penalty of 10.000 denars imposed against one of the directors who, in the time when the verdict was made, has not submitted assets declaration and the second one to the acquit made by the judge referring to the diplomatic immunity of the defendant in which there absolute obsolescence of the case. The previous year there was also a decision by the Appeal Court which accepted the State Commission for Prevention of Corruption appeal, filed in 2007 against the acquit decisions concerning the responsibility of the State Secretary, although he failed to submit a assets declaration.

In the last five years a total of 260 requests were filed to the courts for initiation of the **misdemeanor procedure** and there is still no court verdict for 86 cases (requests). Decision was adopted in 68 cases where the penalty was mitigated and misdemeanor warning was imposed, and 37 cases were rendered to be absolutely obsolete due to late actions by the courts.

Because of the above, and for the sake of efficient court procedures and enforcement of the repressive dimension of the Law, the State Commission for Prevention of Corruption requested in 2008 from the Judicial Council to undertake measures in order to ensure greater efficiency in the management of the procedure by the relevant courts following the submitted requests for initiation of misdemeanor procedure, with timely acting and imposing of adequate penalty measures in accordance with the legal spread for the given penalty and with the merit of the misdemeanor and the penalty responsibility of the perpetrators. In reality we saw that the amount of the foreseen penalty is not sufficiently motivating for proper compliance to the legal obligation for all officials and therefore in the State Program for Prevention and Repression of Corruption we included changes in the Law and introduction of more severe sanctions. In the same time we point out to the need for development of the methodology, normative and institutional tools for proper and more efficient monitoring of the assets.

In 2008 the State Commission submitted to the Public Revenues Office a total of 19 requests for initiation of procedure for **examination of the property and the assets status** due to failure to submit assets declaration or reporting of incomplete and false information. These were submitted for one MP (still member of the Parliament), 5 former MPs, 4 former Ministers, one former State Secretary, one judge, 4 former judges, one director, one deputy-director and one custom officer. After these 19 (and after the 23 requests submitted in 2007), the State Commission for Prevention of Corruption received a feedback from the Public Revenues Office that for 33 requests the data was collected from the relevant institutions and that the procedure is in the pipeline, for three Mayors they were unable to start the procedure because they were missing the Personal Identification Number and for the last 6 requests the procedure has not yet started.

In 2008 the State Commission for Prevention of Corruption took intensive activities for connecting to the database of the Public Revenues Office which meant realization of the technical conditions for secure and quality networking. An outsourced IT company developed a new software for registration of the assets declaration. The system was officially put into use on the 29<sup>th</sup> of December. It now provides a possibility for ongoing entry and change in the data, which enables the State Commission for Prevention of Corruption and the Public Revenues Office to have updated information of: persons obliged to submit a assets declaration, persons who submitted assets declaration with full information about their assets and persons that have changes in the assets declaration with full information about such change. Beside the summary of the data from the assets declarations concerning the assets, this can be also used to compare the data from the data included in the tax returns which have to be filed every year. This step has been already evaluated as important step towards capacity building of the institutions in Macedonia.

In July 2008 the Ministry of Justice adopted the Rulebook on the Manner of Acting with the Assets declarations submitted by the officials who are obliged to submit such assets declaration in accordance with Article 33-b of the Law. Since all the prerequisites are created fro collection of the assets declarations from the officials that are obliged to submit the assets declarations to the institution in which they are working for, it was requested from all state authorities and the local self-government units to designate a person that will be in charge for collection of the assets declarations and notify accordingly the State Commission for Prevention of Corruption. The State Commission for Prevention of Corruption foresees delivery of training for these persons in charge for collection and storing of the assets declarations from the employees in the state authorities and in the municipal administration. After this, conditions will be established to hand over the assets declarations submitted to the State Commission for Prevention of Corruption in 2006 (a total of 8.807 such assets declarations) to the 73 state authorities which employ the filers of these assets declarations. Trainings were already delivered for the official persons in the State Audit Office, the Directorate for Anti Money Laundering and Terrorism Prevention, Ministry of Economy and the Municipality of Karposh. In addition, the Customs Authority was provided with 814 assets declarations for its employees that were initially submitted to the State Commission for Prevention of Corruption.

## **6. REPORT ON THE ACTIVITIES, UNDERTAKEN MEASURES AND ADDITIONAL ACTIVITIES CONCERNING THE CONFLICT OF INTERESTS**

### **Introduction**

In June 2007 the Parliament of the Republic of Macedonia adopted the Law on Prevention of Conflict of Interests (Official Gazette of the Republic of Macedonia No. 70/07) which raised the normative level of prevention and repression against this socially negative phenomenon. This confirmed the need to introduce modern legal framework and standards in Macedonia which are

used to benchmark the capacity of Macedonia towards realization of its international strategic objectives.

The enforcement of the Law was vested in the State Commission for Corruption Prevention.

By its definition, the situation of conflict of interests is when the private interest of the official person is contrary to the public interest, or when the private interest impacts (or can have an impact) on his/ her impartiality in the course of doing the public business. In other words, conflict of interests is a conflict between the personal interest and the public duty i.e. assumed, possible or factual use of the function for realization of the personal interest.

In the area of conflict of interests, the State Commission for Prevention of Corruption has legal authority to adopt State Program and Action Plan for Prevention and Reduction of the Conflict of Interest phenomenon, to provide opinions to law proposals in the given area, to review cases of conflict of interests, to raise initiatives for undertaking responsibility measures in the cases of identified conflict of interests, to undertaken activities for training, to cooperate with other state authorities in the prevention of this phenomenon and notify the public about the specific cases of conflict of interests. This Report is submitted by the State Commission for Prevention of Corruption in accordance with its mandate set in the Article 21 from the Law on Prevention of the Conflict of Interests.

The phenomenon of misuse of power and the vested public authorizations by the officials for personal gains, as well as the presence of this phenomenon in Macedonia, results in measures undertaken towards introduction of mechanisms necessary for suppression of this negative social phenomenon. In the period of enforcement of the Law on Prevention of the Conflict of Interests, the State Commission for Prevention of Corruption realized that the conflict of interests draws the attention of the public life and the citizens, but it is necessary to better know the essence and the phenomenon better. In the same time, the expectation that State Commission for Prevention of Corruption should undertake specific measures in specific cases does not entirely correspond with its mandate established in the Law. According to the Law, the role of the State Commission is in the area of identification, detection and initiation for measures to be undertaken by other authorities and bodies. There ascertainments were the basic pillars of the State Commission for Prevention of Corruption work in the reporting year, in which significant step forward was made towards suppression of this phenomenon as a serious problem which, if not prevented timely, is introduction for corruption as socially deteriorating phenomenon with long-term consequences and it is also a serious threat and endangering of the key principles and values of every democratic society.

In the same time, a positive aspect that was identified in the last period was that the public officials were ready for the existence of this phenomenon and the efforts to address to State Commission for Prevention of Corruption in order to find solution in combating and resolving the corruption. In 2008 we worked on 44 cases that were initiated on the basis of appeals by physical persons and legal entities and upon initiative by the State Commission for Prevention of Corruption which is an increase by 14 new cases compared to the previous year of 2007.

## **6.1 State Program for Prevention and Reduction of the Conflict of Interests**

One of the most important obligations of the State Commission for Prevention of Corruption, deriving from the Law on Prevention of the Conflict of Interests, the adoption of which expanded the mandate of the State Commission, is the adoption of the State program for Prevention and Reduction of the Conflict of Interests. Starting from the importance of this document, conditions were created aimed towards prevention and reduction of the conflict of interests, as well as contribution to the suppression of the serious negative phenomenon such as the organized crime and corruption, the State Commission for Prevention of Corruption, since the beginning of 2008, dedicated most of its efforts exactly on the drafting of the State Program for Prevention and Reduction of the Conflict of Interests. If we add to this the fact that it is the first document of its kind in the Republic of Macedonia, the State Committee, in the drafting of this State Program, had efficient cooperation all relevant state institutions and authorities as well as with local and international experts.

The actual adoption of the State Program for Prevention and Reduction of the Conflict of Interests was done by establishing a working group which supported the State Commission for Prevention of Corruption. This group was consisted of two international experts in the area of conflict of interests, one local experts (university professor), one local expert in the area of public administration, one representative from the Ministry of Justice and one representative from the private sector. The drafting of the State Program for Prevention and Reduction of the Conflict of Interests was done with two consecutive one-week workshops which involved everyone included in the process of drafting of this Program. The first workshop took place between 24-28 April 2008 and the second one on 21-24 May. On the workshops problems were identified we are faced with in the area of conflict of interests as well as measures and activities that need to be undertaken in order to establish efficient system for prevention and reduction of the conflict of interests. The committed engagement in the drafting of the State Program for Prevention and Reduction of the Conflict of Interests resulted in the official adoption of this Program in May 2008. This was a positive step forward in the realization of the tasks in the Pre-accession partnership for the Republic of Macedonia for EU membership, set in 2008. In the overall process of Program drafting, the State Commission for Prevention of Corruption, in the frames of the already established cooperation, was significantly supported through technical assistance by the USAID "World Learning" Macedonia.

The state Program i.e. measures and activities included therein which need to be undertaken towards prevention of the conflict of interests, were based on the practical experiences of the State Commission in dealing with the conflicts of interests. These practical interests enabled, when drafting the Program, to group the problems in the area of conflict of interests into nine so called risky areas, as follows:

- Accumulation of positions and gaining benefit;
- Influence for gaining financial or any other type of benefit;
- Discretion authorizations;

- Official actions in the case of private interest;
- Gifts;
- Nepotism in the employment, public procurement, signing of contracts, issuing of other types of licences, etc;
- Use of public goods for private (personal, political party or other) goals;
- Employment after the end of the mandate;
- Use and misuse of information which are not available to the public.

When working on each risky area, we considered in detail the situations in the society which are fertile ground for and support the conflict of interests. These were developed for each risky area, by proposing measures and activities which must be undertaken. The program makes a step forward in focusing on specific categories such as nepotism, discretion authorizations and rights as well as gifts to the officials, which contributes towards awareness raising about the character and the specifics of these forms of conflict of interests, which is very important for capacity building of the preventive actions of the society.

Integral part of the State Program is also the Action Plan on Enforcement of the Measures and Activities foreseen in the Program.

The Action Plan elaborates measures, recommendations and indicators for measurement of the delivery of each foreseen activity, indicator for measurement of the effectiveness of the application of the activities, bodies and institutions, and the deadlines for realization of the activities and the financial implications, which means that the Action Plan enables supervision, measurement and increase of the dynamics and efficiency in the delivery of the State Program. Beside the improvement of the preventive capacity for dealing with the conflict of interests, the Action Plan, in accordance with the State Program, also sets activities related to changes and amendments of the Law on Prevention of Conflict of Interests, which will include proposals by the State Commission for Prevention of Corruption in the drafting process of this law, in accordance with the legal mandate of the State Commission for Prevention of Corruption.

## **6.2 Guideline for managing the conflict of interests**

The adoption of the State Program for Prevention and Reduction of the Conflict of Interests meant beginning of the activities for its implementation. One of the priority activities finished in 2008 was the drafting of the Guideline for Managing the Conflict of Interests.

The drafting of the Guideline has been planned in the Action Plan which is integral part of the State Program. It was developed and publicly promoted in September 2008. This Guideline was printed in a practical brochure that is easy to use, in 5.000 copies in Macedonia, English and Albanian languages. The guideline is a practical tool for training and education in the area of conflict of interests since it includes a summary of rules for intercepting and preventing the conflict of interests. It is an orientation tool for behavior of the official persons and enables everyone to obtain the information necessary for identification of the conflict of interests and possibility to contribute towards their resolution.

The need for drafting of this Guideline came mainly from the following:

- The officers had insufficient knowledge about the term conflict of interests and its visible forms;

- The need to train the officers with the actual definition and the visible forms of the conflict of interests, how a person can become part of the conflict of interests, what needs to be done in order to avoid such conflict, how to resolve such conflict of interests;

- Development of system for early detection and resolution of the conflict of interests.

The target group for this Guideline are all officials and the citizens of the Republic of Macedonia in general.

### **6.2.1 Trainings**

In order to create conditions for practical implementation of the Guideline for Managing the Conflict of Interest by the relevant officers, trainings were delivered in November 2008 with 170 judges and prosecutors in the four appeal regions in the country. The evaluation of these trainings were extremely positive, both for the goals and the content of the trainings, as well as the professional benefit which was delivered for these official persons. These trainings, delivered by the State Commission for Prevention of Corruption, are part of the Annual Training Program that is delivered by the Academy for Training of Judges and Public Prosecutors as well as in the Program of the Civil Servants Agency. In the same time, the State Commission for Prevention of Corruption established in its Working Program for 2009 a series of training in other segments of the system.

### **6.3 Work on cases in the area of conflict of interests**

During the reporting 2008, the State Commission for Prevention of Corruption paid great attention on working on specific cases in the area of conflict interests. These cases were treated as priority cases in the Commission work. The cases area established by the State Commission for Prevention of Corruption either on the basis of appeals filed by physical and legal entities, or on its own initiative on the basis of acquired leads and information. This was the case in 16 cases.

In 2008 the State Commission created 44 cases and finished the remaining 5 cases started in 2007.

Most of these cases were requests for opinion by the State Commission for Prevention of Corruption and its work in preventing the possible conflict of interests, requested by physical and legal entities.

The State Commission for Prevention of Corruption, working strictly in accordance with the Law, disclosed in the public only the cases of real and existing conflict of interests. Seen from aside, this leaves an impression of lack of coordination between the announcements of the State Commission and the examples raised by other entities through the mass media. Most of the cases were about the unallowed accumulation of positions in a single person.

The actions in the cases in this area enabled the State Commission to classify the, into several groups, as follows:

- a) cases of concentration of multiple positions into a single person;
- b) cases of assumed conflict of interests where the officials, before taking over the position, address to the State Commission at their initiative and ask for opinion whether in the specific case there will conflict of interest;

c) cases of factual conflict of interests where the State Commission acts and identifies whether the specific person is in a situation of conflict of interests or not;

From the above classification of the cases, the State Commission can ascertain that the best soil for such conflict of interests is when the officials perform multiple positions in the same time.

For the needs of this Annual Report, in accordance with the regime for public disclosure from Articles 30 and 31 of the Law, the State Commission provides the following examples from the closed cases:

**1. Acting Director of the „Pelister” National Park**

Acted upon initiative submitted by an interested individual. The State Commission for Prevention of Corruption ascertained conflict of interests. Upon its submission, the realization of the two positions which were simultaneously performed by the same person (Mr. Tomislav Petrov) was put on hold.

**2. Municipality of Struga**

Acted upon initiative submitted by an interested individual. In the inquiry which was about the fact whether the official in the public institution can be in the same time member of a regional committee consisted of members coming from several public institutions, the State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

**3. University “Ss. Cyril and Methodius”**

Acted upon initiative submitted by an interested entity (entity which performs public procurement procedure). The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

**4. Director of the Drugs Bureau;**

Initiated by the State Commission for Prevention of Corruption. There was no conflict of interest in the specific case.

**5. Appeal Court Gostivar**

Acted upon initiative submitted by an interested entity (entity which performs employment procedure). The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

**6. Basic Court Veles**

Acted upon initiative submitted by an interested entity (entity which performs employment procedure). The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

**7. Health Home in Kriva Palanka**

Acted upon initiative submitted by an interested entity (entity which performs procedure for election of a Management Board member). The State Commission for Prevention of Corruption found that it is not in its mandate to act in the specific case.

**8. Anonymous filer**

Application which points out to nepotism in the Public Institution Special Hospital for Gynecology and Obstetrics "Chair", for a doctor in this hospital because he transferred his wife from other polyclinics and employed her in the same institution where he works. The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

#### **9. Anonymous filer**

Application which points out to effect, nepotism and misuse of the official person by the person employed as an inspector in the Directorate for Protection and Rescue. The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

#### **10. Public Attorney's Office of the Republic of Macedonia;**

Acted upon initiative submitted by an interested entity (entity which performs employment procedure). The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

#### **11. Energetika AD Skopje**

Acted upon initiative submitted by an interested entity which requested opinion. The State Commission for Prevention of Corruption found that there was conflict of interests in the specific case and notified the filer accordingly.

#### **12. Director of a Public Utility Enterprise in Prilep – case of nepotism**

Acted upon initiative submitted by an interested entity. The State Commission for Prevention of Corruption found that there was no nepotism in the procedure for employment of the Director of this public enterprise.

#### **13. Citizen who does not have the capacity of official person**

Acted upon initiative submitted by an interested entity (entity which performs employment procedure). The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

#### **14. National Conservation Center**

Acted upon initiative submitted by an interested entity for nepotism in the former director of the Center in his employment procedure. The State Commission found that there was no existence of conflict of interest but, due to the change in the factual situation, the procedure was stopped.

#### **15. Minister of Education and Science**

Acted upon initiative by the State Commission for Prevention of Corruption. No conflict of interest was found.

#### **16. Customs Authority**

Acted upon initiative submitted by an interested entity. The Customs Authority addressed to the State Commission for Prevention of Corruption with request for answers to specific issues.

### **17. Civil servant in the Constitutional Court**

Acted upon initiative of Mr. Safet Kadriu, official person, who requested opinion from the State Commission for Prevention of Corruption. State Commission for Prevention of Corruption ascertained that there was a assumed conflict of interest and notified the filer accordingly.

### **18. Public Enterprise for City Transport “JSP Skopje”**

Acted upon initiative submitted by an interested entity (entity which performs public procurement procedure). The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

### **19. Health Protection Institution in Tetovo**

Acted upon initiative submitted by official persons. The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case.

### **20. Ministry of Interior**

Acted upon initiative submitted by an interested entity. The Ministry of Interior addressed to the State Commission for Prevention of Corruption with request, from the aspect of its mandate, to provide professional opinion concerning the Article 104 of the Law on Police.

### **21. Customs Authority**

Acted upon initiative submitted by an interested entity (entity which employes the person which is under grounded suspicion for conflict of interest). The State Commission for Prevention of Corruption found that there was no conflict of interests in the specific case and notified the filer accordingly.

### **22. Ministry of Finances**

Referring to the initiative raised by the State Commission for Prevention of Corruption concerning the illegality in the accumulation of positions in civil servants employed in the state authority bodies (membership in multiple administrative or supervisory bodies, commissions, etc.), the Ministry of Finance, upon its initiative, submitted a list of employees in this Ministry who, beside their regular job, are also members of these bodies.

### **23. Civil servant in the Ministry of Finance**

Initiative raised by the State Commission for Prevention of Corruption. It was found that there was conflict of interests in the civil servant Maja Parnadzieva and, after the notifications submitted by the State Commission for Prevention of Corruption, the situation of accumulation of positions has been resolved.

### **24. Member of the Energy Regulatory Commission**

Initiative raised by the State Commission for Prevention of Corruption. It was found that there was conflict of interests – accumulation of positions. After

the notification submitted by the State Commission for Prevention of Corruption, the situation of accumulation of positions for the member, Mr. Ruhi Bahiu, has been resolved.

**25. Official person in the Ministry of Interior**

Initiative raised by the State Commission for Prevention of Corruption. It was found that there was conflict of interests – accumulation of positions. After the notification submitted by the State Commission for Prevention of Corruption, the said official person (Mr. Ivo Kotevski), sent a dismissal request to the body who appointed him.

**26. Civil servant – manager in the Government of the Republic of Macedonia**

Initiative raised by the State Commission for Prevention of Corruption. It was found that there was conflict of interests – accumulation of positions. After the notification submitted by the State Commission for Prevention of Corruption, the said official person (Ms. Natasha Stojmanovska), sent a request to be dismissed to the body who appointed her.

**27. One person – member of two Management Boards**

Initiative raised by the State Commission for Prevention of Corruption. It was found that there was conflict of interests – accumulation of positions. After the notification submitted by the State Commission for Prevention of Corruption, the said official person (Mr. Vladimir Cvetinovski), sent a request to be dismissed to the body who appointed him.

**28. Former civil servant in the Ministry of Transport and Communications**

Initiative raised by the State Commission for Prevention of Corruption. It was found that there was no conflict of interests – accumulation of positions in a single person.

**29. Civil Servant in the Ministry of Finance**

Initiative raised by the State Commission for Prevention of Corruption. It was found that there was no conflict of interests – accumulation of positions in a single person.

The procedure is ongoing for the remaining of the conflict of interest cases which were considered by the State Commission for Prevention of Corruption in 2008.

**7. ACTIVITIES IMPLEMENTED**

## 7.1 Normative work

The State Commission is specially dedicated to the realization of its legal mandate, including provision of opinions for the laws that concern its activities and mandate, as well as cooperation with international and local related authorities and institutions.

In 2008 the State Commission for Prevention of Corruption provided proposals, in writing, concerning the change in the criminal legislation – changes in the Criminal Code and the working version of the Law on Criminal Procedure, which included direct involvement of the State Commission member in the working group that drafted the changes in the criminal legislation. The constructive involvement of the State Committee in the work for changes in the criminal legislation resulted into acceptance of the major part of the proposed changes.

The active involvement of the State Commission in the revision of the Macedonian criminal legislation was also in a form of participation on the Conference on “Revision of the Macedonian legal framework in the area of the organized crime and corruption” which was held in April 2008 in Ohrid.

The cooperation with other bodies and institutions responsible for prevention and suppression of corruption in the Republic of Macedonia, and in the interest of acquisition of new leads in the fight against the organized crime and corruption, the State Commission was invited (and its people actively participated) to the “Corruption 2” seminar, organized by the CARDS Project 2005 – Twinning Department for Fight Against the Organized Crime and Corruption – Public Prosecution Office in the Republic of Macedonia which took place in January 2008 in the Academy for Training of Judges and Prosecutors in Skopje

- On the „Financial Crime” seminar which took place in May 2008 in Skopje

- On the Annual Advisory meeting regarding the “Current Reforms in the Material and Processing Criminal Legislation and Economic Crime” which took place in September 2008 in.

The State Committee also took part on the Seminar regarding “The new Law on Payment Operations in Practice” which was held in February 2008 in Skopje.

Special contribution was made by the State Commission in the public debate concerning the amendments of the National Constitution of the Republic of Macedonia which were about the proposal for reduction of the census for election of President of the Republic of Macedonia in the second round of election.

This Report also notes the active involvement of the State Commission in the projects delivered by the NGO “Center for Civil Communications” on the workshops regarding: “Narrowing of the Possibilities for Corruption in the Education” and “Proposing Measures for Narrowing of the Space for Corruption in the Health”, as well as on the seminar for “Prevention and Human Security towards Common Action Agenda”, the workshop on “Democracy and the Human Security” organized by the “Fridrich Ebert” Foundation and the Center for Prevention and European Values, including the workshops organized by the “All for Fair Trial” NGO.

The State Commission also exercises its competencies and mission through direct participation in projects organized by other entities and institutions, such as the Project supported by the Norwegian Government on "Corruption in the Education Sector" where the State Commission for Prevention of Corruption is the implementing partner, together with the Government of the Republic of Macedonia and the universities. The President of the State Commission acted as a chairperson and delivered numerous trainings on anticorruption measures and ethics in the state administration, organized by the Civil Servants Agency.

The State Commission secretary, working in a highly professional team towards supporting the role of the State Commission, actively participated during the year on the following events aimed to increase the knowledge and skills:

- Training on the procedures in the area of urbanism in the local self-government, organized by the UNDP
- Training on presentation skills in order to better prepare for the upcoming meeting of the Stabilization and Association Committee.
- Seminar on "Access to Opportunities for Financing from the EU IPA and other funds of the Community"
- Participation on training for administrative procedure in the area of communal activities, organized by the UNDP
- Meeting with the OECD mission regarding development of the Report on the Index of the investment reforms for 2009
- Training in evaluation, organized by the USAID and the Center for Human Rights and Conflicts Resolution.

## **7.2. Inter-institutional cooperation**

Considering the character of corruption as a serious national and trans-national problem, the possibility for it to occur is through the weaknesses of the system and as a criminal act, requires engagement of the State Commission for Prevention of Corruption. The State Commission organizes its cooperation with other authorities and institutions in charge to act against corruption in the country, as well as with the related international bodies and institutions. The cooperation, in fact, is one of the prerequisites for efficient and long-term fight against corruption. The achievement of evident results is one of the challenges the State Commission for Prevention of Corruption faced in the beginning of its mandate.

At the end of 2007 a total of 12 local authorities and institutions signed a Protocol for Mutual Cooperation, on initiative by the State Commission for Prevention of Corruption, in the area of corruption and conflict of interests, the State Commission for Prevention of Corruption used during the year the forms of direct cooperation that derive from the Protocol. At the end of the year, in order to have a joint evaluation and improvement of the cooperation, an Annual Meeting was held where three additional institutions joined the Protocol for Cooperation. Now, the daily communication exists between the following institutions: State Commission for Prevention of Corruption, Public Attorney's Office of the Republic of Macedonia, Public Revenues Office, Ministry of Interior, State Audit Office, Judicial Council, Customs Authority, the Cadastre

Authority, Directorate for Prevention of Money Laundering and Financing of terrorism, Financial Police, Public Procurements Bureau, Public Prosecutors Council, State Election Committee and the Committee on Appeals on Public Procurements. On this meeting in December it was ascertained that the established cooperation was assessed to be useful and successful. It was agreed that it should be expanded through mutual professional assistance, establishment of teams that will work on laws that concern all these institutions and direct work on specific cases related to corruption and criminal, which are forms for cooperation established in the Protocol.

Furthermore, in the updated and quality work of the specific cases and in cooperating with each of the institutions for the sake of more successful overall work, the State Commission for Prevention of Corruption entirely uses the Guidelines of the Government of the Republic of Macedonia by which all institutions are not only in charge to respond to the requirements for information and documents by the State Commission for Prevention of Corruption but there are also short and precise deadlines for that.

There is also the fact that the State Commission for Prevention of Corruption had significant initiative for increased level of giving feedback to the initiatives raised by the State Commission for Prevention of Corruption to other relevant bodies which was evaluated as achievements of the State Commission for Prevention of Corruption by numerous relevant institutions.

### **7.3. Regional cooperation**

In the frames of the regional cooperation with sister anti-corruption institutions, the State Commission invited representatives from the sister institutions from Albania, Montenegro, Serbia, Croatia, Slovenia and Kosovo to participate on the Regional Conference on Anticorruption Experiences and Practices, establishment of strategies for implementing active anti-corruption policy in each of the countries, on the use of international standards and conventions as well as the possibilities for development of the joint cooperation. On this meeting common standpoints and ascertainments were adopted and shared regarding the corruption as a global world problem and on the need for each country to strengthen the fight against it in a preventive and repressive manner, as well as regarding the implementation of the international norms and standards in the countries in the region. Furthermore, attitudes were exchanged on the external risks which the specialized anticorruption bodies are faced with in the course of realization of their mandate. It was agreed that the future joint meetings should be focused on specific current issues. The participants evaluated the State Program for Prevention and Repression of the Corruption and it was ascertained that the experiences achieved by Macedonia on institutional and legal field in the fight against corruption is an inspirational example for the anti-corruption policies in the region.

### **7.4 International cooperation**

The cooperation which is exercised by the State Commission for Prevention of Corruption on international field is important possibility for presenting of the overall efforts of the Republic of Macedonia for fight against corruption and the role of the State Commission in this area.

Very important was the participation of the State Commission delegation on the Third Annual Conference and the general meeting of the IAACA (International Association of Anti-Corruption Authorities) in Kiev, Ukraine on "Criminalization and Law Enforcement". This Conference was organized by the Public Prosecutors Office in Ukraine, in cooperation with the Organizational Committee of IAACA. In 2008 this Conference was the most important even on international level in the area of fight against corruption. This conference, which was opened by the Ukrainian President, Mr. Viktor Yushchenko, had participation from 107 countries – UN members and 13 international organizations. Special gratitude for the State Commission was the invitation extended by the organizers, for the State Commission President, Mrs. Dimovska, to deliver a speech on "Cooperation between the investigative authorities, the prosecution, the judiciary and other anti-corruption bodies". Declaration was adopted on the Conference which, among other things, emphasized the importance of the United Nations Convention for fight against corruption as well as the need for development and implementation of preventive mechanisms for fight against corruption. The Declaration calls on the parties (countries) of the UN Anticorruption Convention to accelerate the implementation of the provisions which criminalize the corruption, to develop efficient measures and mechanisms for prevention of the conflict of interests and, as very important component, to strengthen the cooperation between the relevant bodies for fight against corruption on national and international level.

In addition, the State Commission in 2008 expanded its cooperation with the sister institutions in Montenegro. Meeting was held with the Anticorruption Initiative Authority and with the Commission for Identification of the Conflict of Interests in July and Memorandum for Cooperation was signed with the Anticorruption Initiative Authority. In 2008, as a reflection of the Memorandum for Cooperation signed the previous year with the Commission for identification of conflict of interest, representatives from the State Commission were invited as lecturers to several training seminars for the public officials in Montenegro regarding the conflict of interests.

The State Commission also participated on the Regional Conference for European Integration which took place in Zagreb, organized by the Ministry of Foreign Affairs and European Integration of Croatia and the GTZ. Special contribution was provided by the State Commission for Prevention of Corruption representatives in the drafting of the final documents of the Conference.

The State Commission for Prevention of Corruption hosted the delegation of the Agency for Fight Against Corruption of Kosovo. Since this is a new institution in charge for fight against corruption in Kosovo, the delegation, lead by the Director, was interested in the Statute, competencies, mandate and actions of the State Committee as an example that can be used or mirrored.

A State Commission representative participated on the International Conference on the topic on "Harmonization of Fight Against Fraud and Corruption in Europe" which took place in Cologne, Germany, on which the Macedonian legal and institutional frame for fight against corruption was

presented. In addition, the State Commission participated on the Seventh General Meeting of the Anticorruption Network for Eastern Europe and Central Asia, organized by the OECD, which took place in Tbilisi, Georgia. The topics on this meeting were on the international efforts for fight against corruption, the role of the business sector and there was also special session on the conflict of interests and the assets declaration on the assets of the officials.

Representatives of the State Commission also had a presentation on the Second Conference of the countries involved in the anticorruption network ANCORAGE-NET which took place in Lisbon on “Capacity Building of the Anticorruption Agencies: Institutional Threats and Strengthening of the Preventive and Repressive Capacities”.

The representative from the State Commission participated on the international seminar for prevention of crime on “Effective Legal and Practical Measures for Combating Corruption – Criminal Justice Response”. This seminar was supported by JICA (Japan Agency for International Cooperation) which took place in the UNAFEI Center in Tokyo from 14 January-15 February 2008. The text that presented the anticorruption agenda of the Republic of Macedonia included the legal norms which regulate the preventive and the criminal-legal aspects in the fight against corruption, institutional setup and the implementation of the United Nations Convention for fight against corruption. Special emphasis was put on the position and the role of the State Commission as independent body for fight against corruption. The text was evaluated as significantly important source document and, as such, it was put in the Annual Report of UNAFEI for 2008.

### **7.5 Cooperation with international organizations and institutions in Macedonia**

The State Commission in the reporting period resumed the established cooperation with the USAID „World Learning” and with UNDP where the Annex to the Memorandum for Cooperation was signed by which the USAID confirmed the support of projects which the State Commission develops and implements. With their support, the State Program for Prevention and Reduction of the Conflict of Interests with Action Plan was developed, and also the Guideline for Management with the Conflict of Interests was adopted, including delivery of trainings on the conflict of interests for judiciary bodies, development of the Strategic Plan for Improvement of the Public Relations, etc. This cooperation resumes in 2009.

The cooperation with UNDP was extended in the frames of the project “Fight Against Corruption for Improved Management”. Representatives of the State Commission were involved in the finalization of the indicators for evaluation of the transparency, accountability and responsibility of the local self-government bodies. This project was implemented in four pilot municipalities and after its evaluation during 2009 the UNDP, supported by the State Commission, will continue the implementation of this project in the remaining rural local self-government units. In the frames of this project, representatives from the State Commission Secretariat participated on trainings regarding the procedures and administrative procedures in the area of urbanism and communal activities. The successful cooperation shall resume also in 2009 by developing innovative anticorruption projects.

## **7.6 Meetings, events and public relations**

In 2008 the State Commission for Prevention of Corruption had 82 sessions and meetings where it reviewed the issues from its competency, the work on cases, and all its standpoints, conclusions and decisions were adopted. We also need to mention the fact that the State Commission for Prevention of Corruption decides with consensus.

The State Commission for Prevention of Corruption has 20 press conferences where usually it provides all the information in written form which need to be communicated to the public and gives answers to all questions asked by the media representatives. The State Commission for Prevention of Corruption also developed and offered to publishing 20 announcements and its President and members gave numerous interviews for printed and electronic media.

The State Commission for Prevention of Corruption in 2008 paid special attention for improving the relations with the public and on the need of the citizens to have access to those information which are not selected for publishing on the media website. For this purpose it regularly updates its website publishing all the documents or information concerning the building of its institutional capacity. From the end of the year the State Commission for Prevention of Corruption became more proactive and started emailing directly the information to all interested local and international institutions. In addition, in order to develop and strengthen the public relations, the State Commission for Prevention of Corruption also adopted Guidelines for Drafting of Strategic Plan for Improvement of the Public Relations.

## **8. ACTING WITH REGARDS TO THE LAW ON FREE ACCESS TO PUBLIC CHARACTER INFORMATION**

Being an Authority that has the public character information, the State Commission for Prevention of Corruption, with level of responsibility for the realization of the citizens rights for free access to information it has, implemented the obligation it has in accordance with the Law on Free Access to Public Character Information adopted in 2006.

1. During 2008 the State Commission, from a total of 5 submitted written requests for free access to public character information, gave positive response to 4 of them. For the last one, the applicant was informed in writing that, in accordance with Article 26, Paragraph 2 of the Law on Free Access to Public Character Information, he requested information which the State Commission does not have at disposal.

2. From a total five written requests submitted for free access to public character information, no request was rejected.

3. Concerning the written requests submitted for free access to public character information, in accordance with the Law on Free Access to Public Character Information (Official Gazette of the Republic of Macedonia No.13/2006), the filers did not appeals.

4. No administrative dispute was initiated against the final decision of the Commission regarding protection of the right for free access to public character information, or in a case of silence by the entity who has such information.

5. No court verdicts exist where the appeal of the filer in the administrative dispute has been resolved positively.

## **9. CONCLUSIONS**

1. In 2008 the State Commission for Prevention of Corruption had intensive activity and high delivery rate concerning its legal mandate and competencies.
2. The realization of the obligations which derive from the Main priorities of the Accession Partnership of the Republic of Macedonia in the European Union, have confirmed the positive active role of the State Commission in the reporting year, being a direct stakeholder and relevant institution, the recommendations of which need to be followed.
3. Progress has been made in the implementation of the anticorruption policies and measures in Macedonia but there is still the obvious influence of the factors that make it possible, such as the high level of political influences, influences by the political parties, slow introduction of the rule of law and better governance.
4. The high level of trust that the citizens have in the State Commission for Prevention of Corruption strengthens its credible role of coordinator and leader of the bodies and institutions in the Republic of Macedonia in charge to implement anti-corruption policies and measures.
5. The need for effective, sustainable and long-term results in the fight against corruption in the Republic of Macedonia is a constant challenge for the State Commission for Prevention of Corruption.

**TABLES**

TABLE No. 1

R E P O R T  
WORK ON CASES  
(January 2008 - December 2008)

TOTAL RECEIVED COMPLAINTS	767	ASSETS DECLARATIONS	
TOTAL NUMBER OF CASES ACTED UPON	728	RECEIVED ASSETS DECLARATIONS	357
CLOSED CASES	567	NOTIFICATIONS FOR MODIFICATIONS	247
		SUBMITTED MISDEMEANOR CHARGES	33
INITIATIVES	31	RECEIVED DECISIONS	39
* for criminal prosecution	27	CONFLICT OF INTEREST	
* for determining accountability	4	FORMED CASES	44
SUBMITTED MISDEMEANOR CHARGES	2	* Conflict of interest established	9
SUBMITTED FOR FURTHER ACTIONS	29	* Conflict of interest not established	20
AFTER TAKING ACTION THE SCPC CONCLUDED THAT THERE ARE NO ELEMENTS TO TAKE ANY FURTHER ACTIONS	266	ELECTION CASES	
THE SCPC CONCLUDED THAT IT WAS NOT COMPETENT	231	FORMED CASES	117
INSTIGATED PROCEDURE TO CONTROL THE FINANCIAL OPERATIONS	6	* Opinions	44
		* Notifications	70
* Public Revenue Office	4	SENTS LETTERS	368
* State Audit Office	1	RECEIVED RESPONSES	281
* Ministry of Finance	1		

TABLE No. 2

R E P O R T  
AREAS OF CASE WORK  
(January 2008 - December 2008)

AREA	CLOSED CASES	SENT LETTERS	RECEIVED ANSWERS
STATE AUTHORITIES AND LSG Units	211	171	134
JUDICIARY	174	38	31
PUBLIC ENTERPRISES AND INSTITUTIONS	65	46	39
PRIVATIZATION	16	22	20
BANKRUPTCY PROCEDURE	26	36	32
COMPANY OPERATIONS	47	39	16
VARIOUS SUGGESTIONS/NOTIFICATIONS	28	16	9

TABLE No. 3

ASSETS DECLARATIONS  
(January 2008 - December 2008)

RECEIVED ASSETS DECLARATIONS FROM APPOINTED AND ELECTED OFFICIALS 357			
NOTIFICATIONS OF CHANGED FUNCTION	40	INSTIGATED PROCEDURE TO EXAMINE THE PROPERTY SITUATION	
NOTIFICATION OF REELECTION	10	SUBMITTED REQUESTS	19
ASSET DECLARATION AFTER TERMINATION OF THE FUNCTION	204	RECEIVES RESPONSES	
NOTIFICATIONS OF ASSET CHANGES	197		
INSTIGATED MISDEMEANOR PROCEDURE AGAINST APPOINTED / ELECTED OFFICIALS THAT FAILED TO SUBMIT AN ASSETS DECLARATION 33			
RECEIVED RESPONDS ON SUBMITTED MISDEMEANORS IN 2005		RECEIVED RESPONDS ON SUBMITTED MISDEMEANORS IN 2006	
JUDGMENTS (imposed fines)	1	JUDGMENTS (imposed fines)	3
DECISIONS (MISDEMEANOR WARNING)	0	DECISIONS (MISDEMEANOR WARNING)	3
DECISION (stop and dismiss)	4	DECISION (stop and dismiss)	6
*appeal lodged	1	*appeal lodged	
RECEIVED RESPONDS ON SUBMITTED MISDEMEANORS IN 2007		RECEIVED RESPONDS ON SUBMITTED MISDEMEANORS IN 2008	
JUDGMENTS (imposed fines)	14	JUDGMENTS (imposed fines)	1
DECISIONS (MISDEMEANOR WARNING)	4	DECISIONS (MISDEMEANOR WARNING)	
DECISION (stop and dismiss)	3	DECISION (stop and dismiss)	
*appeal lodged	1	*appeal lodged	