



**Republic of Macedonia**

**STATE COMMISSION  
FOR PREVENTION OF CORRUPTION**

**STATE PROGRAM  
FOR PREVENTION AND REDUCTION  
OF CONFLICT OF INTERESTS  
with ACTION PLAN**

**Skopje, May 2008**



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## 1. INTRODUCTION

The State Commission on Prevention of Corruption (hereinafter referred to as: the State Commission), realizing its competence regulated in Article 21, paragraph 1, line 1 of the Law on Prevention of Conflicts of Interests (“Official Gazette of the Republic of Macedonia” no. 70/2007) and implementing one of the activities envisaged in its 2008 Annual Work Program, has the obligation of adopting a State Program for Prevention and Repression of Conflict of Interests.

The extent to which this document is needed is also demonstrated by the fact that the adoption of the State Program for Prevention and Repression of Conflict of Interests (hereinafter referred to as: the Program) is also one of the measures and activities envisaged in Chapter 23. Justice, human rights and fight against corruption of the revised National Program for Adoption of the Legislation (NPAA 2008). The adoption of this Program is, at the same time, one of the main priorities of the Partnership of the Republic of Macedonia for Gaining EU Accession, contained in point 5, i.e. “to achieve specific results in the implementation of the anticorruption legislation”, which has to be realized until August 2008.

But which is more important, the adoption of this Program, which is considered as a legal instrument, supplements one of the elements of the ethical infrastructure of the Republic of Macedonia and upgrades the already established normative approach to the fight against corruption (the Law on Prevention of Corruption, the Law on Prevention of Conflict of Interests, the Law on Free Access to Public Information, the State Program for Prevention and Repression of Corruption, the ethical codes, etc).

In the development of this program, the experience that the State Commission has gained so far in dealing with the issue of conflict of interests as well as its knowledge of certain practices, systems and their functioning, was of exceptional importance. This has enabled the Commission to create a list of identified problems and gaps of our system in dealing with conflict of interests. In doing so, the Commission does not claim that this Program envisages all situations in which there is potential conflict of interests.

The list of identified problem was translated into individual so –called risk, which are further on elaborated by proposed measures and activities, which have to be undertaken in order to overcome the problems from the specific risk area. In order to follow the realization of each envisaged activity, corresponding indicators are identified. For certain activities, there are indicators measuring the effectiveness of the activity implementation. The competent bodies/institutions for that specific activity are also envisaged as well as the deadlines for the realization of the activity and the financial implications. Thus, there are 9 risk areas, 15 identified problems and 43 activity indicators.

The Program structured in this way is designed as a dynamic and open to constant upgrading. That means that the number of activities and indicators will depend on their realization and the need for its further upgrading.

The State Commission, which is competent for the monitoring and implementation of this Program, expects the competent bodies, institutions and entities to undertake certain of the envisaged measures and activities in a timely fashion and to begin with the Program implementation in accordance with the envisaged deadlines. This will demonstrate the real degree of willingness of all stakeholders in the country to tackle this socially negative phenomenon.

A working group, consisting of two international experts from the conflict of interests sphere, one representative of the Ministry of Justice, one representative of the private sector and one representative of the civil sector, was established to provide support to the State Commission. The preparation of the Program took place at two 5- day workshops. The first one took place March 24 – 28, 2008 whereas the second one took place April 21-24, 2008.

Within the already established cooperation, the World Learning Macedonia, USAID Program has provided the technical support in the process of the Program development.

## **2. THE SITUATION WITH CONFLICT OF INTERESTS IN THE REPUBLIC OF MACEDONIA**

Corruption, and with it also the conflict of interests, the lack of transparency in the work of the public function holders, as well as the insufficient specific results in the fight against corruption, are some of the main obstacles to the European integration of the Republic of Macedonia. The established system relying on the division of legislative, executive and judicial branch of government is still not sufficiently functional, which results in officials finding themselves in a position of conflict of interests to disregard this position as a high risk position.

At the same time, a significant number of the officials demonstrate an insufficient understanding of the definition and the manifestation of conflict of interests. Due to this, the Republic of Macedonia should simultaneously move in two directions: on one hand, to strengthen the prevention of the conflict of interests by educating and acquainting the officials with what constitutes conflict of interests, how does it occur, what should be done to avoid it and how should one withdraw him/her self from a situation of conflict of interests, and on the other, to develop the system of detection, overcoming and repression of conflict of interests.

The situation described above has imposed the need to develop this program, whose realization means creation of an efficient system to tackle this socially negative phenomenon.

### 3. DEFINITIONS OF THE CONFLICT OF INTEREST AND OF OFFICIAL

For the needs of this Program, these terms have been defined as follows:

**A. *Conflict of interests* is a conflict between the public duty and the private interest of the official, in which the official has a private interest which affects or could affect the performing of his/her official duties and authorizations.**

**B. The term *official* includes the following: the President of the Republic of Macedonia, the appointed ambassadors and representatives of the Republic of Macedonia in foreign countries and the appointees of the President of the Republic of Macedonia, elected or appointed officials in the Parliament of the Republic of Macedonia, the Government of the Republic of Macedonia, the state administrative bodies, the courts and the other bodies and organizations performing certain professional, administrative and other tasks within their rights and obligations in the Republic of Macedonia, the municipalities and the City of Skopje, as well as other persons holding public authorizations<sup>1</sup>.**

### 4. AIMS OF THE PROGRAM

The basic aim of the Program is to further develop the concept of having in place policies to prevent and reduce the conflict of interests, as an important segment of the political, administrative and legal system of the Republic of Macedonia.

Therefore, the Program is a legal frame which envisages specific measures and activities to be undertaken by the competent bodies, officials and other stakeholders in order to reduce the manifestations of conflict of interests and prevent its consequences.

Among other things, the Program is also aimed at identifying the prerequisites for its successful implementation and the recommendations for overcoming the detected gaps in certain legal acts, concerning the detection, processing and resolution of the cases of conflict of interests.

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<sup>1</sup> This definition is regulated in the Law on Prevention of Conflict of Interests (“Official Gazette of the Republic of Macedonia” no.70/07) although in Article 7, paragraph 1 of the Law on Prevention of Corruption (“Official Gazette of the Republic of Macedonia” 28/02), the term *official* is defined by means of the definition from Article 122 of the Criminal Code. In accordance with the Criminal Code, the term *official* shall, in addition to the elected and appointed officials, comprise also the civil servants and the individuals performing certain official duties on the basis of an authorization, given by law, the members of the armed forces and the representatives of foreign countries or international organizations in the Republic of Macedonia.

In achieving that, the Program elaborates the risk areas and the manifestations of the conflict of interests and offers models and practices for swift changes and improvements in this area within our social and economic context.

The Program is aimed at further clarifying the conflict of interests and providing, officials primarily with assistance and support in resolving the dilemmas as to whether or not certain activity comes under conflict of the public and private interest.

## **5. TARGET GROUP AND STAKEHOLDERS**

The target group of this Program is officials, defined in point 3b of this Program.

The following are active stakeholders for the implementation and monitoring of the implementation of this Program: the State Commission for Prevention of Corruption, the Parliament of the Republic of Macedonia, the Government of the Republic of Macedonia, the ministries, the local self-government units, the courts, the Public Prosecution Office, other bodies and organizations, other persons performing public authorizations, the NGO sector and the media.

## **6. MAIN PRINCIPLES OF THE PREVENTION AND REDUCTION OF THE CONFLICT OF INTERESTS**

In the interest of gaining the trust of the public in the state institutions, the officials are expected to follow the main principles for prevention of the conflict of interests, which will serve to promote their integrity in performing their official duties and responsibilities:

### **6.1 Realization of the public interest**

In the performing of their duties the (elected and appointed) officials should make decisions exclusively aimed at the realization of the public interest, based on the legal and other regulations. In doing so, they may not be motivated by any ethnic, religious, political party or political, family or other personal interests. They are expected to restrain from, or more specifically exempt themselves from, any activities in which they may have private interest, with the objective of dismissing any doubt in their objectivity. It is prohibited to accept or obtain any benefit which is a result of the undertaking or failure to undertake certain obligation or duty. The officials must not take advantage or misuse the information they have received as a result of their function, after the expiry of their mandate.

## **6.2 Provision of transparency and supervision**

The officials should perform their duties, arising from the function they hold, publicly and transparently. In this context, it is especially important to facilitate the access of citizens to the information they are entitled to in order to exercise certain right or realize certain interest. All of this, of course, would have to be done in accordance with the regime for access to information of public character, In addition, after taking office, the officials are obliged to make public some of their personal data and interests (for ex., their assets, etc). In this way, one provides control or supervision over the level of legal compliance of the officials throughout their mandate.

## **6.3 Promotion of individual responsibility and giving a personal example**

The officials are at all times expected to exercise and represent personal integrity and to serve as a personal example for other officials and the public. By accepting their function, there are greater expectations of their behaviour both in the public and private life. In the case of conflict of interest, the officials bear personal responsibility for its detection and resolution by demonstrating professionalism and application of the envisaged policies and practices.

## **6.4 Developing an organizational culture of intolerance towards conflict of interests**

Officials should create conditions for the introduction and development of an organizational culture enabling effective control and management of the conflict of interests in the bodies they manage or the institutions in which they actively act and participate. That means an open dialogue, a discussion which triggers proposed measures for the reduction and prevention of the conflict of interests. The best way to realize this principle is to introduce guidelines and organize trainings aimed at gaining understanding of and overcoming the manifestations of the conflict of interests and applying the outcomes of these trainings in the working environment in which the official is working or taking action.

## **7. PREREQUISITES FOR THE IMPLEMENTATION OF THE PROGRAM**

In order to render successful the implementation of this Program, it is not sufficient only to identify well the problems and to envisage the measures and activities, with competent institutions/bodies and specific deadlines.

The experiences gained so far in the application of such legal instruments point to the fact that certain conditions and prerequisites have to be met in order to implement the

Program completely, timely, efficiently and effectively. These conditions and prerequisites include the following:

- leadership and dedication to implementation;
- partnership among all stakeholders and parties involved in its development;
- monitoring of its implementation;
- regular experience-based assessment;
- evaluation of the degree of its implementation, and
- sustainable financial assistance and well identified fiscal implications, synchronized with the budget planning.

Of equal importance is the acceptance of this document as a developmental document, and not as a document given once and for all, which opens the possibility of upgrading and supplementing it through further development and affirmation of the envisaged measures and activities, and which would, in turn, result in their adaptation to the newly created situations and manifestations of conflict of interests.

## **8. PROVISIONS ON THE CONFLICT OF INTERESTS SET IN THE LAW ON PREVENTION OF CORRUPTION AND THE LAW ON PREVENTION OF CONFLICT OF INTERESTS**

The term *conflict of interest* in the Republic of Macedonia is partly addressed in several material laws (the Law on Local Self-Government, the Law on Public Procurements, etc.), but is also especially significantly regulated in the Law on Prevention of Corruption (“Official Gazette of the Republic of Macedonia”, no. 28/2002, 46/2004, 126/2006 and 10/2008) and, of course, in the Law on Prevention of Conflict of Interests (“Official Gazette of the Republic of Macedonia”, no.70/2007) in the following way:

### **8.1 Law on Prevention of Corruption**

Under the heading *Prevention of Conflict of Interests* in the Law on Prevention of Corruption, the following issues have been regulated: illegal requests of a superior; the failure to report a crime; a prohibition to exercise influence on another person; using discretionary authority; offering bribe; procedure to be followed in case of charges of corruption and invalidity of legal acts and compensation of damage. In addition, the Law also contains other provisions, aimed at preventing corruptive behaviour in performing of public authorizations. Namely, there are rules stipulating in which way

the officials must not act, i.e. what they may not do while performing their function or public authorization as well as procedures that officials are required to follow when taking action in order to prevent misuse. Therefore, the following provisions are of exceptional importance: the provisions prohibiting the accumulation of functions (being authorized to perform a public duty and holding some other function simultaneously) or referring to incompatibility of functions, the provisions prohibiting the official to exercise influence in employment or promotion of family members, the ones prohibiting the official to accept gifts or promise of gifts, the ones referring to the disposal of public property, the ones referring to the use of public assets, the ones referring to the post-employment of the official, the ones prohibiting the acquisition of shareholder's rights, the ones referring to the misuse of official data and the ones referring to the misuse of public procurements.

The basic objective of these provisions is to prevent the official to misuse the office for personal benefit, which is an essential element of the definition of the term *conflict of interest*. All of these provisions are actually measures for prevention of the conflict of interest.

Among the offered solutions to tackle and prevent the conflict of interests, one can also include the provisions prohibiting new investments and extraordinary/supplementary payments, which, in essence, means a prohibition to undertake certain actions, as well as the provisions on exercising influence in selection, appointment and dismissal of officials, which are, in essence, aimed at preventing an appointed or elected official, who has been appointed or elected on a proposal of a certain political party, to decide on the selection, appointment or dismissal of an official.

## **8.2 Law on Prevention of Conflict of Interests**

The Law on Prevention of Conflict of Interests especially focuses on the following measures and activities for prevention of the manifestations of the conflict of interests of officials: exemption, prohibition to accept gifts, limitation of the post-employment possibilities, regulation of the membership of officials in trade companies or in management and supervisory boards of trade companies and prevention of the conflict of interests arising from the activities of the official in citizen associations.

## **9. RISK AREAS FOR THE CONFLICT OF INTERESTS**

The following have been identified as risk areas for conflict of interests:

### **9.1 Accumulation of functions and obtaining benefits**

This constitutes the so-called factual or apparent conflict of interests, i.e. a situation in which it is obvious that the private interest of the official affects the performing of his/her function, and thus, indirectly affects the public interest.

In overcoming this problem, it is of exceptional importance to develop a guide, containing a set of rules on the way officials should act when found in a situation of real conflict of interests. In order to bring these rules closer to the officials and practically apply them, trainings exclusively tailored for the officials will have to be designed and implemented under conditions and in a way which best suits their positions. If these preventive measures do not yield the expected results, the State Commission should initiate a procedure for determining an elected or appointed official's public responsibility.

### **9.2 Influence for financial or other benefits**

There is a conflict of interests on every occasion on which the official can, during the decision-making process, misuse his/her own position to exercise and/or conceal influence, by means of which he/she can obtain personal financial benefit.

In these situations, the official should be exempted. Despite the fact that exemption is well and precisely regulated in the positive laws of the Republic of Macedonia (the Electoral Code, the Law on Local Self-Government, the Law on Public Procurements, etc.), it is still evident that in practice it is not really applied. Therefore, officials should be educated on exempting themselves from taking action and making decisions in cases where they have a private interest.

Despite this, the reporting of conflict of interests and the protection of the individuals pointing to the existence of conflict of interests should be further regulated, and a Law on Lobbying should be adopted, which will determine the rules for exercising legal influence on the adoption of certain acts or decisions of the state bodies.

### **9.3 Discretionary powers**

Discretionary powers fall within the so-called "blurry" and imprecise zone in which officials exercise their influences or serve their interests.

In conditions of high degree of concentration of power and lack of delegation of authorizations on the part of the officials holding managerial administrative positions, the possibilities to come into conflict of interests are great.

In the Republic of Macedonia this problem has already been detected and important activities have been initiated to review certain provisions from the relevant laws and, especially, from the relevant by-laws (books or rules, guidelines, decisions, etc.) which at present allow elected and appointed officials to use discretionary powers. It is important that this process be completed and results, if not in annulment, then in high level of reduction of the discretionary powers.

At the same time, in order to improve the situation in this risk area, an intervention in the Law on Organization and Work of the State Administrative Bodies is needed in order to draw a clear and precise distinction between the scope of competences and authorizations of the public officials holding senior managerial positions (such as the ministries and directors) and avoid situations of overlapping of competences.

#### **9.4 Official action in matters involving private interest**

The adherence to the principle of transparency and control of the work of officials most directly comes to the forefront in this segment.

The problems are mostly generated by the fact that there is no obligation on the part of the officials to report private interest, resulting in them sometimes taking action in matters in which they have a private interest.

The most serious form of conflict of interests is the obtaining of financial benefit from the conclusion of public (administrative) contracts.

In order to overcome this, it is primarily recommended to introduce an obligation for the official to report private interest by submitting a declaration upon election or appointment. This declaration should, of course, be prescribed by law. Then, the officials' awareness of exempting themselves should be raised by educating them and adopting ethical codes in the areas in which they are lacking (for ex., ethical codes for ministries and members of Parliament).

#### **9.5 Gifts**

Despite the fact that the issue of gifts is legally regulated in three existing laws (the Law on Prevention of Corruption, the Law on Prevention of Conflict of Interests and the Law on Use and Disposal of State Owned Assets), it seems that there are still certain difficulties and lack of clarity in this sphere. A gift is defined as money, objects, rights and services which are given to the official without compensation and which put the official in subordinate or dependant position upon the party offering the gift.

Namely, the legal definitions are not fully consistent, which results in confusion as to what actually constitutes a gift, what is the allowed value of a gift that an official may receive, how should the official dispose of the received gift, etc.

The problem is additionally aggravated if one takes into consideration the fact that there is no unique and updated data base on elected and appointed officials, as regulated in the Law on Prevention of Conflict of Interests, nor is there any record on the gifts received by the officials.

Therefore, activities for reaching compliance among the laws regulating the issue of gifts have to be undertaken, a guide on dealing with gifts has to be developed a database on officials has to be created and gift records have to be established.

### **9.6 Nepotism in employment, public procurements, conclusion of contracts, issuing different kinds of licences, etc.**

Nepotism, in its widest sense, defined as influence of the family relations on the decision-making on employment and conclusion of public (administrative) contracts (most often, in the public procurement procedure and license issuing), has for a while now triggered different polemics and had different interpretations. It is really difficult to find the right measure or balance for limiting this kind of influence in conditions of high unemployment and relatively small and insufficiently competitive labour market, on one hand, and in a small country in terms of population, such as the Republic Macedonia, on the other.

Still, the commitment of the Republic of Macedonia to take the road leading to the process of European integration, and with that, the accepting of the principles of the European administrative area, unavoidably pose in front of us the requirement to overcome nepotism as a feature of the spoils systems and definitely apply the merit principle in the public sector.

Therefore, it is needed to establish clear rules for the definition of nepotism, the way of taking action upon its detection and the introduction of an obligation on the part of officials to report family relations in all specific cases of employment and contract closing in which they have been involved. Establishing unique standards and principles for the whole public service is especially important.

### **9.7 Misuse of public assets/resources for private (personal, political party and other) interests**

Every aspect which needs to be further upgraded or developed with the objective of reducing the manifestations of conflict of interests, which are characteristic for this risk area, is related to the compliance with the existing rules, procedures and mechanisms established to tackle the misuse of public assets/resources for private interests.

In the Law on Prevention of Corruption there is a regulation referring to the use of public assets/resources, which has to be expanded with provisions on the strengthening of the protection of public assets/resources in the election process. Furthermore, efforts have to be made to raise the ethical awareness through different codes, educational sessions and trainings.

If these measures prove to be insufficient, one has to resort to initiating a procedure for determining public responsibility, and, of course, to continuously strengthen the internal revision in the detection of cases of misuse of public assets.

## **9.8 Post-employment**

This risk area is legally regulated in the Law on Prevention of Corruption and the Law on Prevention of Conflict of Interests.

It is customary for officials to receive privileged treatment after they leave office by becoming employed in public and private organizations with which they have previously been professionally involved.

Here also one can clearly see that there is a need of training and education through informational guides and codes of ethics.

If one can not completely avoid having this type of conflict of interests, it is important to further specify under which circumstances and in which situations the official can gain employment upon leaving office.

## **9.9 Use and mistreatment of information not available to the public**

Officials are obliged to treat the information they encounter throughout the performing of their function with utmost due confidentiality and to provide adequate protection of this information. They are also obliged to act in this way after they leave office.

However, despite this obligation, there are still cases of misuse of the information thus acquired and not made available to the public, which puts the officials in a privileged and unequal position.

In order to overcome this problem, it is suggested that an expert debate is organized at which the possibility to introduce adequate penal sanctions for this violation would be considered.



# **ACTION PLAN**

**FOR THE IMPLEMENTATION  
OF THE STATE PROGRAM  
FOR PREVENTION AND REDUCTION  
OF CONFLICT OF INTERESTS**



ACTION PLAN

1 Risk area: ACCUMULATION OF FUNCTIONS AND OBTAINING BENEFITS						
Identified problems	Activities (Measures and recommendations)	Implementation	Competent institutions/bodies	Time frame	Financial implications	Indicators
1.Position in which the official has an open conflict of interests	1. Development of Informative Guide for prevention of open conflict of interest	1. Informative Guide developed	SCPC MoJ	2008	500,000.00	
	2. Education, trainings	1. Implemented activities	SCPC	2008/09	100,000.00 per training	I1: NumbEer of education activities I2: Number of educated/trained persons
	3. Checking the evidence of open conflict of interest	1. Conflict of interest detected	SCPC	constantly	Regular everyday activities	I1: Number of detected conflict of interest cases Divided by number of procedures
	4. Raising an initiative to request public responsibility from elected and appointed officials	1. Raised initiatives	SCPC	constantly	Regular everyday activities	I1: Number of raised initiatives Divided by number of detected cases of conflict of interest
	5. Change of the Law on CI : - to act upon the conclusions of SCPC - SCPC should issue an admonitory measure in cases of identified conflict of interests;	1. Law on CI changed	MoJ (SCPC) Parliament	2009/10	100,000.00	
	6. Adopting and change the laws regulating the media and NGO sector in preventing accumulation of function and preventing personal benefit	1. Respective laws regulating the media adopedted	Ministry of Culture Parliament	2009/10	100,000.00	
		2. Law on broadcasting and Law on NGO's and associations changed	MoTC MoJ Broadcasting Council Parliament	2009/10	150,000.00	

ACTION PLAN

2 Risk area: INFLUENCE FOR FINANCIAL OR OTHER BENEFITS						
Identified problems	Activities (Measures and recommendations)	Implementation	Competent institutions/bodies	Time frame	Financial implications	Indicators
1. Misuse of one's position in decision making to exercise influence for financial or other benefits	1. Education for implementation of the exemption in taking actions	1. Activities implemented	SCPC	constantly	Covered in the first risk area	I1: Number of education activities I2: Number of trained people
	2. Development of Ethical Codes for ministers, MPs and other officials from the executive power	1. Ethical Codes adopted	GOM Parliament	2008/09	100.00,00	
	3. Application of the Criminal Code in such cases of misuse	1. Initiatives for criminal prosecution raised at the Public Prosecution 2. Raised procedures at the Public Prosecution	SCPC Public Prosecution	constantly	Regular working activities	I1: Number of raised initiatives by SCPC Divided by number of cases on conflict of interest  I2: Number of raised procedures at Public Prosecution Divided by number of submitted initiatives by SCPC  I3: Number of court decisions Divided by number of charges by PPO
2. Failure to report cases of influence	1. Change of Law on CI in precise defining of the procedure for reporting and protection of the persons that report cases of conflict of interest and at the same time take into consideration provisions that regulate this issue in other relevant Laws.	1. Law on CI changed	MoJ SCPC Parliament	2009/10	Covered in the first risk area	
		2. Developed Informative Guide	MoJ SCPC Parliament	2008	Covered in the first risk area	
3. There is no Law on Lobbying	4. To adopt a Law on Lobbying	1. Law on Lobbying adopted	MoJ	2009/10	150,00.00	

ACTION PLAN

<b>3 Risk area: DISCRETIONARY POWERS</b>						
<b>Identified problems</b>	<b>Activities (Measures and recommendations)</b>	<b>Implementation</b>	<b>Competent institutions/bodies</b>	<b>Time frame</b>	<b>Financial implications</b>	<b>Indicators</b>
1. High level of discretionary powers	1. Completing the process of re-examination of discretionary powers in the laws and bylaws	1. Process completed	GOM	2009		I1: Number of changed laws and bylaws
	2. To implement the recommendations of the Government commission for discretionary rights	2. Recommendations of the Government commission implemented	GOM	2009/10	Regular working activities	I1: Number of implemented recommendations
	3. Change of the Law on organization and work of state administrative bodies to distinguish clearly the responsibilities of the different state bodies in order to avoid overlapping	3. Law (LOWSAB) changed	MoJ GOM	2009	100,00.00	

ACTION PLAN

<b>4 Risk area: OFFICIAL ACTION IN MATTERS INVOLVING PRIVATE INTEREST</b>						
<b>Identified problems</b>	<b>Activities (Measures and recommendations)</b>	<b>Implementation</b>	<b>Competent institutions/bodies</b>	<b>Time frame</b>	<b>Financial implications</b>	<b>Indicators</b>
1. Lack of obligation on the part of public officials to declare their own private interests	1. Introducing an obligation in the Law on CI for reporting private interest and introduction of a statement during selection of function and during each following change of position	1. Law on CI changed	MoJ SCPC Parliament	2009/10	Covered in the first risk area	
2. Officials take actions/make decisions on matters in which they have private interest.	1. Education for implementing of the exemption from taking action	1. Activities implemented	SCPC	2008/09	Covered in the first risk area	I1: Number of education activities I2: Number of educated/trained persons
	2. Developing Ethical Codes	2. Ethical Codes adopted for MPs and Ministers	GOM Parliament	2008/09	Covered in the second risk area	
3. Gaining property benefit to disadvantage of public interest when closing public contracts	1. To introduce an obligation in the Law on CI for the official to sign a statement that he/she doesn't have any private interest in a certain contract	1. Law on CI changed	MoJ SCPC Parliament	2009/10	Covered in the first risk area	

ACTION PLAN

5 Risk area: GIFTS						
Identified problems	Activities (Measures and recommendations)	Implementation	Competent institutions/bodies	Time frame	Financial Implications	Indicators
1. Different definitions of what constitutes a gift (in the Law on Prevention of Conflict of Interests, Law on Prevention of Corruption and the Law on Use and Disposal of the Assets of the State Administrative Bodies)	1. Amendment of the Law on Prevention of Conflict of Interests, the Law on Prevention of Corruption and the Law on Use and Disposal of the Assets of the State Administrative Bodies for introduction of a unified definition of a gift	1. Laws amended	Parliament MoJ MoF  (SCPC)	2009/10	200,00.00 (for Law on Prevention of Corruption and Law on Use and Disposal of the Assets of the State Administrative Bodies ) the change of the Law on Prevention of Conflict of Interest is covered in the first risk area	
	2. Amendment of the Law on Prevention of Conflict of Interests, the Law on Prevention of Corruption and the Law on Use and Disposal of the Assets of the State Administrative Bodies for clasification of gifts: - by type - by value - by receiver - by giver	1. Laws amended	MoJ SCPC MoF Parliament	2009/10	Covered in the first activity	
	3. Develop the Guide for handling gifts in compliance with the Laws	1. Guide developed 2. Guide published on the web page of SCPC 3. Guide distributed to institutions	SCPC	2009/10	200,000.00	
2. . Lack of unified data base on the exact number of elected and appointed officials - officials that are comprised with Article 3, paragraph 2 of the Law on Prevention of Conflict of Interests	1. Establishment of a data base on the exact number of elected and appointed officials which are comprised with the Law on Prevention of Conflict of Interests (2)	1. Data base established	SCPC MoF ZELS	end of 2008	150,000.00	
3. Lack of a Gift records	1. Introducing an obligation to report gifts	1. Changed Law on Prevention of Conflict of Interests and the Law on Use and Disposal of the Assets of the State Administrative Bodies	MoJ MoF SCPC Parliament	2009/10	Covered in the first activity	

ACTION PLAN

<b>6 Risk area: NEPOTISM IN EMPLOYMENT, MAKING PUBLIC PROCUREMENTS, CLOSING PUBLIC CONTRACTS, ISSUING DIFFERENT LICENCES, ETC.</b>						
<b>Identified problems</b>	<b>Activities (Measures and recommendations)</b>	<b>Implementation</b>	<b>Competent institutions/bodies</b>	<b>Time frame</b>	<b>Financial implications</b>	<b>Indicators</b>
1. Influence of the nepotism in performing public duties	1. Introducing unified rules and procedures in the employment process	1. Working group established for the Law on Public Service	MoJ Civil Servants Agency	2008		
		2. Analysis conducted	MoJ Civil Servants Agency	2008-2009		
		3. Law on Public Service adopted	MoJ	2009	<b>Total (1+2+3)</b> <b>150,000.01</b>	
	2. Change in the Law on prevention of CI and other substantive Laws for  - defining precisely nepotism  - defining precisely the actions to be taken in case of nepotism  - to introduce an obligation for officials to give statements on (non)existence of family or other relations with the participants in the procedures for establishing concrete relationship (selection, appointment, employment, promotion, public procurement)	2. Laws changed	SCPC GOM MoJ Other Ministries	2009/10	100,000,00	

ACTION PLAN

7 Risk area: MISUSE OF PUBLIC ASSETS/RESOURCES FOR PRIVATE PURPOSES (PERSONAL, POLITICAL, ETC.)						
Identified problems	Activities (Measures and recommendations)	Implementation	Competent institutions/bodies	Time frame	Financial implications	Indicators
1. Non compliance with the procedures and mechanisms for prevention of the misuse of public assets/resources for private purposes	1. Change of the Law on prevention of corruption for strenghtening the protection of public assets from misuse during election process	1. Law on Prevention of Corruption changed in the part of prevention of corruption in politics	MoJ SCPC Parliament	2009/10	Covered in the fifth risk area	
	2. Development of informative guide	1. Informative guide developed	SCPC	2009/10	Covered in the fifth risk area	
	3. Education and trainings	1. Activities implemented	SCPC	2008/09	Covered in the first risk area	I1: Number of education activities I2: Numebr of educated/trained persons
	4. Development of Ethical codes with elaborated provisions on the prohibition of the misuse of public assets/resources for private purposes	1. Ethical codes adopted	GOM Parliament	2008/09	100,000.00	
	5. Initiate public responsibility in cases of misuse of public assets/resources for private purposes	1. Raised initiative by SCPC for public responsibility in cases of misuse of public assets/resources for private purposes	SCPC	constantly	Regular working activities	I1: Number of raised initiatives by SCPC divided by number of cases of misuse of public assets
		2. Raised initiative in the competent public prosecutor's office for misuse of public assets/resources for private purposes	Public Prosecution	constantly	Regular working activities	I1: Number of raised initiatives in PPO divided by number of submitted initiatives by SCPC I2: Number of court decisions divided by number of charges by PPO
	6. Strenghten the internal audit for identifying the misuse of public assets	1. Internal audit introduced for every budget user	Budget users	2008/09	Regular working activities	

ACTION PLAN

8 Risk area: POST EMPLOYMENT						
Identified problems	Activities (Measures and recommendations)	Implementation	Competent institutions/bodies	Time frame	Financial implications	Indicators
1. Favoring former officials on the part of the institutions	1. Developing Ethical Codes for elected and appointed officials and implementation of the existing Ethical Codes	1. Ethical Codes for MPs and Ministers adopted	Parliament GOM	2008/09	Covered in the second risk area	
	2. Developing of Informative Guide	2. Informative Guide developed	SCPC	2008	Covered in the first risk area	
	3. Education/training	3. Activities implemented	SCPC	2008/09	100,00.00 per training	I1: Number of education activities  I2: Number of educated/trained persons

ACTION PLAN

<b>9 Risk area: USE AND MISTRETMANT OF INFORMATION NOT AVAILABLE TO THE PUBLIC</b>						
<b>Identified problems</b>	<b>Activities (Measures and recommendations)</b>	<b>Implementation</b>	<b>Competent institutions/bodies</b>	<b>Time frame</b>	<b>Financial implications</b>	<b>Indicators</b>
2. Lack of sanctions for those that misuse official information not available to the public	1. Reviewing the possibility of introduction of appropriate sanctions	1. Debate conducted	SCPC PPO	2009	400,000.00	

## **ABBREVIATIONS:**

GOM – Government of the Republic of Macedonia  
MoJ – Ministry of Justice  
MoF – Ministry of Finance  
MoTC – Ministry of Transport and Communication  
PPO – Public Prosecution Office  
SCPC – State Commission for Prevention of Corruption  
ZELS – Association of Local Self-Government Units  
Law on Ci – Law on Conflict of Interests  
LOWSAB - Law on organization and work of state administrative bodies

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