Финансирано од
Европска Унија

SlovakAid
GOOD IDEA SLOVAKIA

NATIONAL CONVENTION ON THE EUROPEAN UNION IN THE REPUBLIC OF NORTH MACEDONIA (NCEU-MK)

RULE OF LAW AND ANTI-CORRUPTION POLICIES IN THE REPUBLIC OF NORTH MACEDONIA

AN ANALYSIS WITHIN THE FRAMEWORK OF CLUSTER 1 – FUNDAMENTALS

Public Policy Document

Европско движење Северна Македонија
European Movement North Macedonia

SFPA
Slovak Foreign Policy Association

NATIONAL CONVENTION ON THE EUROPEAN UNION IN THE REPUBLIC OF NORTH MACEDONIA (NCEU-MK)

Rule of Law and Anti-corruption Policies in the Republic of North Macedonia

An analysis within the framework of Cluster 1 – Fundamentals

Public Policy Document

European Movement in the Republic of North Macedonia
Skopje, 2026

Оригинален наслов: Национална конвенција за Европска унија во Република Северна Македонија (НКЕУ-МК)
“Владеење на правото и антикорупциските политики во Република Северна Македонија: Анализа во рамките на Кластер 1 - „Темели“ Документ за јавни политики”

Editor:
Prof. Dr. Mileva Gjurovska

Authors:
Viktor Mitevski, M.A.
Ivana Petkovska, M.A.

Translation from Macedonian to English:
Darko Putilov

Technical assistance:
Nikola Jazadjiski, M.A.
Stefan Dimkovski

Graphic design: MM Design
Printing: Evropa 92, Kochani
Publisher: European Movement in the Republic of North Macedonia

For the Publisher:
Prof. Dr. Mileva Gjurovska
Adress: Ul. Kosta Kirkov n.5/8
1000 Skopje
Republic of North Macedonia
www.nkeu.mk
www.europeanmovement.org.mk
Number of Printed copies: 100

CIP - Каталогизација во публикација
Национална и универзитетска библиотека "Св. Климент Охридски", Скопје

347.96/.99.047(497.7)(047.31)
343.352(497.7)(047.31)

MITEVSKI, Viktor
National convention on the European union in the Republic of North Macedonia (NCEU-MK): rule of law and anti-corruption policies in the Republic of North Macedonia: an analysis within the framework of Cluster 1 – fundamentals: public policy document / [authors Viktor Mitevski, Ivana Petkovska; translation from Macedonian to English Darko Putilov]. - Skopje: European movement in the Republic of North Macedonia, 2026. - 79 стр. ; 25 см

Фусноти кон текстот. - Превод на делото: Национална конвенција за Европска унија во Република Северна Македонија (НКЕУ-МК) : владеење на правото и антикорупциските политики во Република Северна Македонија : анализа во рамките на Кластер 1 - "Темели" : документ за јавни политики

ISBN 978-608-5085-02-6

1. Petkovska, Ivana [автор]
а) Судство -- Реформи -- Македонија -- Истражувања б) Борба против корупцијата -- Македонија -- Истражувања

COBISS.MK-ID 68629509

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the European Movement in the Republic of North Macedonia and do not necessarily reflect the views of the European Union.

PREFACE

This public policy document represents the outcome of the work undertaken by the three working groups of the National Convention on the European Union in the Republic of North Macedonia (NCEU-MK), which, over the recent period, have focused on addressing key reform issues within Cluster 1 – "Fundamentals." The document covers Chapter 23 – "Judiciary and Fundamental Rights" and Chapter 24 – "Justice, Freedom and Security," as well as chapters of particular importance for the rule of law and anti-corruption policies, namely Chapter 5 – "Public Procurement," Chapter 18 – "Statistics," and Chapter 32 – "Financial Control."

As with previous published documents, this public policy paper has been supported by the European Commission, as well as through the continuous cooperation with SlovakAid, which has co-financed the NCEU-MK for more than eight years. The Convention has played a significant role as a bridge between institutions and society, providing a space in which the voices of the expert community, often not directly involved in decision-making processes, could be articulated and heard, while bringing substantial capacity for contribution. It is precisely in this that the core value of such structured dialogue lies, not only as a methodology, but as a living practice of cooperation, trust, and mutual understanding. In this regard, the added value of the NCEU-MK extends beyond the mere exchange of arguments, manifesting instead as a process of gradually uncovering the structural weaknesses that shape the pace and direction of reforms. At the same time, the dialogue has contributed to maintaining a sustained focus on reforms, even during periods of political turbulence and stagnation in the European integration process, which have occurred with notable frequency in the Macedonian context.

During 2024 and 2025, the focus of the NCEU-MK remained firmly on the rule of law, within which 18 dialogue sessions were organised, bringing together representatives from public institutions, civil society, academia, and the expert community. In 2025 alone, 513 participants were engaged in the dialogue dedicated to Cluster 1 – "Fundamentals," while over the eight years of the Convention's operation, more than 4,000 participants have been recorded. These participants, as experts with relevant professional experience, have contributed to fostering a more comprehensive understanding of the complexity inherent to this cluster.

The positioning of Cluster 1 – "Fundamentals" within the negotiating framework, ranked first among the six clusters, is not solely a reflection of its normative importance, but also of accumulated experience demonstrating that reforms in these areas most often stagnate or remain superficial. The rule of law, as one of the fundamental values embedded in the founding treaties of

the Union, constitutes a prerequisite without which the European legal and political community cannot function. In this regard, judicial independence, the fight against corruption, and the functioning of institutions are not merely technical criteria, but a substantive test of a state's democratic capacity. The "fundamentals first" approach reflects the need to address the underlying problem of formal alignment without genuine transformation, particularly in contexts where political influence over institutions remains dominant. Consequently, progress within this cluster is subject to enhanced and continuous monitoring throughout the entire negotiation process, conveying a clear message that without independent and robust institutions, European integration cannot proceed in a credible manner.

Unlike conventional public policy documents, this text does not primarily aim to offer a set of recommendations. Rather, it seeks to provide a clearer picture of the state of play in the rule of law, particularly with regard to where and why reform processes encounter stagnation. The analysis indicates that the problem lies not merely in the absence of solutions, but more significantly in the limited capacity of the institutional system to implement them.

In this regard, key challenges are located within the judicial system, particularly in the functioning of the Judicial Council and the Council of Public Prosecutors, as bodies entrusted with a central role in safeguarding the independence, accountability, and professional integrity of judges and public prosecutors. Their capacity to consistently fulfil this role remains constrained by a number of challenges. At the same time, certain positive steps can be observed, especially when these bodies respond to public statements or initiatives by the executive, pointing to a potential for strengthening their institutional position. However, such responses need to become more frequent and be accompanied by greater professional confidence and support from within the judicial community itself. Otherwise, these bodies risk remaining part of a broader institutional dynamic in which the influence of the executive remains significant, while their public credibility remains low, something that can, in itself, serve as an instrument for sustaining continued dependence.

A central question raised in this document concerns the extent to which the judiciary functions as a coherent system. A system presupposes that its constituent elements are interconnected and operate in a coordinated manner, as a unified mechanism oriented towards a common purpose, ensuring equality before the law or upholding practices in the "spirit of the law." In the current context, however, the prevailing impression is that key institutions - the judiciary, prosecution, police, financial authorities, statistical bodies, and mechanisms for the control of public finances - operate more in parallel than in an integrated mode. Such fragmentation significantly limits their capacity to effectively address complex phenomena such as corruption.

Among the key concepts addressed in this document is that of "impunity," particularly in relation to high-level corruption and the evident tendency, possibly reflecting a confirmed powerlessness of the judiciary to bring such cases to their conclusion. There are virtually no effectively concluded cases of high-level corruption, while the recovery of assets obtained through corrupt practices remains minimal. At the same time, individuals involved in corruption are not marginalised; rather, they often retain social standing and influence, and in some instances even possess the capacity to shape legislative solutions to their advantage, remaining largely resilient to both public and institutional initiatives.

This inevitably leads to the conclusion that corruption pays off. Sanctions are almost non-existent, while the potential gains remain high; in such a context, the question is no longer why one would engage in corruption, but rather why one would refrain, or whether any real deterrent effect of sanctions exists at all. This constitutes a pathway towards the gradual normalisation of corruption as a societal phenomenon.

Transparency emerges as a key structural element of the rule of law system, particularly in the prevention of and fight against corruption. While it is often emphasised that a certain level of progress has been achieved in terms of transparency, offering grounds for cautious optimism, it remains necessary to move a step further in ensuring the quality and usability of data. The problem lies not only in the non-disclosure of certain information, but also in the fact that available data are often fragmented, outdated, presented in non-usable formats, or lack interoperability. Under such conditions, transparency may formally exist, yet it fails to create the conditions necessary for meaningful analysis and timely response. This is particularly evident in the areas of public finances and public procurement, where there is a need for full traceability of public funds, from planning and budgeting, through contract award, to implementation and oversight. In addition, there is a notable absence of systematic assessment of the value of public spending, that is, an evaluation of the benefits generated from allocated resources in specific public projects.

In this context, digitalization, understood as both a social and a technical process, holds the potential to transform transparency from a passive obligation into an active instrument for risk management. This entails the development of integrated information systems, the interconnection of databases (for instance, those related to public procurement, budgetary expenditure, and company ownership structures), as well as the enablement of automated analysis and the identification of suspicious patterns.

Finally, within the presentation of the key concepts, the discourse on integrity emerges, often reduced to ethical considerations. While ethics is important,

it cannot in itself substitute for a functional institutional framework. In contexts where ethical standards are not supported by institutional mechanisms, they remain largely normative and dependent on individual conduct, shaped more by personal socialisation than by the system itself. It follows that corruption cannot be addressed through "moral appeals," but rather through the development of high-quality institutions and appropriate measures grounded in fairness and the rule of law, particularly with regard to the accountability of those responsible for their implementation. These issues are examined in greater detail in the analyses under Chapter 23 – "Judiciary and Fundamental Rights" and Chapter 24 – "Justice, Freedom and Security."

The methodology of the NCEU-MK, grounded in structured dialogue, has enabled these issues to be openly raised and discussed in a well-argued manner. It is precisely through such a process that it has been confirmed that reforms are not merely a technical matter of alignment with European standards, but also a substantive question concerning the functioning of institutions and the balance of power within society.

This document should be viewed as a contribution rather than a final statement. It forms part of an ongoing process, one of learning from what has been achieved and reflecting on what remains to be done along the path of EU-driven reforms. At a time when trust in institutions is seriously challenged, we believe that initiatives of this kind can contribute to its restoration. In this regard, this document should be read as a call for a deeper understanding of the causes underlying the stagnation of reforms, but also as an invitation to reconsider the ways in which public policies are designed and implemented.

Prof. Dr Mileva Gjurovska

National Coordinator

National Convention on the European Union
in the Republic of North Macedonia

Topics discussed in 2025:

Chapter	Topic	Date
Chapter 23 – "Judiciary and Fundamental rights" (Sixteenth session of WG-3)	Paths to Integrity and Independence of the Judiciary: A Key Challenge in the Reforms for Rule of Law and the Fight Against Corruption	February 3, 2025
Chapter 23 – "Judiciary and Fundamental rights" (Seventeenth session of WG-3)	European Standards for Constitutional Judiciary as a Challenge for the Constitutional Court of the Republic of North Macedonia	May 23, 2025
Chapter 24 – "Justice, Freedom and Security" (Sixteenth session of WG-4)	Challenges and Perspectives in National Policies on Drugs and Psychoactive Substances: Harmonizing Macedonian Legislation with European Standards	June 11, 2025
Chapter 24 – "Justice, Freedom and Security" (Seventeenth session of WG-4)	Effectiveness of the institutional response in the Republic of North Macedonia to the EU recommendations on the confiscation and management of assets acquired through crime	July 14, 2025
Chapter 5 – "Public Procurement" Chapter 18 – "Statistics" Chapter 32 – "Financial Control" (Fifth session of WG-6)	Fighting Corruption through Transparency and Accountability: Recommendations and Opportunities in the Republic of North Macedonia from the Perspective of European Practices.	April 28, 2025
Chapter 5 – "Public Procurement" Chapter 18 – "Statistics"	Administrative capacities for enhancing the value of Public Spending: What can	July 17, 2025

Chapter 32 – “Financial Control” (Sixth session of WG-6)	we learn from EU experiences?	
All Cluster 1 Chapters – Eight Plenary Conference of NCEU-MK	Reforms on the other side of the rhetoric Regional challenges on the path to the European Union Let’s Justice Rule the Region	November 26 and 27, 2025

Speakers who led the dialogue throughout 2025

Speaker	Institution
Abdula Azizi	Professor, University of South-East Europe, Tetovo
Adam Marek	Director of the Department of Health and Social Expenditure, Ministry of Finance of the Slovak Republic
Aleksandar Kambovski	President of the Judicial Council of the Republic of North Macedonia
Aleksandar Krzalovski	Executive Director, Macedonian Center for International Cooperation (MCIC)
Aleksandra Deanoska Trendafilova	Expert at NCEU-MK, Professor at the Faculty of Law "Iustinianus Primus", UKIM, Skopje
Ambre Maucorps	Economist, Vienna Institute for International Economic Studies
Ana Pavlovska-Daneva	Constitutional Court of the Republic of North Macedonia; Professor at the Faculty of Law "Iustinianus Primus", Ss. Cyril and Methodius University – Skopje

Speaker	Institution
Andrej Lepavcov	Ambassador and Director of the Directorate for the European Union, Ministry of Foreign Affairs and Foreign Trade
Andrzej Sadecki	Head of the Central European Department, Centre for Eastern Studies, Warsaw
Antoni Peshev	Representative of the business sector
Afrim Gashi	Speaker of the Assembly of the Republic of North Macedonia
Biljana Ivanovska	State Commission for Prevention of Corruption
Blagoja Pandovski	Transparency International – Macedonia
Blagodna Kotseva Simjanov	Executive Director, HOPS – Options for Healthy Living
Bojana Bozhinoska Siljanovska	President, Macedonian Association of Young Lawyers
Bojana Bosilkova	Head of the Department for Negotiations and Integration, Ministry of Justice
Bojana Selaković	National Coordinator, National Convention on the European Union in Serbia
Venko Filipche	President of the National Council for European Integration in the Assembly of the Republic of North Macedonia
Viktor Mitevski	Coordinator of Working Group 6 – Anti-Corruption, Executive Director, ZMAI
Viktorija Trajkov	Deputy Minister for European Affairs, Republic of North Macedonia
Vladimir Georgiev	Former Member, State Commission for Prevention of Corruption
Vladimir Milosheski	Public Prosecutor at the Higher Public Prosecutor's Office – Skopje
German Filkov	Center for Civil Communications, Skopje

Speaker	Institution
Gilda Rushi	Independent Expert, Republic of Albania
Gligor Bishev	President of the Financial Council of the Republic of North Macedonia
Goran Minchev	Minister of Public Administration
Gjoshe Stevkov	Vice-Dean for Science and International Cooperation, Faculty of Pharmacy, UKIM – Skopje
Darko Avramovski	Executive Director of the Coalition "All for Fair Trial"
Denis Prešova	Professor of Constitutional Law and Political System, Faculty of Law "Iustinianus Primus", Ss. Cyril and Methodius University – Skopje
Dragan Tevdovski	Expert at NCEU-MK; Professor, Faculty of Economics – UKIM, Skopje
Dragan Tilev	State Advisor, Secretariat for European Affairs
Duško Lopandić	Vice-President of the European Movement of Serbia, Professor and former Ambassador of Serbia to the European Union
Edward Anderson	Head of the Public Safety and Community Policing Unit, OSCE Mission in Skopje
Emilija Mizo-Dimkov	Public Prosecutor, Basic Public Prosecutor's Office Skopje
Entela Saliu	Sector for European Integration, Ministry of Internal Affairs
Ermelinda Muçaj	Project Coordinator, European Movement of Albania
Jean-Pierre Neveu	Professor, University of Pau, France
Ivana Petkovska	Legal Expert, "All for Fair Trial"

Speaker	Institution
Iveta Hricova	Ambassador of the Slovak Republic to the Republic of North Macedonia
Igor Zdravkovski	Deputy President of the Committee on European Affairs in the Assembly of the Republic of North Macedonia
Ilija Chalshev Menis	Assistant Director of the Criminal Police Department, Ministry of Internal Affairs
Ilir Iseni	Deputy Director of the Academy for Judges and Prosecutors, Republic of North Macedonia
Irena Ilievska	Director of the Agency for Management of Seized Assets
Irina Trajkoska Strezoski	Director of the Academy for Judges and Public Prosecutors, Skopje
Katarina Sinadinovska	Journalist, Agenda 35
Klea Xhaferi	Independent Expert, Republic of Albania
Christophe Le Rigoleur	Ambassador of France to the Republic of North Macedonia
Lenche Ristoska	Prosecutor, Higher Public Prosecutor's Office – Skopje
Lile Stefanova	Public Prosecutor, Public Prosecutor's Office of the Republic of North Macedonia
Liljana Ignatova Kiteva	Professor, Faculty of Medicine – UKIM
Maja Lazareska Joveska	Head of the EU Sector, Ministry of Agriculture, Forestry and Water Economy
Marija Petrushevska	Member of Parliament, Deputy President of the Committee on European Affairs of the Assembly
Marina Mitrevska	Coordinator of WG-4, Professor, Institute for Security, Defence and Peace, Faculty of Philosophy, UKIM, Skopje

Speaker	Institution
Marcela Titlova	Professor of Criminal Law, Member of the Department of Criminal Law, Criminalistics and Criminology, Faculty of Law, Pan-European University in Bratislava
Maša Marochini Zrinski	Constitutional Court of the Republic of Croatia, Professor at the Faculty of Law, University of Rijeka
Mileva Gjurovska	National Coordinator of NCEU-MK, Professor, Faculty of Philosophy, Skopje
Mirjana Lazarova Trajkovska	Judge at the Constitutional Court of the Republic of North Macedonia and former Judge at the European Court of Human Rights
Muamet Redzhepi	Assistant to the Minister, Department for the European Union and International Cooperation, Ministry of Internal Affairs
Muhamed Halili	Ambassador, Vice-President of the European Movement EMMK
Nenad Saveski	Judge, Basic Criminal Court, Skopje
Nikola Altiparmakov	Assistant Professor, Faculty of Economics, University of Belgrade, Member of the Fiscal Council of Serbia
Nikolina Mikeska Kostadinovska	Head of the Justice Sector, Ministry of Justice
Olja Ristova	Expert at NCEU-MK, Judge at the Court of Appeals – Skopje
Panche Toshkovski	Minister of Internal Affairs
Pier Virgilio Dastoli	President of the European Movement in Italy
Sajma Ademović	Department of International Relations and Diplomacy, University of Donja Gorica, Montenegro

Speaker	Institution
Sanja Madzarevic-Shuister	Senior Economist for Western Balkans and Economist for North Macedonia, World Bank
Slobodan Ivanovski	Director, Financial Police Administration
Snezana Kamilovska Trpovska	Program Coordinator, Macedonian Center for International Cooperation
Stefan Gojković	President of the Association of Judicial Assistants, Republic of Serbia
Tatjana Markovska	Private Sector Specialist, World Bank
Tomáš Strážay	Director of the Slovak Foreign Policy Association, Bratislava
Trpe Stojanovski	NCEU-MK Expert, Professor at the Faculty of Security, UKLO
Özlem Kanel	Ambassador of the Kingdom of the Netherlands to the Republic of North Macedonia
Helena Papa	Expert on Transparency, Financial Crime and Money Laundering, Expertise France – French International Technical Cooperation Agency
Henrik Markuš	Ambassador of the Slovak Republic to the Republic of North Macedonia
Hristina Koneska Berovska	State Advisor, Ministry of European Affairs of the Republic of North Macedonia

Viktor MITEVSKI
Ivana PETKOVSKA

RULE OF LAW AND ANTI-CORRUPTION POLICIES IN THE REPUBLIC OF NORTH MACEDONIA – AN ANALYSIS WITHIN THE FRAMEWORK OF CLUSTER 1 - FUNDAMENTALS

INTRODUCTION

The Republic of North Macedonia's EU membership process is a protracted, institutionally intricate, and politically delicate reform road. The Stabilization and Association Agreement with the European Union, which created a thorough framework for political discourse, gradual trade liberalization, and progressive alignment of national legislation with the "Acquis Communautaire," marked the beginning of its formal institutional framework and laid the legal and institutional groundwork for the ensuing accession process. In 2004, the Republic of North Macedonia applied to join the European Union, and in 2005, the European Council gave it candidate status. This marked the official start of the Republic of North Macedonia's pre-accession stage of European integration.

Since 2006, the European Commission has kept a close eye on the Republic of North Macedonia's development in every area pertinent to the process of European integration. The chapters in Cluster 1-Fundamentals, which are crucial for creating a stable rule of law system, effective public administration, and democratic institutions, are given special attention. These categories are seen as essential prerequisites for both initiating and effectively concluding accession negotiations and the ultimate decision regarding the Republic of North Macedonia's admission to the European Union.

The European Commission has so far released almost twenty yearly progress reports on the Republic of North Macedonia as part of the EU's Enlargement Package, along with supplemental analytical and monitoring reports for particular time periods.[1] Despite the European Commission's repeated assessments that North Macedonia was prepared to begin accession talks, the process was delayed for a considerable amount of time because of political problems and bilateral disputes with certain EU Member States.

A significant turning point in the European integration process occurred in March 2020, when the Council of the European Union adopted a political decision to open accession negotiations with the Republic of North Macedo-

[1] European Commission, North Macedonia – Country Reports.

nia. The formal start of the negotiation process took place on 19 July 2022, with the holding of the first Intergovernmental Conference in Brussels. This event is considered the official beginning of accession negotiations, following the European Council's decision in June 2022 to start negotiations with North Macedonia and Albania.

The screening process, which is an analytical stage of bringing national laws into compliance with the EU's "Acquis Communautaire," started after the first Intergovernmental Conference. The negotiation process is conducted in accordance with the new enlargement methodology, which involves the grouping of negotiation chapters into six thematic clusters. Cluster 1 – Fundamentals is the central cluster, opening first and closing last during the negotiation process.

Certain outcomes were attained during this time of transition, especially with regard to the alignment of legislation and the formal beginning of discussions, which included the screening process. Real convergence with European norms is still inconsistent, though. This results in a protracted stage of "temporary integration," wherein the Republic of North Macedonia participates institutionally in European processes but lacks a clear schedule for full openness.

The Screening Report states that the Republic of North Macedonia's national laws have been partially harmonized with EU regulations. To guarantee public support for the EU accession process, the Republic of North Macedonia is expected to maintain communication with civil society and other stakeholders. In order to keep the public and citizens informed about the dynamics and content of the negotiations, the Republic of North Macedonia is also expected to methodically and strategically explain the advantages, responsibilities, and advancement of the accession process to the European Union.[2]

However, public support for European integration is still comparatively constant despite the protracted uncertainty surrounding the admission process. The majority of Republic of North Macedonia residents still favor EU membership, according to data from the Regional Cooperation Council and the findings of the "Balkan Barometer 2025" study.[3] This suggests that the European viewpoint still has public legitimacy and represents significant political and social capital, which may be mobilized by offering citizens more tangible benefits from the integration process and by clarifying reform dynamics.

[2] European Commission, Screening report – North Macedonia, 24 July 2023.
[3] Regional cooperation council (RCC) - Balkan Barometer 2025.

According to the survey, 40% of participants favor full participation in the EU, demonstrating the enduring attraction of the conventional enlargement model as the final objective of the integration process. Nonetheless, 19% of citizens favor the idea of gradual integration without the immediate prospect of full membership, while 29% support gradual integration that would result in full membership after ten to fifteen years. These findings show that while most citizens ultimately favor the traditional enlargement model, a sizable portion of the public is nevertheless receptive to sectoral or phased integration models, particularly those that enable quicker access to the advantages of the European Single Market.[4]

With a stronger focus on progressive integration and quantifiable outcomes in accordance with the "fundamentals first" approach, the accession process got a clearer institutional and political framework inside the new methodology for the European Union's expansion, which was launched in 2020. To that purpose, the Republic of North Macedonia created and approved the 2024–2027 Reform Agenda.[5] This is a thorough strategic plan outlining the major institutional, structural, and economic changes that the Republic of North Macedonia must carry out in the near and medium future.[6] The Agenda was created as part of the European Union's new Reforms and Growth Instrument for the Western Balkans, which intends to facilitate the region's gradual integration into specific policies and portions of the Single Market while also accelerating the region's economic convergence with the EU.

In doing so, the Reform Agenda and the Negotiating Framework for Accession to the European Union serve as related but conceptually different tools in the accession process. The principles, cluster structure, and requirements for advancement in the negotiating process are all established by the Negotiating Framework, which also sets the political and legal framework of the accession talks. On the other hand, the Reform Agenda serves as an operational tool that turns the state's reform responsibilities into concrete actions, due dates, and success indicators.

In this way, the Reform Agenda can be viewed as a national strategic document in which the state pledges to carry out particular reforms to guarantee better compliance with European law and to set the stage for future advancement in EU accession talks.

---

[4] Anamarija Velinovska and Kire Milovski, New Global Uncertainties, Old European Obligations: Public Opinion on EU Accession in 2025, Institute for Democracy "Societas Civilis," Skopje.

[5] Instrument for Reforms and Growth for the Western Balkans, Reform Agenda of the Republic of North Macedonia 2024-2027, Government of the Republic of North Macedonia.

[6] Ministry of European Affairs of the Republic of North Macedonia, Reform Agenda of North Macedonia 2024-2027.

In light of the responsibilities emerging from the Reform Agenda and the process of membership in the European Union, this document focuses on the essential elements of the Republic of North Macedonia's rule of law and fight against corruption. The analysis focuses on the pertinent topics addressed in Chapter 23—Judiciary and Fundamental Rights—and Chapter 24—Justice, Freedom, and Security—as well as associated systemic mechanisms found in Chapter 5—Public Procurement, Chapter 18—Statistics, and Chapter 32—Financial Control—all of which are crucial tools for stopping and identifying corruption. In order to evaluate the extent of their execution and their actual influence on bolstering institutional integrity, this publication provides an analysis of the state's reform commitments in key areas. The judiciary's operation, the efficacy of the systems in place to deter and punish corruption, and the ability of institutions to guarantee the uniform application of the rule of law are all given particular consideration.

The goal of this analysis is to pinpoint institutional and legal system flaws that reduce the efficacy of anti-corruption campaigns. The last section offers strategic recommendations for bolstering institutions that uphold the rule of law, enhancing systems for stopping and prosecuting corruption, and bringing these sectors into compliance with European norms.

This document's study is based on a mixed methodological approach that comprises a qualitative evaluation of institutional practices, a review of the normative framework, and an analysis of pertinent reports. In this regard, a thorough analysis of pertinent laws, tactics, and public policies pertaining to the rule of law and the fight against corruption has been conducted, with an emphasis on the Reform Agenda 2024–2027 as a crucial strategic document in the Republic of North Macedonia's accession process.

The report also draws from domestic reports and analyses, the conclusions and recommendations of pertinent international monitoring bodies, such as the Council of Europe (Venice Commission and GRECO) and OSCE/ ODIHR, as well as an examination of the European Commission's yearly progress reports on the Republic of North Macedonia.

To determine the extent to which changes have been practically implemented, a qualitative investigation of institutional procedures in the courts and anti-corruption systems has also been carried out. In order to find suitable models and best practices pertinent to bolstering the rule of law and combating corruption in North Macedonia, the research is further supplemented by a comparative review of the experiences of specific EU Member States and countries in the region.

By contrasting “de jure” reforms (approved laws, plans, and programs) with their “de facto” application in practice, a particular focus of the analytical process is on assessing the implementation of reforms. In this context, an

effort is made to address the questions of whether institutions operate within the confines of their legal authority and whether recently developed mechanisms are actually implemented in practice, especially with regard to the judiciary's operations, the prosecution and prevention of corruption, public procurement, and financial control systems.

Institutional integrity, or the degree of independence, impartiality, and professionalism of important institutions, as well as their ability to successfully carry out the legal framework, are the main topics of this analytical approach. In order to ascertain if reforms are carried out in a coordinated manner and whether they have systemic effects on bolstering the rule of law and combating corruption, inter-sectoral links of reform initiatives are also investigated.

1. CLUSTER 1 – "FUNDAMENTALS" – A PRIORITY AREA IN THE NEGOTIATING FRAMEWORK AND REFORM AGENDA (2024-2027)

Cluster 1-"Fundamentals" is positioned as a key component of the accession process in line with the updated European Union enlargement approach from 2020. By establishing the rule of law, the operation of democratic institutions, public administration, and respect for fundamental rights as the foundation and prerequisite for advancement in all other negotiating areas, this cluster represents a fundamental shift in the Union's approach to enlargement policy.

The idea of reversibility, which states that advancement in the accession process is not irreversible, further validates the chapters' pivotal role in this cluster. The EU may slow down negotiations, reopen previously closed chapters, or temporarily halt the negotiating process if there is a regression in important areas, particularly in the fight against corruption and the rule of law. With this strategy, the European Union makes it very evident that the legitimacy of the accession process is now primarily evaluated by tangible and long-lasting institutional outcomes and the successful implementation of European standards in practice rather than solely by formal alignment of national legislation with the "Acquis Communautaire."

With a focus on the independence and effectiveness of the judiciary and public prosecution, the operation of the judicial system's governing bodies (the Judicial Council and the Council of Public Prosecutors), and enhancing institutional capacities for fighting organized crime and corruption, the Reform Agenda includes actions and initiatives intended to strengthen the rule of law. In essence, the Reform Agenda tackles problems that are consistently brought up in the yearly reports of the European Commission, for which particular suggestions have been made to remedy identified shortcomings. In this regard, the Agenda addresses important topics like enhancing elec-

toral laws, bolstering the judiciary's and prosecution's independence and autonomy, amending the Criminal Code to combat corruption more successfully, and applying procedures for confiscating assets obtained through criminal activity consistently. In order to improve the court system's institutional efficiency, professionalism, and integrity, the Reform Agenda further calls for actions to monitor and fully implement the Sectoral Development Strategy for Justice (2024–2028). Reform initiatives are therefore intended to provide an effective and long-lasting rule of law system that is in line with European norms.[7]

Completing the tasks outlined in the Reform Agenda will be a crucial sign of the sincerity of the political desire to change the state structure in line with European norms and the appropriateness of the reform program itself. The crucial question is whether the reform initiatives will actually enhance practice and the day-to-day operations of institutions or if they will only result in declarative declarations about their implementation and normative changes—that is, "reforms on paper."

1.1. Institutional, political, and social context of reforms in Cluster 1, "Fundamentals"

The larger institutional and societal context in which Cluster 1 "Fundamentals" reforms are implemented has a significant impact on their success. The institutional prerequisites, political dynamics, and societal variables influencing the admission process are examined in this chapter. A greater comprehension of the elements influencing the success or failure of the implementation of legislation and strategic documents requires this kind of context.

Institutional context in the judiciary

A crucial requirement for advancements in the rule of law is the ability, stability, and independence of important institutions, particularly the judiciary. Despite the normative establishment of a framework for an independent judiciary, there are still some practical interruptions to institutional autonomy. For instance, the contentious removal of the Judicial Council President in 2023 prompted significant concerns about potential outside influences. Demands to restrict the use of cameras during Council sessions were further stoked by the departure of a Judicial Council president, which was connected to purported attempts at influence, notably from the business com-

[7] Ministry of Justice of the Republic of North Macedonia, Sectoral Development Strategy for Justice (2024 – 2028), December 2023.

munity. These incidents highlight some shortcomings in the legal system's practical operation and regulation.[8]

The legitimacy and institutional stability of the entire judicial architecture, not just the Judicial Council, were further damaged by accelerated legal actions that directly affected high-profile corruption cases, including the September 2023 modifications to the Criminal Code. The public prosecution (including specialized capacities for organized crime and corruption), the Council of Public Prosecutors as the governing body for the prosecutorial service, the basic and appellate courts as the primary burden-bearers of proceedings, and the Supreme Court through increased pressure to harmonize practices in sensitive cases were all affected by the cascading consequences they created throughout the "investigation-indictment-trial" chain. The European Commission states unequivocally that the 2023 modifications continue to seriously impede efforts to combat corruption, particularly in high-profile instances, with clear consequences for prosecution and court decisions.[9]

From a systemic perspective, the issue extends beyond merely the "political message." It encompasses the detrimental impact of such "intrusions" into legislation, which undermine the predictability of criminal policy and complicate the operations of institutions tasked with achieving desired outcomes. Consequently, prosecutorial offices are compelled to reassess legal classifications and evidentiary strategies in ongoing cases. Simultaneously, courts are confronted with revised legal thresholds and deadlines, which directly influence the trajectory and results of legal proceedings. In practice, this implies that cases initiated under more stringent legal conditions are now evaluated according to new, more lenient standards for the accused. This may result in the dismissal of cases without judicial outcome or the imposition of lighter sanctions, particularly in matters concerning public procurement and the abuse of official position. The public often views such scenarios as terminations of cases due to the expiration of statutory time limits or as a consequence of the dilution of certain charges, including those pertaining to public procurement. These concerns were discussed and critically examined during the dialogue of the NCEU-MK within the working group for Chapter

---

[8] - European Commission, Commission staff working document, 2024 Rule of Law Report Country Chapter on the rule of law situation in North Macedonia.
- European Commission for democracy through law of the Council of Europe (Venice Commission), North Macedonia, Opinion on the draft law on the Judicial Council, 16 June 2025.
- Group of states against corruption (GRECO), Fourth evaluation round, Corruption prevention in respect of members of parliament, judges and prosecutors, Second addendum to the second compliance report North Macedonia, 12 March 2023.

[9] European Commission, Commission staff working document, 2024 Rule of Law Report Country Chapter on the rule of law situation in North Macedonia.

23, Judiciary and Fundamental Rights.[10] In such an environment, legal certainty diminishes, leading to a perception that "justice serves as a tool for ruling elites," which gains substantial and well-founded support. The law is increasingly viewed as a malleable instrument, susceptible to the influence of power, rather than a stable, predictable, and impartial normative framework that equally safeguards and binds all individuals. This situation exacerbates the disparity between formally enacted reforms and their genuine, socially acknowledged legitimacy.[11]

1.1. Political context and reforms in the judicial system

The political landscape in which reforms are occurring is characterized by significant polarization and inconsistent political will, which directly affects both the pace and quality of these changes. While all major parties ostensibly prioritize European integration as a strategic objective, a noticeable gap exists between their rhetoric and the actual implementation of EU reforms. In its latest report, the European Commission explicitly states that North Macedonia must begin to implement reforms in the areas of the judiciary, the fight against corruption, organized crime, public administration, and public procurement, rather than merely advocating for them in a declarative manner. This conclusion highlights the issue of "reforms on paper," which lack sufficient concrete results, particularly at a time when the Republic of North Macedonia has formally commenced accession negotiations.

The political will for reforms is currently being assessed through the implementation of the Reform Agenda 2024–2027. The Government has adopted this agenda, outlining specific steps to enhance the rule of law. However, the realization of these steps hinges on the willingness of those in power to undertake unpopular yet essential measures. It is imperative that reforms produce tangible results rather than merely result in the adoption of laws that remain unenforced.

However, practical experience indicates that certain key reform initiatives are being postponed due to narrow party interests. A notable example is electoral reform. Several election cycles have transpired without the adoption of the recommendations put forth by the OSCE/ODIHR and the Venice Commission regarding electoral legislation, which remain unaddressed. As the regular presidential and parliamentary elections approach, there has been no progress in implementing these recommendations, highlighting a

[10] National Convention on the European Union in the Republic of North Macedonia (NCEU-MK), Recommendations from the 14th session of Working Group 3, on the topic: "Amendments to the Criminal Code of 7 September 2023: Macedonian and European Legislation in Preventing and Combating Corruption" held on 3 July 2025.
[11] Council of Europe, Post-monitoring dialogue with North Macedonia.

lack of sufficient political consensus even on fundamental democratic principles. The Constitutional Court annulled the 2024 amendments that raised the threshold for collecting signatures for independent candidates and lists—from 1,000 signatures to 1% of registered voters in the respective constituency—determining that these changes were inconsistent with the constitutionally guaranteed rights to vote and to participate in public office.[12]

In 2026, a framework was established to implement a systematic approach to the electoral process. The Assembly of the Republic of North Macedonia appointed a new composition and leadership for the State Election Commission, which serves as a crucial institutional foundation for ensuring the stability of election administration in the forthcoming electoral cycle.[13] Simultaneously, in January 2026, a process was initiated to develop a new Electoral Code or to implement substantial amendments to the current one. This effort involved a working group comprising representatives proposed by various political parties. If conducted inclusively and within clearly defined timelines, this initiative could provide an opportunity to address several longstanding deficiencies in electoral legislation and its implementation.

A particularly noteworthy development is that the Republic of North Macedonia, following the approval of the Reform Agenda, became the first country in the region to secure pre-financing under the EU Growth Plan, amounting to €52.2 million. This funding is earmarked for budget support and infrastructure investments through the Western Balkans Investment Framework (WBIF). This milestone signifies the practical commencement of implementation, supported by already secured financial resources.[14] Furthermore, the European Commission's decision in 2025 to initiate the first disbursement of funds under the same instrument reinforces the enhanced application of the "reforms first, then money" principle. This approach clarifies the conditions, making them more operational and explicitly tied to tangible progress in reforms, in contrast to earlier phases of the accession process.[15]

By the end of 2025, legislative progress was noted in several reform areas associated with Cluster 1, "Fundamentals." The Assembly of the Republic of North Macedonia enacted the Law on the Judicial Council.[16] This law addresses deficiencies in the transparency, accountability, and functioning of the Council. Concurrently, the Government adopted a draft law concerning the

---

[12] Constitutional Court Decision No. 186/2024.

[13] Assembly of the Republic of North Macedonia, Session of 26 January 2026.

[14] Delegation of European Union to the Republic of North Macedonia, North Macedonia first Republic of North Macedonia to receive pre-financing under the Growth Plan.

[15] European Commission, Commission Implementing Decision of 30 July 2025 approving the first release of funds to North Macedonia under the Reform and Growth Facility for the Western Balkans.

[16] Official Gazette of the Republic of North Macedonia, no 269/2025

Public Prosecutor's Office, which is explicitly linked to the implementation of the Reform Agenda in the “Fundamentals” area. This demonstrates continuity in the second implementation cycle and an effort to translate reforms into an operational institutional framework. However, as previously emphasized, it is essential that these measures yield tangible results in practice (de facto) rather than being confined to the mere adoption of norms. This aspect is critical, as it serves as a testament to political will: the capacity to uphold a reform agenda even when it necessitates making unpopular decisions, ensuring institutional discipline, and maintaining clear accountability.

Political polarization significantly affects the functioning of democratic institutions. Recently, the public has observed delays in the adoption of essential systemic laws and in the appointment of individuals to critical positions. This prevailing atmosphere of continuous conflict undermines the capacity of the Assembly of the Republic of North Macedonia to serve as a catalyst for reforms. The European Union underscores the necessity of broad political consensus among parties and inclusive dialogue within the Assembly to facilitate a successful accession process.

The lack of political consensus on critical reform issues frequently compels the Government to employ urgent and expedited procedures for law adoption. This situation is particularly concerning due to the frequent, and at times inappropriate, use of the so-called “EU Flag” to adopt draft laws that are not directly related to the alignment with European Union legislation. A notable example of this practice is the 2023 amendments to the Criminal Code, which were adopted through an expedited procedure that utilized the “EU Flag” mark, all while lacking substantial public and expert debate. This approach has generated considerable controversy. The European Commission has characterized this procedure as an abuse of an instrument meant solely for the harmonization with EU law, thereby underscoring the necessity for stricter and more appropriate application of such adoption of proposed laws.

A comparable instance is the expedited adoption of a package of law amendments in 2023 concerning the construction of highways along Corridor 8 and Corridor 10d, which were awarded to the Bechtel & Enka consortium through an intergovernmental agreement. To facilitate the accelerated implementation of this project, the Assembly of the Republic of North Macedonia enacted amendments to several laws under an expedited procedure. This included revisions to the Law on Labor Relations, the Law on Town Planning, the Law on Expropriation, the Law on Construction, and other pertinent regulations. The amendments were intended to streamline and accelerate procedures associated with land expropriation, permit issuance, and working hours, including provisions for extended hours and work on Sundays and holidays. Additionally, they sought to eliminate various administrative obstacles

that could impede project progress. However, a primary source of controversy arose from the fact that the agreement with the contractor was not conducted through a conventional public procurement process. Instead, it was implemented via a special law (lex specialis), which effectively bypassed the standard regulations governing tendering, competition, and transparency. In light of this approach, there were notable reactions from the public, the expert community, and the civil sector, all of which highlighted several concerns: the limited transparency of the agreement, the absence of a competitive procedure, potential fiscal implications, and an increased risk of corruption and political influence in the awarding and implementation of the project. Furthermore, constitutional issues were raised, particularly concerning the amendments to the Law on Labor Relations, prompting partial intervention by the Constitutional Court.[17]

In its reports, the European Commission has indirectly emphasized that, when executing large public investments, it is essential to ensure transparency and predictability in the legislative process. It underscores the importance of consistently applying competition and accountability rules. The challenges associated with these procedures arise not merely from their "speed," but primarily from the manner in which the legal framework for project implementation has been structured. According to assessments by the European Commission, the agreement for the construction of highway sections along Corridor 8 and Corridor 10-d, approved in March 2023, was awarded directly to a consortium without undergoing a competitive bidding process. This was facilitated by an ad hoc law enacted in 2021, which exempted the project from the provisions of the Law on Public Procurement. Consequently, this exemption significantly restricted mechanisms for competition, transparency, and oversight.[18]

The independent analysis conducted by the Institute for Democracy "Societas Civilis" (IDSCS) indicates that the adoption of the law was justified by referencing the TEN-T regulation, which included the marking of the law with the "EU flag."[19] It does not address issues related to labor relations, construction, and town planning, thereby undermining the rationale for an expedited procedure. This procedure limits opportunities for public debate, impact assessment, and thorough integrity checks during the rule-making pro-

[17] 360 Stepeni, "The company with 27 'permanently employed' engineers supervising 'Bechtel and Enka' has only two employees according to its annual report for 2022", 27 March 2023.

[18] European Commission, North Macedonia 2023 Report.

[19] Regulation (EU) No 1315/2013 on Union guidelines for the development of the trans-European transport network (TEN-T).

cess.[20] In domestic strategic documents, this approach is identified as a source of systemic risks. The Fiscal Strategy 2025–2029 explicitly indicates that the construction of the corridors is governed by a "special law" that supersedes standard public procurement regulations. This law was enacted without the necessary technical documentation for the estimated project value, thereby heightening exposure to fiscal and management risks.[21]

One of the key indicators of political culture is the attitude towards control mechanisms and accountability. In the Macedonian Assembly, there are instruments available for monitoring the executive branch, such as parliamentary questions and parliamentary committees; however, their effectiveness remains limited. While ministers do respond to parliamentary questions, the Assembly of the Republic of North Macedonia still lacks a systematic approach to reviewing the annual reports of independent regulatory bodies and state institutions. It is essential for the Assembly of the Republic of North Macedonia to engage in active discussions regarding the findings of the State Audit Office (SAO), the Anti-Corruption Commission, the Ombudsman, and other relevant bodies, while also demanding accountability for the implementation of their recommendations. In 2022, a Memorandum of Cooperation was signed between the Assembly and the SAO with the specific aim of enhancing parliamentary control of public spending. While this represents a significant advancement, there remains an expectation for improved adherence to the recommendations issued by these control mechanisms.

Overall, the transparency of the executive branch has experienced a modest improvement in recent years. The Government has adopted a commendable practice of proactively publishing spending data, including quarterly budget reports, lists of expenditures by public enterprises, and records of overdue and unpaid obligations of budget recipients. However, there has been a concerning regression towards previously abandoned practices, including limited publication or the dissemination of data in closed or machine-unreadable formats. Accountability continues to pose a challenge, as instances of political responsibility or the sanctioning of accountable officials remain infrequent.

In the political context, the persistence of reform orientation amid changing government compositions is a matter of considerable importance. North Macedonia's experience to date indicates that the success of numerous reforms is largely contingent upon the political will of individual politicians; progress often hinges on the enthusiasm of specific officeholders rather than

[20] Institute Societas Civilis, Skopje, Policy document No. 20/2023. The integrity of decision-making: Systemic omissions in the ''Bechtel & Enka'' case, Misha Popovikj, October 2023.
[21] Government of the Republic of North Macedonia, 2025 - 2029 Fiscal strategy of the Republic of North Macedonia, Skopje, September 2024.

on established systemic solutions. Each change of government typically results in a widespread rotation of managerial and mid-level administrative positions. Consequently, reforms frequently fail to endure beyond political cycles, leading to:

a) The loss of institutional memory, disruption of ongoing processes, and the "resetting" of reform priorities.

b) The outcomes of reforms are seldom connected to institutional indicators or collective accountability. Instead, success or failure is often personalized, attributed solely to the ruling party, whose departure consequently diminishes the political impetus for reform. Evidence suggests that rather than a systematically managed approach to reform, we witness a reliance on project-managed initiatives.

c) Even when effective strategies are in place, they frequently fail to facilitate operational inter-institutional coordination. Each institution tends to operate within its own domain of work, resulting in reforms that remain isolated within specific sectors.

In the current political landscape, bilateral issues have, for the first time, been formally integrated into the negotiating framework. The European Commission's position regarding the opening of the first cluster remains steadfast: the adoption of constitutional amendments is essential. This situation creates a complex political dynamic; while addressing constitutional matters is a necessary procedural step, there is a risk that these issues may overshadow the emphasis on substantive reforms across all areas that directly impact the quality of a functional rule of law.

1.2. Public opinion and the context of civil society organizations' activities

The implementation of reforms within the "Fundamentals" cluster is contingent upon several factors, including public trust, the demand for accountability, and the presence of functional external control or oversight. The European Commission has observed that civil society organizations generally operate in an environment conducive to action. However, the Commission has also noted a contraction in civic space and the necessity for a more consistent approach to involving civil society in the policymaking process. Moreover, the Commission has identified a need for greater transparency regarding state funding and structural participation in the negotiation process. In practical terms, the quality of reforms is contingent upon whether the public and civil society organizations have access to data and a genuine opportunity to monitor implementation and influence policies, as opposed to merely participating in a formal capacity. In this context, novel endeavors to estab-

lish an enhanced institutionalized framework for cooperation are evident: the Department for Cooperation with Non-Governmental Organizations at the General Secretariat of the Governmentstrengthens the functionality of the Council for Cooperation between the Government and Civil Society. The Department is responsible for the review of annual reports on the Council's effectiveness and separate reports on consultations, use of ENER, and other mechanisms for involving civil society organizations.[22] This process, which is expected to be completed in 2026, is intended to create a clearer process trail and for measuring progress. Concurrently, in 2025, the Department initiated a series of regular meetings with the Network of Civil Servants for Cooperation with Civil Society in various ministries. These meetings centered on the 2025–2028 Strategy, "indicator passports," and data collection methodologies. This initiative signaled a shift in the participation system, transitioning from ad-hoc consultations to the establishment of regular participation procedures within the bodies' structures. A public debate is underway for a draft Law on Associations and Foundations (published on ENER),[23] which, among its objectives, includes regulating state support, standardized funding rules, greater accountability, and legal regulation of the Council for Cooperation. The implementation of these measures will enable predictability and transparency in the relations between the state and the civil sector.

The long-term sustainability of reforms is contingent upon two crucial factors: societal support and citizens' perceptions. In the context of the rule of law, there is a pervasive public distrust in the institutions entrusted with ensuring justice and combating corruption. This finding is further corroborated by the Balkan Barometer 2024, which revealed that in North Macedonia, a mere 2% of respondents expressed complete trust in judicial authorities. An additional 12% indicated that they possessed a certain degree of trust. Conversely, 28% of respondents indicated a lack of trust, and 55% expressed complete distrust. This indicates that a staggering 83% of the population holds at least some degree of distrust towards judicial institutions.[24] In a similar manner, the "Eurometer 2024" survey, administered by Eurothink (a telephone survey of a representative sample conducted during January–February 2024), reveals that trust in the judiciary persists at an alarmingly low level, with a mere single-digit percentage (9%) of respondents expressing confidence in the system.[25] Furthermore, the field survey administered by

[22] Government of the Republic of North Macedonia, Department for Cooperation with Non-Governmental Organizations, Council for Cooperation between the Government and Civil Society.

[23] Ministry of Justice of the Republic of North Macedonia, Draft Law on Associations and Foundations published on ENER.

[24] Regional Cooperation Council, Balkan Barometer 2024.

[25] Eurothink, Eurometar 2024, Citizens perceptions and attutudes on the work of the Police in February 2024.

the Institute for Democracy "Societas Civilis" (IDSCS) in 2024, which utilizes a scale ranging from 1 (representing the lowest possible level of trust) to 10 (denoting the highest level of trust), assigns the lowest possible ranking to the judiciary, with an average score of 3.0. The Public Prosecutor's Office, on the other hand, attains an average score of 3.3. These findings provide substantial support for the assessment of an ongoing crisis of credibility within the criminal justice system as a whole.[26]

A salient factor contributing to these perceptions is the pervasive presence of corruption and the perception of impunity. The European Commission has repeatedly asserted that corruption persists as a significant challenge across multiple sectors. This issue is further compounded by the inadequate outcomes in prosecuting prominent corruption cases. A number of cases under the jurisdiction of the former Special Public Prosecutor's Office did not result in definitive outcome, but rather in the lapse of time due to the expiration of a statutory time limit or acquittals. The situation was further complicated by the amendments to the Criminal Code from September 2023, which led to a reduction in sentences and affected statute of limitations, resulting in some proceedings being halted or suspended. These conditions have had a profound impact on public opinion, leading to an escalation in criticism and a perception of selective justice. This, in turn, has further eroded the credibility of the system in its efforts to combat corruption.

The environment of impunity is further reinforced by the limited number of cases of sanctioning high-ranking officials, with almost no new final judgments for high-level corruption in recent years. Conversely, the public is more likely to observe pardons, suspended sentences, and protracted court proceedings. Surveys consistently identify corruption as one of the most pressing issues affecting citizens, particularly concerning the fact that a considerable proportion of the youth population perceives it as a primary factor motivating emigration. Approximately 40% of respondents indicate that corruption plays a role in their decision to depart from the Republic of North Macedonia.[27] These findings suggest that corruption is not only a legal and economic problem but also a deeply societal one, which seriously undermines trust in institutions and expectations for a better future in the Republic of North Macedonia.

[26] Institute for Democracy Societas Civilis – Skopje, Parliament support program, Analysis of public opinion No. 11/24 Parliament watch: Citizen perceptions of the work of the Assembly of the Republic of North Macedonia (2024), Aleksandra Jovevska Djordjevic and Joana Treneska.

[27] Freedom House, In the World 2023, North Macedonia overview.

2. CHAPTER 23 – JUDICIARY AND FUNDAMENTAL RIGHTS: JUDICIAL SYSTEM REFORMS BETWEEN INDEPENDENCE, ACCOUNTABILITY, AND EFFICIENCY

Judicial independence is widely regarded as a fundamental value of the rule of law, particularly in terms of safeguarding human rights, ensuring legal certainty, and fostering citizens' confidence in institutions. Judicial independence signifies that judges, that is, courts, should adjudicate impartially, based on law and evidence, without external influences, particularly not from the other two branches of government—namely, the executive and legislative branches—as well as from certain political centers of power, business centers, interest groups, and the like. In accordance with the separation of powers doctrine, which posits the division of governmental powers into legislative, executive, and judicial branches, the judiciary is expected to function as a corrective to the other two branches of government, as well as a guardian of the rights guaranteed to citizens by the Constitution and international conventions. Judicial independence constitutes an indispensable component of the rule of law, signifying that judges must exercise their authority exclusively on the basis of law and facts, unencumbered by any improper influence, pressure, or interference, whether direct or indirect, from the executive and legislative branches, politicians, or private interests. Ensuring this independence necessitates the implementation of institutional guarantees, encompassing judicial autonomy, transparent selection and promotion procedures, security of tenure, and adequate financial independence.[28]

Judicial autonomy is predicated on the principle of personal independence, which, in turn, implies that judges must not be institutionally dependent on the executive or legislative branches in any manner that could potentially influence their decision-making process. Accordingly, the personal independence of a judge refers to the suitable legally secured conditions, provisions, and tenure of the judicial office.[29]

2.1. Financial independence

The judiciary, in addition to the obligation to decide independently and autonomously in accordance with the laws and international standards for fair and equitable trial guaranteed by the European Convention on Human Rights, must also have substantial institutional autonomy. A fundamental component of this autonomy is the financial independence from the executive branch. The judiciary's capacity to autonomously establish priorities concerning human resources, infrastructure, digitalization, and other systemic

[28] ELI-Mount Scopus European Standards of Judicial Independence, European Law Institute.
[29] Ibid.

necessities is paramount. These priorities should not be subject to the constraints or approval of the Ministry of Finance or the Ministry of Justice. Moreover, financial independence is not confined to the act of determining the budget amount; rather, it is inextricably intertwined with the budgeting process, signifying the genuine capacity of the judiciary to proactively engage in the formulation and apportionment of its financial resources.

The absence of genuine budgetary autonomy renders the judicial system susceptible to indirect political pressures, wherein budgetary reductions or delays can serve as a means of institutional "reward" or "punishment." This phenomenon can precipitate a chronic shortage of staff, technical resources, and IT development, culminating in backlog, protracted proceedings, and fragmented digitalization and infrastructure development. While judges formally maintain individual autonomy, the institution ultimately becomes functionally dependent on the executive branch.

The judicial system of the Republic of North Macedonia faces several challenges that are directly related to the issue of judicial independence. The Law on the Judicial Budget stipulates that the budget for the judiciary should amount to at least 0.8% of the gross domestic product.[30] However, the allocation of this percentage to the judiciary has never been documented. In the preparation of the state budget, the executive branch has demonstrated a lack of adherence to the law on budgeting in the judiciary during its drafting. Similarly, the legislative branch has exhibited a similar lack of adherence during the adoption of the budget. In the most recent fiscal year, 2024, the judicial budget was once again considerably lower than the legally mandated amount. However, it is important to note that not only in 2024 but also in other years, the judiciary has had an assigned budget that has never exceeded 0.4% of the gross domestic product of the Republic of North Macedonia.

The EC Report indicates that the budget allocated to courts in 2025 amounts to 0.3% of GDP, which is below the legally established level of 0.8% of GDP. The report includes a recommendation that sufficient financial resources be provided to improve the efficiency of the judicial system and ensure its financial autonomy.[31] With regard to the financial situation in the judiciary, public debates and statements from politicians and representatives of the executive branch were observed concerning the judiciary's budget in comparison to that of European countries.[32]

---

[30] Official Gazette of the Republic of North Macedonia No. 60/2003.

[31] European Commission, North Macedonia 2025 Report.

[32] Government of the Republic of North Macedonia, Mickoski: Judges demand a judicial budget far above the European average, even 75% more; what success did they achieve for such budget?, 18 November 2025.

According to data from the CEPEJ for 2022, the Republic of North Macedonia occupies the 38th position out of 44 countries in terms of budget for the judiciary per capita. This places it second to last among Western Balkan countries. The budget allocated to the judiciary is €24.6 per capita, which is considerably lower than the budgets of other countries in the region. For example, the Republic of Serbia has a budget of €48.1 per capita, and the Republic of Montenegro has a budget of €60.5 per capita. The disparities are particularly evident in comparison to European Union Member States, where the Republic of Slovenia allocates €107.1, and the Federal Republic of Germany allocates even €136.1 per capita for the judiciary.[33]

The Reform Agenda delineates the objective of ensuring the financial autonomy of the judiciary within Sub-area 2, entitled "Independence, Quality, and Integrity of the Judiciary." This initiative is regarded as a provisional measure leading up to the implementation of the Sectoral Development Strategy for Justice (2024–2028), with a projected completion date of December 2025. However, given that this condition has not yet been met, it can be concluded that there is insufficient political will among relevant stakeholders for its completion. The implementation of this reform within the extended timeframe, i.e., one year following the initially defined deadline (December 2026), will enable the state to access financial support from the European Union amounting to €6,422,435.55.[34]

The dearth of financial resources allocated to the judiciary has led to its inability to function efficiently and effectively, thereby compromising the well-being of citizens. The repercussions of this situation have been particularly acutely felt in recent years, manifesting in a shortage of judges and public prosecutors, an absence of court advisers, support staff, judicial police, and analogous roles, as well as a paucity of fundamental resources for operational activities. These include computer equipment, office supplies, and other essential equipment that are indispensable for ongoing operations.

Recent data suggest that the Ministry of Finance has repeatedly withheld its consent for fixed-term employment in the judiciary. This pattern of behavior serves to further restrict the human resources capacities of the judicial system.[35] Pursuing this course of action will likely result in the erosion of the courts' functionality, thereby jeopardizing the effective exercise of the right to access to justice. The absence of court clerks and judges will inevitably lead to an increase in the workload per judge and an extension of the duration of

[33] European Commission for the Efficiency of Justice-CEPEJ, CEPEJ statistics on judicial budgets in 2022.
[34] Ministry of Digital Transformation, Reform Agenda of North Macedonia 2024-2027.
[35] Announcement from the 254th session of the Judicial Budget Council, 27 August 2025.

court proceedings. This, in turn, can result in violations of the right to a trial within a reasonable time.[36]

In this context, the decision of the Steering Board of the Academy for Judges and Public Prosecutors "Pavel Shatev" is also very indicative, as it involved the annulment of the public announcement for the admission of 130 trainees to initial training for the academic year 2023–2024, due to not receiving consent from the Ministry of Finance.[37] This decision has direct ramifications for the replenishment of human resources capacities within the judiciary. In the event that consent is granted for the admission of a new generation of judges and public prosecutors in the future, the procedure will have to be initiated from the beginning, which will result in additional time delays. This predicament is further exacerbated by the fact that the judiciary and public prosecution are currently grappling with an escalated caseload, resulting in an acute need for additional personnel to ensure the effective operation of the justice system.

2.2. Independence of judicial decisions and disciplinary proceedings

In addition to financial autonomy, it is imperative to emphasize the significance of institutional and personal independence in the context of the judiciary. This refers to the extent to which judges are able to exercise their authority without the influence of politics or other external pressures, thereby ensuring the autonomy of judicial decision-making. In the past period, numerous public statements from high-ranking representatives of the executive branch were noted, which negatively qualified the work of the judiciary; on the other hand, this can be interpreted as an indicator of potential interference in the judicial authority and undermining its independence. In the aftermath of the local elections, the Prime Minister of the Republic of North Macedonia made a statement asserting that legal mechanisms would be implemented to ensure that prosecutors and judges function in accordance with the Constitution and the law, notwithstanding any criticism they may encounter.[38] In response to this statement, the Judicial Council issued a public statement expressing its opposition to the utilization of the judiciary for daily political campaigning.[39] In this regard, it is imperative to acknowledge the implications of statements made by individuals in positions of political office, as well as by holders of executive and legislative power who directly or indi-

[36] Notification from the Academy for Judges and Public Prosecutors, 12 May 2025.
[37] Notification from the 242nd session of the Steering Board of the Academy for Judges and Public Prosecutors, 25 December 2025.
[38] Sakam da kazham, "After the local elections, we will find legal mechanisms; we must have judges and prosecutors who work according to the law," said Mickoski, 24 September 2025.
[39] Press release of the Judicial Council, 25 September 2025.

rectly discredit the judiciary. Such actions pose a grave threat to the judicial independence and the fundamental principle of the rule of law. It is imperative that criticisms and statements directed at the judiciary be clear, measured, and argued; furthermore, these expressions should not give the impression of direct pressure or undermine judicial independence. In this context, the Venice Commission emphasizes that public authorities must refrain from making statements that could undermine confidence in the judiciary or create the impression of undue pressure on judges.[40] Additionally, the Council of Europe, through the Committee of Ministers, underscores the imperative for executive and legislative authorities to honor judicial independence and abstain from unwarranted criticism of judicial rulings.[41]

The Republic of North Macedonia, in its capacity as a candidate for European Union membership, has been the subject of persistent remarks in the European Commission (EC) reports. These remarks indicate that public attacks and political rhetoric directed towards the judiciary constitute a direct threat to judicial independence and have a detrimental effect on the overall assessment of progress within Cluster 1, entitled "Fundamentals." In this regard, such practices are identified as a form of undue external pressure on judges, which is contrary to the European standards established by the Council of Europe and the EU. The integrity of the judiciary encompasses not only formal independence but also the tangible protection of judges from external influences, including political, institutional, and media pressures. Nevertheless, in recent years, the executive branch has issued numerous public statements and made frequent criticisms, particularly in the context of specific judicial decisions. These actions have led to the perception of political pressure, which has had a significant impact on citizens' trust in the judicial system. This phenomenon has been identified as a structural deficit in the reports of the European Commission, which underscores the necessity for political actors to exercise restraint and adhere to the principle of separation of powers with unwavering consistency.[42]

One of the most significant cases that led to a heightened public perception of compromised judicial integrity was that of a Supreme Court judge who was apprehended in flagrante while perpetrating the criminal offense of "Receiving Reward for Unlawful Influence" (Article 359 of the Criminal Code). According to the Public Prosecutor's Office, the primary suspect, leveraging

---

[40] Council of Europe, Report on the Independence of the Judicial System Part I: The Independence of Judges adopted by the Venice Commission at its 82nd Plenary Session, Venice, 12-13 March 2010.

[41] Council of Europe, Judges: independence, efficiency and responsibilities, Recommendation CM/Rec(2010)12 adopted by the Committee of Ministers of the Council of Europe, 17 November 2010.

[42] European Commission, Rule of Law Report 2025 – Country chapter North Macedonia.

his official position and purported influence, made promises of advantageous treatment to an indicted individual in proceedings conducted before the Public Prosecutor's Office for Organized Crime and Corruption. He asserted, without substantiation, that he could exert influence over the proceedings, a claim that was subsequently corroborated by the second suspect, who at the time was a member of the Council of Public Prosecutors.[43] On 15 August 2024, the Basic Criminal Court in Skopje announced that the presiding judge had accepted a plea bargain between the Public Prosecutor's Office and the accused individual. Subsequent to this acceptance, a verdict was issued, imposing a sentence of three years' imprisonment on the accused. In accordance with the final judgment and the prevailing legal framework, the judge in question was formally dismissed from his position. In a similar case, the second suspect, a member of the Council of Public Prosecutors, admitted guilt and resigned from his position.

From the perspective of judicial accountability, recent analyses have identified significant and pervasive deficiencies in the manner in which proceedings are conducted. These findings are consistent with the latest practice of the European Court of Human Rights, as evidenced by two recent judgments that will be discussed below. In June 2025, an analysis of 20 cases for the period 2019–2024 was published, in which the accountability of judges or court presidents was established, either through dismissal or disciplinary measures. The analysis identified deficiencies in all phases of the procedure, in the application of substantive law, and in procedural guarantees. The crux of the issue lies not in a paucity of resources or a lack of a normative framework, but rather in the inadequate and inconsistent implementation of these resources and framework. In a substantial number of cases, the decisions are not sufficiently reasoned, and there is an absence of a clear link between the established facts and the applied legal basis.[44] In certain cases, the operative part of the decision merely states the legal basis for the sanction, omitting any reference to the violation. This omission renders the decision legally ambiguous and challenging to implement. Furthermore, the Judicial Council and the ad hoc Appeals Council at the Supreme Court frequently neglect to undertake a substantive evaluation of the defense's arguments, particularly with regard to the issue of obsolescence due to the expiration of a statutory time limit. This omission constitutes a direct deviation from the standards established by the European Court of Human Rights concerning the right to a fair trial.

---

[43] Public Prosecutor's Office of the Republic of North Macedonia, Investigation against two individuals for receiving a reward for unlawful influence, 21 May 2024.

[44] Denis Preshova, Ivana Petkovska, Darko Avramovski, Independence through accountability, monitoring, and verification of judicial accountability in North Macedonia (2025).

Judicial accountability is a critical issue that has been the focus of recent research. The findings of this research indicate that there is a need for improved procedures for determining the accountability of judges. This issue has also been addressed in two recent judgments of the European Court of Human Rights, which will be discussed in greater detail below. In that regard, an analysis was published in June 2025 to establish judicial accountability from 2019 to 2024. The analysis covered 20 cases in which a decision was made for the dismissal of a judge or court president, or a disciplinary measure was imposed. A review of the proceedings reveals shortcomings and weaknesses in both the application of substantive provisions and the procedural provisions designed to establish accountability among judges. These deficiencies suggest systemic issues and inadequate practical application, largely attributable to factors other than a lack of resources, a deficient legal framework, or a lack of capacity for argumentation. A notable illustration of this phenomenon is the frequent occurrence of decisions that are deficient in their reasoning and individualization. These decisions often exhibit an absence of a discernible connection between the specific factual actions and the applicable legal bases. In certain instances, the operative part of the decision merely stipulates the legal foundation for the sanction, omitting the specific nature of the infraction. This deficiency in the articulation of the infraction renders the decision ambiguous and ineffective. A further issue pertains to the practices of the Judicial Council and the aforementioned Appeals Council at the Supreme Court, which frequently neglect to undertake a substantive evaluation of the defense's arguments. This phenomenon is particularly evident in cases pertaining to obsolescence due to the expiration of a statutory time limit, where they are either disregarded or addressed formally, yet without substantiated justification. This approach stands in direct opposition to the standards articulated by the European Court of Human Rights concerning the right to a fair trial. Specifically, it contravenes the court's established obligations regarding the provision of reasoned decisions and the principle of equality of arms.

A particularly problematic aspect is the presence of inconsistencies in decision-making, wherein identical or similar factual situations are resolved with contrary conclusions. This discrepancy is particularly evident in the cases of judges from the Shtip Court of Appeals, where identical or similar actions by judges resulted in different sanctions being imposed, and even the halting of proceedings. However, it should be noted that this is not an isolated incident. Similar observations have been made in other cases, where different sanctions were imposed based on the same circumstances, ranging from

the mildest — a written warning — to the most severe — dismissal from office.[45]

In the judgments *Ilievska and Zdraveva v. North Macedonia*[46] and *Ribarev v. North Macedonia*,[47] the European Court of Human Rights found a violation of the right to a fair trial under Article 6 of the European Convention on Human Rights. The Court determined that both applicants lacked effective access to a court, thereby concluding that the prevailing appeal procedure did not offer authentic judicial review. The European Convention on Human Rights (ECHR) unambiguously underscores the necessity for more than just the formal existence of a legal remedy. The appellate body is obligated to engage in a substantive reconsideration of the facts and the legal merits of decisions that determine the accountability of judges. These judgments suggest a fundamental weakness in the judicial protection system and may potentially pave the way for the emergence of additional cases of a similar nature before the Court in Strasbourg. This is particularly noteworthy given that several judges have already initiated proceedings to protect their rights. In response to the identified deficiencies, the recently enacted Law on the Judicial Council (approved on 29 December 2025, with implementation on 8 January 2026) establishes the right to initiate an administrative dispute before the Administrative Court against decisions pertaining to disciplinary liability and dismissal. This amendment establishes genuine judicial control over the decisions of the Judicial Council, representing a significant step towards alignment with European Convention on Human Rights (ECHR) standards regarding effective legal protection.[48] In a similar manner, the Reform Agenda (reform 5.3) expressly delineates that judges in disciplinary proceedings must be accorded all the guarantees of a fair trial, including the right to independent and impartial judicial review.

The recently enacted Law on the Judicial Council has been found to incorporate the recommendations of the Assessment Mission and the opinion of the Venice Commission with regard to particular deficiencies in the Council's operations. The selection criteria for Council members have been made more stringent, the process for dismissing the Council president has been more clearly defined, and the procedures for selecting and promoting judges, as well as for establishing their accountability, have been enhanced. These amendments are intended to address legal deficiencies, particularly concerning the transparency, rationale, and consistency of decisions.

---

[45] Ibid.

[46] European Court for Human Rights, Case *Ilievska and Zdraveva v. North Macedonia*, Applications nos. 19689/21 and 42794/22.

[47] European Court for Human Rights, Case *Ribarev v. North Macedonia*, Application no. 39987/22.

[48] Official Gazette of the Republic of North Macedonia No. 269/2025.

2.3. Efficiency of judicial proceedings and the impact on the fight against corruption

In order to ascertain the existence of a genuine effort to combat corruption, it is imperative that investigations are conducted efficiently and that judicial proceedings are of high quality, with judgments grounded in evidence and adhering to all standards of a fair trial. Regardless of the adequacy of the legal framework or the competence of the institutions involved, a particularly critical aspect is that judicial proceedings are carried out within a reasonable timeframe and culminate in just penalties, should the court determine guilt. The extended duration of court proceedings, particularly in cases of public interest, coupled with the obsolescence of criminal prosecution resulting from the expiration of statutory time limits, creates the perception that the efforts to combat corruption are largely declarative and lack substantive impact.

Historically, judicial proceedings have been protracted in cases involving high-level corruption and organized crime, particularly in instances subsequent to indictments filed by the former Special Public Prosecutor's Office (SPPO) in 2017. It is disconcerting that, in some instances, more than eight years have elapsed with no initial adjudication. For illustrative purposes, prominent cases such as “Titanic,” “Thaler,” and “Total” can be cited. These proceedings have been in progress for an extended period, with recurrent postponements of hearings, alterations in the composition of the trial panel, and the substantial presentation of evidence proposed by the parties involved. This dynamic of trials directly undermines the principle of trial within a reasonable time and creates a risk of criminal prosecution becoming time-barred due to the expiration of a statutory time limit. However, it is important to note that there are also instances of time-barred cases within the realm of organized crime and corruption, particularly in the aftermath of the amendments to the Criminal Code that took effect in September 2023. These amendments resulted in a reduction in sentences for specific corrupt criminal acts, thereby consequently shortening the statutes of limitations. Pursuant to the extant data, criminal prosecution in 14 cases, involving approximately 80 accused officials for high-profile corruption, has become time-barred due to the expiration of a statutory time limit. The erosion of criminal charges, particularly in cases of prominent corruption, has been demonstrated to weaken the efficacy of the criminal justice system and engender a perception of impunity. This phenomenon functions as a substitute for a definitive message that corruption is not condoned. Furthermore, the lenient penalties for these infractions can have a demotivating effect on both institutions and the general public, potentially leading to the perception of corruption as a prevalent norm. To address this deficit, it is imperative that the judicial system demonstrate more substantial and evidentiary results that

will serve to rebuild the trust of the public and ameliorate the prevailing circumstances.

3. CHAPTER 24 – JUSTICE, FREEDOM, AND SECURITY

Chapter 24, entitled "Justice, Freedom, and Security," is a pivotal chapter in Cluster 1, "Fundamentals." It assesses the operational capacity of the state to address organized crime and corruption, the efficiency of criminal justice systems, and the readiness to implement European standards in the domains of migration, asylum, border management, and other security concerns. For the Republic of North Macedonia, the degree of progress in this chapter is primarily gauged by the outcomes of investigations and judicial proceedings concerning high corruption and organized crime, the implementation of financial investigations and the confiscation of criminal assets. Additionally, the capacity of institutions to prevent money laundering and safeguard public finance is a crucial indicator of progress.

The 2025 EC report, as with previous iterations, emphasizes the limited number of final convictions in high-profile corruption cases, the inadequate systematic implementation of financial investigations, and the negligible effectiveness in the confiscation of criminal assets. In the domain of migration and border management, the necessity for further alignment with the European Acquis and the enhancement of inter-institutional coordination is underscored. It is evident that Chapter 24 plays a pivotal role in assessing the efficacy of the rule of law in practice. This chapter underscores the necessity for explicit adherence to legislative frameworks, particularly in the domains of criminal justice administration, the management of criminal assets, and the facilitation of safe and regulated migratory flows.[49]

With respect to organized crime and corruption, the European Commission (EC) acknowledges North Macedonia's moderate level of preparedness in combating serious and organized crime. However, the EC anticipates further progress in aligning domestic legislation with EU standards.[50] The European Commission's (EC) assessments in this regard are particularly influenced by the amendments to the Criminal Code of September 2023, which reduced sentences for certain corrupt criminal acts. A salient factor contributing to this phenomenon is the markedly reduced number of penalties imposed for such offenses, which appear to lack the capacity to deter corrupt actions, particularly by high-ranking officials. A curious paradox emerges in the Criminal Code, which delineates more stringent penalties for aggravated theft than for abuse of official position and authority. This is despite the fact that

[49] European Commission, North Macedonia 2025 Report.
[50] Ibid.

the latter infraction engenders significantly more severe consequences for public interest, economic damage, and institutional integrity. Such penal policy underestimates the severity of high-profile corrupt acts and weakens their preventive function.

In an effort to enhance the state of affairs in the ongoing struggle against corruption, the Constitutional Court initiated proceedings in February 2025 to evaluate the constitutionality of the amendments to the Criminal Code that were enacted in September 2023. The dilemmas pertain to the reduction of sentences and the risk of impunity, particularly for individuals holding high public office. The Constitutional Court's decision mandated the Assembly of the Republic of North Macedonia to amend or remove the contested provisions from the Criminal Code within a period of six months.[51] The Assembly of the Republic of North Macedonia, at the request of a group of MPs, has submitted amendments to the Criminal Code, citing its alignment with the decision of the Constitutional Court. In January of 2026, these amendments were formally adopted, eliciting robust public responses.

Civil society organizations engaged in the domains of rule of law and anti-corruption have expressed their opposition to the proposed amendments, highlighting that these changes further undermine the criminal law's safeguards against corruption and the misuse of official authority. Furthermore, it was underscored that such significant amendments ought to be adopted through an inclusive consultation process involving relevant stakeholders, particularly judges and public prosecutors. Their practical experience is essential for adequately evaluating the potential impact and application of these amendments within case law.[52] Following the adoption of the amendments by the Assembly of the Republic of North Macedonia, the President of the Republic signed them into law by decree the very next day. This action was taken despite appeals from the civil sector urging her to refrain from doing so and to exercise his right of presidential veto.[53]

Reports concerning the efforts of the judiciary and public prosecution in combating organized crime and corruption highlight the necessity for enhanced coordination among public prosecutors. This entails conducting more frequent meetings to discuss matters pertaining to the quality of their work and their collaboration with the courts. The recommendations further advo-

---

[51] Constitutional court of the Republic of North Macedonia, U.No.162/2023 и U.No.163/2023, 12 February 2025.

[52] Platform of Civil Society Organizations for the Fight Against Corruption, Public Statement regarding the Draft Law on Amendments and Supplements to the Criminal Code, 22 January 2026.

[53] Platform of Civil Society Organizations for the Fight Against Corruption, Appeal from the Anti-Corruption Platform for not signing the decree of the Law on Amendments and Supplements to the Criminal Code and exercising the constitutional right of veto, 28 January 2026.

cate for the establishment of internal mechanisms aimed at improving the quality of indictments, particularly in cases of significant public interest. Additionally, it is essential for the Academy for Judges and Public Prosecutors to evaluate the training needs of prosecutors engaged in high-profile organized crime and corruption cases.[54]

The manner in which state institutions address organized crime and corruption is notably exemplified by the case involving the President of the State Commission for the Prevention of Corruption. The Public Prosecutor's Office for the Prosecution of Organized Crime and Corruption has filed criminal charges against this individual for the unauthorized disclosure of official secrets related to a defendant in the case known as "Additive," as well as for computer forgery. According to the investigation, she arranged for an auditor from the State Audit Office to take an examination on her behalf, thereby securing a security certificate for access to classified information. Following the initiation of the case, the Assembly of the Republic of North Macedonia issued an open call for the election of a new President of the State Commission for Prevention of Corruption (SCPC). Subsequently, in December 2025, after the local elections, new leadership was elected.

3.1. Inter-institutional cooperation as a necessary condition for overcoming the gap between the legal framework and practical application

In order for policies pertaining to justice and security to be effectively implemented, it is essential that there is robust cooperation among institutions. While formal agreements may exist on paper, deficiencies are still evident in day-to-day operations. Essentially, institutions do not fully meet their obligations as delineated by the legal and strategic framework, which provides explicit guidelines for collaboration.

In the context of inter-institutional cooperation, a pertinent question arises regarding the rationale behind state institutions entering into memoranda of cooperation when they are already legally obligated to collaborate. This phenomenon is exemplified by the Memorandum of Cooperation between the Public Prosecutor's Office and the State Commission for Prevention of Corruption (SCPC). However, this memorandum did not prevent a breakdown in cooperation following the suspension of collaboration between the Public Prosecutor's Office and the SCPC in 2023. This situation is particularly concerning, as both institutions are legally obligated to act in a coordinated

[54] OSCE, The Western Balkans Trial Monitoring Report: From Paper to Practice – Evaluating the Effectiveness of Judicial Responses to Serious Organized Crime and Corruption (Review Period: July 2021 – March 2024), 2024

manner in the fight against corruption and organized crime. Consequently, a fundamental question arises: will the Public Prosecutor's Office act on reports submitted by the SCPC if cooperation is suspended? Such a practice suggests a lack of trust and willingness to engage in effective collaboration, despite the established legal competencies.

An additional instance of (non-)cooperation among institutions can be observed in the interactions between the Judicial Council, the Council of Public Prosecutors, and the Academy for Judges and Public Prosecutors concerning the planning of new judicial personnel. Prior to the commencement of training for a new group of attendees, the Academy, in accordance with established regulations, reached out to both the Judicial Council and the Council of Public Prosecutors with a request to ascertain the requisite number of judges and public prosecutors needed to fill vacant positions within the judicial system. In February 2025, the Academy awarded certificates to 97 candidates—47 for public prosecutors and 50 for judges—marking the largest group to date. In accordance with previously identified needs, the Judicial Council and the Council of Public Prosecutors announced job openings to fill vacant positions in the basic courts and public prosecutor's offices. However, the Judicial Council deviated from the initially determined number by electing 68 judges from the total of 97 candidates, despite the original assessment indicating a requirement for only 50 judges. This decision prompted a response from the Council of Public Prosecutors, which expressed concerns that the principles of inter-institutional cooperation had been compromised.

The examples provided indicate that inter-institutional cooperation is significantly hindered by inadequate coordination. This deficiency can result in an ineffective approach to combating corruption, insufficient safeguarding of human rights, and stagnation in the execution of the Reform Agenda, ultimately prolonging the Republic of North Macedonia's EU accession process. When institutions publicly engage in criticism or suspend cooperation, rather than collaborating effectively—particularly in the realms of organized crime and corruption—they risk damaging their reputations and eroding public trust.

3.2. Will the Republic of North Macedonia succeed in confiscating criminal assets on its path to the European Union?

The Republic of North Macedonia did not receive a favorable assessment in the European Commission's 2025 Report concerning its efforts to combat serious crime and corruption, particularly in relation to the seizure and management of criminal assets. The report indicates that, in accordance with the Reform Agenda, the Agency for Management of Confiscated Assets was expected to ensure an adequate number of personnel for full operational

capacity by June 2025. However, the Agency continues to grapple with significant institutional challenges, including severe understaffing, insufficient financial resources, inadequate storage facilities and equipment, as well as a dysfunctional case management system. As a result, the institution remains far from achieving full operational status.[55]

The report highlights that financial investigations continue to represent one of the most significant weaknesses in the battle against organized crime and high-profile corruption, necessitating immediate enhancements. The European Commission underscores the urgent requirement for substantial improvements in the capabilities for the identification, seizure, and confiscation of assets acquired through criminal activities. In this context, the Republic of North Macedonia has, through its Reform Agenda, pledged to implement specific measures aimed at enhancing the system for financial investigations and asset confiscation. These measures encompass amendments to the Criminal Code, as well as an increase in both the quantity and effectiveness of financial investigations, indictments, and final rulings concerning the confiscation of criminal assets and proceeds.[56]

In 2025, the Government of the Republic of North Macedonia approved the Strategy for Strengthening Capacities for Financial Investigations and Asset Confiscation for the period of 2025 to 2028, accompanied by an Action Plan. This initiative aims to enhance the mechanisms for the seizure of criminal assets.[57] The Strategy is designed to substantially enhance institutional capacities and facilitate the more effective enforcement of legislation in the battle against organized crime and corruption. To oversee its implementation, a National Council for Financial Investigations and Asset Confiscation has been established, under the leadership of the Deputy Prime Minister responsible for good governance policies.[58]

Recent research indicates that over the past decade, the budget has incurred a loss of approximately €244 million due to 30 high-profile corruption cases.[59] Notwithstanding this, the Law on Confiscation of Property in Civil

[55] European Commission, North Macedonia – Country Reports.
[56] Ibid.
[57] Government of the Republic of North Macedonia, "Government: New Strategy for Confiscation of Criminal assets Adopted", 17 June 2025.
[58] The members of the Council are: the Minister of Interior, the Minister of Justice, the Minister of Finance, the Public Prosecutor, the President of the Supreme Court, the Head of the Asset Return Office, the Director of the Public Security Bureau, the Director of Customs, the Director of the Financial Police Office, the Director of the Agency for Management of Seized and Confiscated Assets, and the President of the National Commission for Financial Investigations and Asset Confiscation.
[59] Radio Free Europe, "Hundreds of millions of euros in damaged budget, minimally confiscated property", Zorana Gadzovska Spasovska, 15 January 2025.

Proceedings, enacted in 2024, has yet to be implemented in practice.[60] As per the publicly accessible information provided by the Financial Police Office, the Basic Public Prosecutor's Office for the Prosecution of Organized Crime and Corruption has presented two initiatives; however, no outcomes have been achieved to date. Concurrently, despite the law not yet being enacted, the Ministry of Justice has proactively established a working group to consider amendments to the legislation.[61] Consequently, the available data clearly indicates that the state currently lacks the necessary capacity to effectively manage criminal assets, confiscate them for the benefit of the state, and impose appropriate sanctions on those who commit such offenses.

4. ANTI-CORRUPTION POLICIES AS A KEY HORIZONTAL PRINCIPLE IN THE RULE OF LAW: INSTITUTIONAL PREREQUISITES AND CHALLENGES IN IMPLEMENTATION

Anti-corruption policies within the negotiating framework are regarded as a fundamental and cross-cutting component of the accession process. Their effectiveness is assessed not solely by normative alignment but also by the demonstrated institutional capacity and sustainable outcomes in preventing and sanctioning corruption, particularly at the highest levels. IIn essence, their institutional framework is primarily articulated in Chapter 23, which addresses the Judiciary and Fundamental Rights, and Chapter 24, which focuses on Justice, Freedom, and Security. Within these chapters, the fight against corruption is regarded not merely as a matter of criminal law, but as a systemic issue that serves as an indicator of the functionality of the rule of law. Furthermore, it is recognized as a prerequisite for the initiation and conclusion of all other chapters.

The implementation of anti-corruption policies is governed by a stringent conditionality framework, as delineated in the requirements of Cluster 1, “Fundamentals.” This framework stipulates that a lack of progress in anti-corruption efforts will result in no advancement in negotiations. Consequently, this could lead to an expedited opening of this cluster, a definitive closure, and a potential "freezing" of the entire process should any regression occur.

In accordance with European frameworks for combating corruption, it is advisable to adopt a comprehensive approach that encompasses both preventive measures—such as transparency, conflict of interest management, as-

[60] Official Gazette of the Republic of North Macedonia No. 53/2024.

[61] Radio Free Europe, “Hundreds of millions of euros in damaged budget, minimally confiscated property”, Zorana Gadzovska Spasovska, 15 January 2025.

set declaration and oversight, and public procurement—and repressive instruments, including criminal prosecution, sanctions, and confiscation.

In the implementation of anti-corruption policies, the coordinated action of multiple functional institutions is essential. Equally important is the establishment of effective mechanisms for their institutional connection—namely, a system in which all competent bodies are interconnected and act synchronously on specific cases. In addition to law enforcement agencies such as the police, prosecution, and courts, other institutions play a significant role, including the State Commission for the Prevention of Corruption and the Public Prosecutor's Office. Furthermore, bodies with specialized competencies, such as the Deputy Prime Minister responsible for good governance, also contribute significantly to these efforts. It is essential to underscore that the fight against corruption extends beyond specialized institutions; it embodies a systemic responsibility. In this context, nearly all institutions can be regarded as pertinent, as they bear the responsibility to address instances of corrupt practices within their respective domains of operation. This underscores the notion that anti-corruption policies are not confined solely to Cluster 1 but possess a significant horizontal dimension. The concept is integral to the operations of public administration, public procurement systems, and financial control mechanisms (as detailed in Chapter 32), as well as within the realms of market competition and economic governance. This approach underscores the necessity of addressing anti-corruption as a multifaceted and inter-sectoral concern, necessitating coordinated policies and measures throughout the entire institutional framework.

4.1. State Commission for Prevention of Corruption

In recent years, the Republic of North Macedonia has formally established several mechanisms aimed at preventing and combating corruption; however, their effectiveness has been inconsistent. The State Commission for Prevention of Corruption (SCPC) serves as a pivotal entity within this framework, tasked with verifying the asset status of officials, monitoring conflicts of interest, conducting educational initiatives, and offering recommendations for systemic reforms.

In recent times, the State Commission for the Prevention of Corruption (SCPC) has actively engaged in promoting the topics of integrity and conflict of interest within public discourse. It is essential to note that this commitment has not been limited to general recommendations; rather, it has been demonstrated through concrete actions in cases of significant public interest. Nevertheless, the Commission's recent activities have been marred by several controversial developments, which have somewhat undermined its credibility. The developments in question are closely linked to the institu-

tional context surrounding the impending expiration of the mandate of the Commission members elected in 2019, as well as the subsequent personnel changes that have influenced both the continuity and public perception of its work. In December 2025, the Assembly of the Republic of North Macedonia elected a new President of the State Commission for Prevention of Corruption (SCPC), thereby initiating a new phase in the institution's operations. It is anticipated that this transition will lead to increased dynamism and enhanced efficiency in its functions.

As illustrative examples of the previous composition's work, the SCPC prepared a comprehensive analysis of institutional actions regarding the conclusion of contracts for Corridors 8 and 10-d with "Bechtel and Enka." This analysis was submitted to the appropriate prosecutor's office, addressing concerns related to integrity, transparency, and potential illegal advantages. Concurrently, during the 2024 election cycles, the Commission initiated 65 cases concerning suspected violations of the Election Code and the Law on the Prevention of Corruption and Conflict of Interest. The procedures outlined herein include initiatives aimed at criminal prosecution and the establishment of accountability for officials. This indicates an initiative-taking approach and a commitment to preventing abuses during a sensitive electoral period.[62] Furthermore, in alignment with its commitment to systemic efforts against corruption, the State Commission for Prevention of Corruption has published a report identifying the primary drivers of corruption in public procurement. The report also outlines proposed measures aimed at reducing the potential for conflicts of interest and abuses in tender procedures. This initiative is particularly significant, as procurement represents one of the most vulnerable avenues for high-profile corruption within the public sector.[63]

Recent developments within the Commission have substantially undermined its credibility and shifted public perception regarding its operations. The resignation of the President of the SCPC in July 2025, who was elected on December 22, 2023, following an indictment in the "Additive" case for disclosing official secrets and committing computer forgery, has compelled the institution to demonstrate its integrity.[64] Rather than solely serving as a "guardi-

[62] State Commission for Prevention of Corruption, Annual Report on the Work of the State Commission for Prevention of Corruption for 2024, March 2025.

[63] EU support for Rule of Law, Report on the mapping of the situation in public procurement and the key generators of corruption, April 2024.

[64] The "Additive" case (July 2025) called into question the integrity of the SCPC, after an indictment was filed against the then-president for disclosing official secrets and computer forgery, which was followed by her resignation. The case highlighted the need to strengthen internal mechanisms for integrity, control, and management of confidential information in anti-corruption institutions. Public Prosecutor's Office of the Republic of North Macedonia, Indictment Filed Against One Person and Indictment Proposal Against Three Persons, 18 July 2025.

an of integrity," the Commission was compelled to exhibit internal resilience and maintain a strict zero tolerance for irregularities within its own ranks.

In addressing the topic of integrity within the current mandate of the SCPC, it is essential to clearly differentiate between what constitutes "progress" compared to the previous composition and to delineate the obligations of the current leadership in restoring institutional trust. Following the election of the new leadership, distinct public expectations have arisen regarding the stabilization of the Commission's reputation and the enhancement of its visibility and effectiveness, particularly in the management of politically sensitive, high-profile corruption cases.[65] During the initial months of the mandate, indications of institutional consolidation have become apparent through the establishment of more defined internal regulations and priorities. This includes the consideration of the Work Program for 2026 and the formulation of criteria for case ranking. Additionally, there has been a renewal of structured cooperation with pertinent civil society stakeholders. Furthermore, the implementation of a strategic framework for the years 2026 to 2028, along with an emphasis on asset and interest declaration systems—including international activities in this domain—should be regarded as a definitive response to the challenge posed to credibility. This approach entails not merely increasing the number of cases reviewed, but also enhancing verifiability, establishing digital traces, and upholding integrity standards within our operations.

The SCPC demonstrated visibility and proactivity in offering recommendations for preventive policies during the previous period; however, its practical impact was constrained by two significant weaknesses: a) The SCPC is fundamentally a preventive and advisory body, and much of its advice hinges on the willingness of other institutions to implement disciplinary, administrative, misdemeanor, or criminal law measures. b) The institution itself often operates with limited resources while facing substantial expectations to address a broad spectrum of risks, including public procurement, conflicts of interest, asset declarations, and elections. This situation renders it susceptible to a "high volume, small epilogue" scenario. This structural weakness is further complicated by other independent assessments of the anti-corruption system, which indicate that the effectiveness of the SCPC is not solely determined by the number of initiatives or recommendations provided. Rather, it is also contingent upon the extent to which these initiatives are acted upon by

[65] The new President of the SCPC was elected by the Assembly of the Republic of North Macedonia on 3 December 2025.

competent authorities and the final outcomes that result from such actions.[66]

The case of the former President of the SCPC, who resigned under both institutional and public pressure, has raised a series of questions regarding the institutional framework for preventing and combating corruption. In addition to the inadequate implementation of recommendations, the integrity of anti-corruption institutions themselves has come into question.[67] This pivotal moment underscored the necessity for mechanisms related to ethics, internal control, access to sensitive data, and the management of confidential information to be regarded as integral and essential components of the institutional framework of anti-corruption bodies, rather than merely as formal or declarative procedures.

Although the SCPC systematically identifies corruption risks in public procurement, conflicts of interest, asset declarations, and appointments, a significant weakness within the system lies in the gap between detection and accountability. The monitoring and management of its findings by prosecution, inspection services, and disciplinary bodies are often inconsistent and frequently lack a visible public outcome. In this model, the Commission serves as an "alarm mechanism," possessing limited execution and enforcement capabilities. Consequently, the deterrent effect diminishes precisely when it is most needed. To enhance the integrity of the anti-corruption system, it is essential to establish mandatory deadlines and protocols for responding to findings from the SCPC. Additionally, regular public reporting on the outcomes of recommendations—categorized by institution and type of measure—should be implemented. Furthermore, it is imperative to ensure adequate staffing with specialized personnel and to allocate a budget that facilitates a robust analytical foundation and traceability of cases throughout the entire institutional framework.

4.2. The legal framework in preventing corruption

In relation to alignment with European Union policies, the Republic of North Macedonia has developed a strategic and legal framework aimed at preventing corruption. However, the critical challenge lies in the practical implementation of this framework. The National Strategy for the Prevention of Cor-

[66] Transparency International – Macedonia, National Integrity System – Assessment for the Republic of North Macedonia, 2024.

[67] In July 2025, the Public Prosecutor's Office for Prosecution of Organized Crime and Corruption announced that an indictment had been filed related to electronic evidence extracted from the "Additive" case, stating that the president of the SCPC was charged with disclosing official secrets and computer forgery; following the announcement, she resigned from her position.

ruption and Conflict of Interest for the period 2021–2025 has been adopted by the State Commission for Prevention of Corruption (SCPC) and is being executed through an accompanying action plan. The SCPC also prepares annual reports on the implementation of this strategy. Nonetheless, the effectiveness and pace of these efforts are contingent upon the commitment of those responsible for translating these obligations into concrete institutional procedures and tangible outcomes.[68]

A pivotal legal instrument is the Law on the Prevention of Corruption and Conflict of Interest, which delineates the institutional framework for preventing conflicts of interest, asset declarations, limitations, and the competencies of the State Commission for the Prevention of Corruption (SCPC). The assertion that this framework is "largely" harmonized with the recommendations of the Group of States Against Corruption (GRECO) should not remain vague. In the Fifth Evaluation Round, which focuses on central executive authorities and the police, GRECO acknowledges progress specifically through the implementation of practical tools and guidelines for managing conflicts of interest, such as training and guides. This progress is further evidenced by the enhancement of oversight regarding asset and interest declarations, as well as the development of electronic solutions and interoperability for data verification. At the same time, GRECO explicitly identifies a critical weakness that affects the efficacy of the law: the regulation of sanctions within the Law on Prevention of Corruption and Conflict of Interest does not encompass sanctions for all violations, and monetary fines are not consistently effective. Consequently, GRECO advocates for an analysis of the sanction regime and the preparation of amendments, with a target deadline for adoption by the end of 2025, given the dynamic context at that time. This is a crucial aspect of "compliance": while the formal framework aligns closely with European standards, GRECO emphasizes the necessity for refinements to ensure that the system fosters accountability and deterrence, rather than merely imposing formal obligations.

The primary legislation governing this area is the Law on the Prevention of Corruption and Conflict of Interest. This law establishes a framework for prevention by regulating conflicts of interest, asset declarations, limitations, and the competencies of the State Commission for the Prevention of Corruption (SCPC).[69] While this framework is predominantly aligned with GRECO recommendations—particularly concerning the implementation of practical tools such as training and guides, the enhancement of oversight over asset declarations, and the establishment of electronic systems for data verification—certain weaknesses persist. In its Fifth Evaluation Round, GRECO high-

[68] State Commission for Prevention of Corruption, National Strategy for Prevention of Corruption and Conflict of Interest 2021-2025, December 2020.
[69] Official Gazette of the Republic of North Macedonia No. 12/2019.

lights that the existing penalty regime is inadequately effective: it does not encompass all types of violations, and the anticipated monetary fines fail to serve as a satisfactory deterrent.[70] Consequently, it is advisable to undertake a revision of the sanctions and to prepare the necessary amendments, with a target deadline for adoption set for the end of 2025.

The essence of "compliance" is evident in the alignment of the formal framework with European standards; however, additional refinements are necessary, particularly concerning the penalty regime. Such enhancements are essential to ensure that the system facilitates genuine accountability and effective deterrence, rather than merely serving as a superficial fulfillment of obligations.

The Law on Whistleblower Protection serves as a significant preventive measure for identifying abuses. It establishes three tiers of protected reporting—namely, internal, external, and public. Additionally, it mandates the appointment of an authorized officer or channel for the receipt of reports, enforces confidentiality provisions, and prohibits retaliatory actions against whistleblowers.[71] In the security sector, the significance of this framework is notably pronounced, given the inherent risks associated with pressure and hierarchical relationships. Therefore, it is essential to underscore that the Ministry of Interior has established specific internal acts and instructions for the management of whistleblower reports. This serves as a practical indication that the law is being effectively translated into operational procedures, encompassing receipt, recording, assessment, data protection, and subsequent actions. However, the same systemic weakness observed in other anti-corruption policies is evident here as well: while a framework has been established, its effectiveness relies on the trustworthiness of the reporting channels, protection from repercussions, and the consistent handling of reports. This is particularly critical in sensitive cases that necessitate disciplinary and criminal law outcomes.

One of the obligations during the accession process is to adhere to the recommendations set forth by international bodies. During the Fifth Evaluation Round of GRECO, which is dedicated to the prevention of corruption among high-ranking officials and law enforcement agencies, North Macedonia was issued 23 recommendations in 2019.[72] By the year 2023, the Republic of

---

[70] GRECO, Fifth evaluation round, Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies, Second compliance report North Macedonia, Adopted by GRECO at its 94th Plenary Meeting (Strasbourg, 5-9 June 2023).

[71] Consolidated text, Law on Whistleblower Protection, Official Gazette of the Republic of North Macedonia No. 196/2015, No. 5/2018 and No. 257/2020.

[72] GRECO, Fifth evaluation round, Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies, Second compliance re-

North Macedonia had achieved notable advancements. In its Second Compliance Report, GRECO evaluated that 17 out of the 23 recommendations had been satisfactorily implemented, while the remaining recommendations were deemed to be partially implemented. Consequently, this progress facilitated the formal closure of the compliance procedure in July 2025, which serves as a positive indication of the country's efforts. The measures that have been implemented include the introduction of new transparency regulations within the Government, which ensure public access to information regarding individuals attending government meetings. Additionally, an electronic database has been established for the reporting and verification of officials' asset statuses, alongside the development of guidebooks for the reporting of gifts, among other initiatives. These actions significantly enhance the preventive aspect of anti-corruption efforts and align the system more closely with European standards. Nevertheless, GRECO has identified several outstanding tasks that require attention. These include the complete operationalization of the electronic registry of asset declarations, the enhancement of the sanctioning regime pertaining to conflicts of interest, and the implementation of recommendations aimed at promoting integrity within the police force. In the forthcoming period, it is imperative to prioritize continuity, ensuring that regular updates on progress are communicated to GRECO, particularly concerning measures that remain in progress.

Progress is being made in aligning with European Union standards in the realm of anti-corruption; however, the impact of these advancements is contingent upon effective implementation. The European Commission advocates for the comprehensive execution of the national strategy and the recommendations put forth by GRECO. Furthermore, it emphasizes the necessity of enhancing the capabilities of public prosecution in addressing high-level corruption, which includes the recruitment of specialized personnel, such as financial forensic experts.

In this context, it is encouraging to note that a new head of the Public Prosecutor's Office for Organized Crime and Corruption was appointed in 2023. However, it is regrettable that the election process has faced criticism for its lack of transparency and absence of clearly defined criteria, raising concerns regarding potential external undue influences. These observations indicate that political interference may be present even in the appointment processes of officials tasked with combating corruption.

In both personnel decisions and legislative policy, a significant risk arises when the European agenda is employed as a formal justification without meaningful alignment. Therefore, it is pertinent to elucidate how alignment

port North Macedonia, Adopted by GRECO at its 94th Plenary Meeting (Strasbourg, 5-9 June 2023).

was articulated during the amendments to the Criminal Code that were enacted in September 2023. The justifications provided for these interventions indicated that they pertained to alignment with EU secondary law. Consequently, the amendments were designated with a so-called "European flag." Simultaneously, at the EU level in 2023, the Proposal for a Directive on Combating Corruption (COM(2023)234)[73] was published, which fundamentally strengthens, rather than mitigates, the penal policy regarding corruption offenses.[74] The proposal outlines minimum thresholds for maximum penalties, stipulating a minimum of six years for the most serious offenses, five years for the majority of corruption-related offenses, and four years for other infractions. Additionally, it establishes a comprehensive framework for corporate liability and introduces the potential for sanctions directly associated with public procurement, which may include temporary or permanent exclusion from participation. Consequently, within the context of the NCEU-MK, it was underscored that referencing this initiative should not be construed as a rationale for "mitigating" criminal charges or penal frameworks. Rather, it should be viewed as a guiding principle during the revision of the Criminal Code, aimed at reinforcing offenses related to the abuse of official position and public procurement, as well as ensuring the establishment of sufficiently stringent penal measures.[75]

4.3. Chapter 32: Financial control and financial discipline

Institutional setup

Effective prevention of corruption necessitates the establishment of functional connections among financial discipline, control mechanisms, and data management. In this context, the Ministry of Finance, treasury functions, and the public internal financial control system assume a pivotal role. The Law on Budget, often referred to as the "Organic Law," enhances the framework for medium-term budgeting and facilitates regular monitoring of its implementation. This legislation explicitly mandates the Ministry of Finance to

[73] European Union, Proposal for a Directive of the European Parliament and of the Council on combating corruption, replacing Council Framework Decision 2003/568/JHA and the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and amending Directive (EU) 2017/1371 of the European Parliament and of the Council, 3 May 2023.

[74] NCEU-MK, Abstract for the 14th session of Working Group 3 – Justice and Fundamental Rights, on the topic: "Amendments to the Criminal Code of September 7, 2023: Macedonian and European Legislation in Preventing and Combating Corruption," 3 July 2024.

[75] NCEU-MK, Recommendations from the 14th session of Working Group 3 – Justice and Fundamental Rights, on the topic: "Amendments to the Criminal Code of 7 September 2023: Macedonian and European Legislation in Preventing and Combating Corruption," 3 July 2024.

oversee budget execution and to inform the Government regarding any deviations from the planned revenue and expenditure.[76]

The Law on the Budget underwent further refinement in 2024. By a ruling of the Constitutional Court, the provisions concerning the salary payment regime for budget recipients (Article 66, paragraphs 3 and 4) were repealed.[77] The amendments continued to focus on clarifying the institutional framework and payment structure for the Fiscal Council's Administration Staff.[78]

Simultaneously, the regulations governing public investments were further delineated. This included enhancements to financing and borrowing procedures, the reinforcement of obligations pertaining to strategic planning and gender-responsive budgeting, as well as the introduction of additional requirements aimed at prioritizing the monitoring of public investments and the financial plans of public enterprises.[79]

This chapter addresses internal financial control within the public sector, commonly referred to as Public Internal Financial Control (PIFC), as well as external auditing and the safeguarding of the European Union's financial interests. The Republic of North Macedonia possesses a defined systemic framework in this area; however, the implementation of these measures is inconsistent. According to the European Commission, the Republic of North Macedonia has made significant progress, including the establishment of a network for the Anti-Fraud Coordination Unit (AFCOS) in 2022 to safeguard EU funds. Additionally, a new Law on Budget was adopted in September 2022, introducing modern budgetary principles, alongside a new Law on Inspection Supervision.

The introduction of an Integrated Financial Management Information System (IFMIS) should not be regarded merely as "general digitalization." Rather, it serves as an operational prerequisite for the consistent application of legal regulations through automated workflows and controls, thereby ensuring traceability in decision-making. In the public discourse of institutions, IFMIS is positioned as a component of the public finance modernization reform being implemented by the Ministry of Finance, with the support of the World Bank. This initiative aims to facilitate digitized processes and enhance the predictability and accountability of fiscal policy.[80] The project documentation pertaining to the implementation positions the Integrated Financial Management Information System (IFMIS) as a comprehensive solution that facilita-

[76] Official Gazette of the Republic of North Macedonia No. 258/2025.
[77] Official Gazette of the Republic of North Macedonia No. 39/2024.
[78] Official Gazette of the Republic of North Macedonia No. 76/2024.
[79] Official Gazette of the Republic of North Macedonia No. 272/2024.
[80] The World Bank, Building Effective, Transparent and Accountable Public Financial Management Institutions in N. Macedonia (P176366), 25 August 2021.

tes the enactment of the new "Organic" Law on Budget. It enhances the capabilities for budget planning, expenditure monitoring, treasury operations, accounting, and reporting. This initiative is part of a broader strategy aimed at improving the efficiency and transparency of public spending, as well as strengthening the institutional linkages among relevant entities.[81]

The significance of the Integrated Financial Management Information System (IFMIS) in combating corruption is primarily attributed to its capacity to diminish opportunities for "manual" interventions and informal practices. This is achieved through the implementation of standardized processes for invoices and payments, coupled with centralized data management. Pertinent documentation from the World Bank indicates that the lack of an integrated system leads to inefficiencies and considerable delays in the processing of invoices and payments. Such deficiencies present vulnerabilities that may result in irregularities and selective execution. Furthermore, the Integrated Financial Management Information System (IFMIS) establishes a more robust foundation for Public Internal Financial Control (PIFC) and internal auditing. It achieves this by providing unified records of obligations, payments, user roles, and logs, which constitute the necessary "evidential infrastructure" for ensuring managerial accountability and facilitating effective oversight.

In accordance with the same rationale, the normative and institutional enhancement of Public Internal Financial Control (PIFC) constitutes a fundamental pillar of prevention. It is through this system that "embedded" rules are established, thereby minimizing the potential for discretion and irregularities in the allocation of public funds. The Law on Public Internal Financial Control was enacted following a two-year period of deliberation within the parliamentary process.[82] The implementation of this law is anticipated to enhance transparency, clearly delineate responsibilities in financial management, and foster greater managerial accountability regarding budget expenditures. The extension of this law indicates that the prevailing deficiencies in

Building Effective, Transparent and Accountable Public Financial Management Institutions, Republic of North Macedonia Ministry of Finance.

Essentially, IFMIS (Integrated Financial Management Information System) represents a centralized digital system through which all key phases of public finance, from budget planning to execution, control, and reporting, are managed. The system enables the connection of all relevant institutions (Ministry of Finance, budget recipients, treasury, audit bodies, etc.), automation of workflows (approval of expenses, payments, and reallocations), embedded controls that ensure compliance with the legal framework, as well as full tracking of decisions and transactions through a digital trail. It also provides real-time data, which ensures better control of spending and timely identification of risks. In this sense, IFMIS also becomes an instrument for practical application of fiscal discipline, contributing to reducing opportunities for abuse, increasing transparency, and improving accountability.

[82] Official Gazette of the Republic of North Macedonia No.255/2024

financial management persist, revealing a limited level of accountability among managers and an incomplete adherence to the principle that "funding is aligned with programs and outcomes."

The Public Internal Financial Control (PIFC), in accordance with the newly established legal framework, comprises three interrelated components: financial management and control, which includes managerial accountability, process controls, and risk management; internal audit, which provides independent assurance regarding the efficacy of controls; and central harmonization, which encompasses methodology, standards, training, and quality assurance of the system.[83]

The role of the Public Integrity and Financial Control (PIFC) within the anti-corruption framework is both practical and quantifiable. It encompasses several key elements: the establishment of controls regarding the incurrence of obligations and the execution of payments; a clear delineation of responsibilities for civil servants based on their positions within the institutional hierarchy; a transparent decision-making process; the implementation of standardized procedures; and a risk-based approach. These components facilitate the early detection of irregularities and ensure that they are documented with adequate quality, thereby enabling appropriate follow-up actions by the relevant authorities. Consequently, the PIFC should be effectively integrated with financial inspection processes and mechanisms aimed at coordinating efforts against fraud, particularly concerning EU funds. This integration is essential to ensure that identified risks and findings do not remain merely as "internal documents," but instead are addressed through institutional resolution.[84]

In the current institutional framework, the Central Harmonization Unit within the Ministry of Finance assumes a pivotal role. This unit is responsible for establishing uniform rules and "operational standards" applicable to the entire public sector. Its functions include the preparation of by-laws, manuals, and guidelines, as well as the coordination of training sessions for managers and internal auditors. Additionally, the unit is tasked with the harmonization and quality control of financial management and control systems, along with the internal audit processes for budget recipients.

Internal audit of the public sector

The role of internal audit within the public sector exhibits significant variability, characterized by notable institutional disparities in both capacity and ma-

[83] Law on the System of Internal Financial Control in the Public Sector, Official Gazette of the Republic of North Macedonia No.255/2024
[84] Ibid.

turity. A considerable number of institutions have yet to establish resolute internal audit units, or they function with merely a single auditor. This situation severely constrains the ability to conduct systematic and risk-based audits. Consequently, audit activities often devolve into mere compliance checks, rather than engaging in a thorough analysis of internal controls, risk management, and the efficiency of public expenditure.

It is crucial to acknowledge the absence of specialized expert profiles, such as financial, IT, and operational auditors, which has a significant impact on the scope of audits. Conversely, in European Union Member States, internal audit is an essential component of the Public Internal Financial Control (PIFC) system. It serves as a strategic management tool, supported by an adequate number of professionally certified auditors, a well-defined risk-based methodology, and direct access to senior management. In this context, the European Commission consistently highlights the fragmentation and inadequate human resource capacity, which restricts its ability to detect systemic weaknesses and corruption risks proactively. As a result, it functions primarily as a reactive instrument with limited influence on management decisions.

The establishment of a national system for the certification of internal auditors is of paramount importance to ensure the requisite expertise within this field. However, the Central Harmonization Unit (CHU) at the Ministry of Finance, which is tasked with coordinating these processes, currently operates with limited capacity. With only eight employees responsible for overseeing more than 1,300 public entities, the monitoring of internal control functions is significantly constrained.

Concerning the external audit performed by the State Audit Office (SAO), it is noted that the institution generally adheres to international standards and enjoys considerable public credibility. Furthermore, the consistent submission of the annual report to the Assembly of the Republic of North Macedonia is a well-established practice. In 2024, the State Audit Office (SAO) successfully executed its annual program, conducting a total of 88 audits and generating 132 audit reports, which encompassed 239 public sector entities. The audited volume comprised over MKD 227 billion in public expenditures and more than MKD 452 billion in public revenues. Furthermore, the SAO observed a notable trend of high compliance with previously issued recommendations, achieving a compliance rate of 85%.[85] The European Commission consistently emphasizes that the independence of the State Audit Office (SAO) has not yet been constitutionally assured. Furthermore, it high-

[85] State Audit Office, "Annual Report on Audits Performed and SAO Work for 2024 Published," 30 June 2025.

lights the necessity for enhancements in the effectiveness of parliamentary oversight and the follow-up on individual audit reports.

For this reason, a proposed Law on State Audit has been prepared as a key institutional innovation within the 2024–2025 reform package. This law has been developed with the support of twinning projects and is aligned with the International Standards of Supreme Audit Institutions (ISSAI). It aims to strengthen the financial and operational independence of the State Audit Office (SAO) while providing clear opportunities for a more systematic review of final audit reports at the Assembly of the Republic of North Macedonia. Additionally, it seeks to enhance the effectiveness of follow-up on recommendations.[86] Within the same framework, proposals for constitutional amendments aimed at regulating the State Audit Office (SAO) as a constitutional category have also been developed.[87] The Ministry of Finance (MoF) commenced public consultations on the ENER initiative in February 2023. Following the collection of opinions and feedback, the State Audit Office (SAO) submitted updated versions to the MoF, including a re-submission in July 2025. It is anticipated that the MoF will present the draft law to the Government for consideration and approval, after which the Government will propose it for adoption by the Assembly of the Republic of North Macedonia. The European Commission's 2025 Report indicates that the law remains under consideration and has not yet been finalized. This underscores the urgent necessity for its adoption to enhance both the constitutional and practical independence of the SAO, as well as to improve parliamentary oversight.

In practice, the State Audit Office encounters significant constraints regarding human resources. Although the organizational structure allows for 245 positions, only approximately 46%—equating to 114 auditors—are currently filled. This considerable shortfall in personnel makes it exceedingly challenging to comprehensively oversee all institutions and systematically monitor the implementation of audit recommendations. In 2022, the State Audit Office conducted 188 audits, and the Committee on Financing and Budget of the Assembly of the Republic of North Macedonia adopted conclusions based on these audit reports. This development suggests a marked improvement in the institutional relationship between the Assembly and the State Audit Office. The fundamental challenge persists: the establishment of a functional and transparent system for monitoring the implementation of recommendations. While approximately 80% of recommendations are formally

[86] State Audit Office, Annual Work Program of the State Audit Office for 2026, December 2025.

[87] Ministry of Finance of the Republic of North Macedonia, Annual Report on Monitoring the Implementation of the Public Financial Management Reform Program for the Period January - December 2024, July 2025.

categorized as “in the process of realization” or “partially realized,” there is currently no publicly accessible mechanism to verify the actual implementation of these recommendations or to assess their specific impact on the management of public funds. For this reason, the European Commission consistently emphasizes the necessity for enhanced parliamentary oversight of public spending and clearer accountability of the executive branch in the systemic implementation of audit findings.

Chapter 32 – Financial Control. This chapter fundamentally assesses the state's capacity to implement an effective Public Internal Financial Control (PIFC) system that is operational rather than merely formal. Such a system should promptly identify risks, prevent abuses, and ensure clear accountability for the expenditure of public funds. In relation to European Union standards, the primary deficiency in the Republic of North Macedonia lies not in the normative framework but rather in its practical application. There is a notable disconnect among internal control, internal audit, external audit, and prosecuting authorities, which significantly limits both preventive and corrective measures.

In Member States, the financial control process operates as a closed cycle: audit findings are systematically translated into managerial corrective actions, while serious irregularities are addressed through anti-corruption and judicial mechanisms. However, in the Republic of North Macedonia, this cycle is unfortunately disrupted. Audits seldom result in tangible accountability, and the system fails to produce sufficient implemented corrections in the ongoing battle against corruption. Consequently, aligning with European Union standards necessitates a shift from procedural to results-oriented financial control. This entails enhancing internal controls within institutions, bolstering the staffing and functional capacity of the State Audit Office (SAO), establishing a mandatory mechanism for monitoring the implementation of audit recommendations, and systematically integrating audit findings with anti-corruption and prosecutorial processes. The introduction of measurable indicators, such as the number of cases initiated as a result of audits or financial inspections, would facilitate a tangible assessment of Chapter 32 contribution to combating corruption. This approach would also advance the system towards a European model of accountability that prioritizes results over mere formal compliance.

4.4. Chapter 5: Public procurement

The risks associated with corruption and conflicts of interest are notably prevalent in public procurement. Consequently, the role of the Public Procurement Bureau of the Republic of North Macedonia is vital for the establishment and coordination of this system. However, the true resilience of the

Bureau hinges on several factors: the assurance of competition throughout the entire procurement cycle—including planning, tender execution, contract management, and oversight—maintaining a clear record of each step in the decision-making process, and the implementation of effective sanctions.

Official data from the Bureau for the year 2025 indicates that the system encompasses a substantial volume of procurements and continues to involve a considerable number of participants. In 2025, contracts totaling over MKD 97 billion (approximately €1.55 billion) were executed, with a total of 34,180 contracts signed. This activity was predominantly characterized by low-value and simplified procedures, which is typical of a decentralized system; however, it also presents significant opportunities for enhanced oversight and control.[88] Simultaneously, the structure of the criteria reveals a significant vulnerability: approximately 95% of the announcements utilize the "lowest price" criterion, while electronic auctions are anticipated in 59% of the announcements. However, it is noteworthy that the Bureau itself has observed a decline in the use of auctions, attributable to adverse effects such as unrealistically low pricing, challenges in execution, and the potential for collusive agreements among economic operators.

The quality and integrity of public procurement are fundamentally reliant on the institutional capacity of contracting authorities to develop clear, precise, and measurable technical specifications that facilitate genuine and equitable competition. Furthermore, the consistent application of the "most economically advantageous tender" (MEAT) criterion is of paramount importance, particularly in contexts where qualitative factors—such as technical solutions, sustainability, timelines, and expertise—are critical for the successful execution of contracts. This further necessitates the establishment of rigorous contract management during the implementation phase, encompassing performance monitoring, change control, and the enforcement of sanctions for deviations. Failing to adhere to these procedures and relying solely on the selection of bids based on the lowest price—without appropriate qualitative criteria—significantly elevates the risk of superficial competition that may have a minimal impact on quality. Such an approach could lead to inefficient public expenditure and a compromise of the public interest.

The Center for Civil Communications reports that, in 2023, the average number of bids per tender decreased to 2.7, marking the lowest figure in a decade. Furthermore, 35% of tenders received only a single bid. In addition, a total of 10,354 contracts were awarded through single-bid procedures, amounting to a combined value of MKD 33 billion.[89] At the regional comparative

[88] Electronic Public Procurement System.

[89] Report on Monitoring Public Procurements (July-December 2023), Center for Civil Communications.

level, SIGMA further substantiates the issue at hand. Specifically for the Republic of North Macedonia, it is noted that competitive procurements attract an average of approximately 2.9 bids. Notably, 29% of these procedures conclude with only a single bidder, while around 18% are canceled due to a lack of acceptable bids. Furthermore, the price criterion predominates in 98% of cases, and there is a significant reliance on electronic auctions, accounting for 61%. There is, however, a limited application of modern procurement instruments, such as dynamic purchasing systems and multi-supplier framework agreements. These parameters transcend mere technical considerations.[90] The presence of low competition and the cancellation of tenders heightens the susceptibility of specifications that favor specific economic operators. This situation diminishes the likelihood of achieving optimal value for money and fosters an environment where the perception of "pre-determined" tenders emerges as a systemic risk.

Concerning the anti-corruption mechanisms within the system, the primary challenge arises not from a lack of regulations, but rather from their limited enforceability and the inadequate institutional response to established findings. The Report on Mapping the Generators of Corruption in Public Procurement (LBI-GMR), developed as part of an EU-supported rule of law initiative, highlights that, despite a high degree of formal compliance with EU directives and the implementation of a unified electronic system, the anticipated outcomes in curbing opportunities for abuses have not been sufficiently realized. This highlights a discrepancy between the normative framework and its practical implementation, wherein the mechanisms for control and oversight fail to produce a sufficiently robust effect in terms of accountability and prevention.[91] Among the principal weaknesses identified are the insufficient promptness and effectiveness of sanctioning, significant disparities in the capabilities of contracting authorities, and the limited capacities of institutions tasked with preventing, detecting, and sanctioning corruption, such as the State Commission for the Prevention of Corruption (SCPC), the Commission for Protection of Competition, the Financial Police, as well as the prosecution and judiciary. This deficiency is critical, as it undermines the efficacy of control mechanisms: while ex-ante administrative checks and ex-post audits can yield valuable insights and findings, the absence of a seamless transition to infringement or criminal proceedings, coupled with a lack of discipline in contract management, ultimately shifts the risk to the implementation phase. Furthermore, the number of complaints submitted to the State Appeals Commission for Public Procurement (SACPP), totaling 969 in 2024, indicates that legal protection constitutes a vital component of the

Overview of public procurement systems in the Western Balkans, SIGMA Paper No. 76, OECD.
[91] Report on the mapping of the situation in public procurement and the key generators of corruption, EU support for Rule of Law, 2024.

system. However, it also underscores that the quality of tender documentation and evaluation remains a source of considerable contention. This situation necessitates enhanced methodological support, standardization, and professionalization among contracting authorities, rather than merely relying on reactive dispute resolution.[92]

The European Commission's evaluation indicates that the Republic of North Macedonia is moderately prepared in the domain of public procurement. This assessment signifies that there is a formal alignment of national legislation with essential European standards, particularly Directive 2014/24/EU regarding public procurement; however, challenges persist in the implementation of these standards.[93] In accordance with this directive, the public procurement process for works, services, and goods conducted by public buyers must guarantee transparency, non-discrimination, and equitable treatment for all participants.

The Law on Public Procurement, enacted in 2019, significantly advanced the process of digitalization through the implementation of the Electronic Public Procurement System. This initiative standardized procedures and enhanced transparency, resulting in the majority of tenders being conducted electronically.[94] Despite the amendments and enhancements made to the legal framework in 2025,[95] prevailing practices still exhibit a tendency to systematically circumvent the principles of competition and non-discrimination. Data indicates a concentration of contract value among a restricted number of economic operators, alongside the utilization of non-competitive procedures, fragmentation of procurements, and the frequent issuance of contract addenda.[96] Recent analyses conducted by the Center for Civil Communications concerning state procurements from 2019 to 2023 reveal a significant concentration of contract values. Specifically, the 50 firms with the highest contract values account for approximately 36% of the total tender value, amounting to around €2.1 billion. Furthermore, the top 10 firms alone have secured tenders valued at €1.028 billion. A similar trend is evident at the local level; in 2024, the top 10 firms by contract value with municipalities represent 25% of the total value of municipal procurements. This indicates that a

[92] Excerpt from the annual report on the operations of the Public Procurement Bureau for 2024, Public Procurement Bureau.
[93] European Union, Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC Text with EEA relevance.
[94] Official Gazette of the Republic of North Macedonia No. 24/2019.
[95] Official Gazette of the Republic of North Macedonia No. 13/2025 and No. 14/2025.
[96] Center for Civil Communications, Research on companies and public procurement, "Only 10 companies received state tenders worth €1 billion in 5 years", December 2024

considerable portion of local public funds is allocated to a limited number of suppliers.[97]

Concerning the capacities for monitoring and sanctioning, it can be concluded that the control system governing public procurement remains predominantly formal. Its primary focus is on verifying procedural correctness—specifically, the existence of announcements, minutes, decisions, and contracts—while insufficiently addressing substantive corruption risks. These risks include, but are not limited to, tailored tender conditions, unrealistic pricing, collusive behavior among economic operators, and concealed conflicts of interest. Even in instances where "ex post" supervision is implemented, it primarily yields broad conclusions and recommendations aimed at enhancing procedures, often lacking tangible repercussions for the responsible officers. Disciplinary actions, misdemeanor sanctions, and criminal investigations remain infrequent, even in cases where significant irregularities are detected. This methodology fosters a culture of impunity, undermining accountability at both the institutional and individual levels.

In the realm of public procurement, the analytical tools designed for risk detection, commonly referred to as "red flags," remain underutilized. This underscores the necessity for a more thorough and systematic analysis of the available data to promptly identify indicative patterns. Such patterns may include, but are not limited to, the concentration of contracts awarded to the same economic operators, deviations in pricing, the frequent application of urgent procedures, and recurring amendments to contracts. While the electronic public procurement system offers a substantial repository of information, its potential for providing analytical support to preventive controls has yet to be fully realized.

Supervisory institutions, including the State Appeals Commission for Public Procurement and the State Audit Office, have identified several deficiencies. These include the fragmentation of procurements to circumvent larger tender procedures, the employment of negotiated procedures justified by urgency, and the establishment of criteria that preferentially advantage specific bidders. Particularly worrisome are instances involving substantial capital projects, where exceptional procedures, deviating from the standard legal framework, are implemented. A notable example is the project for the construction of the "Corridor 8" and "Corridor 10-d" highways, which was awarded to a foreign consortium without the conduct of a traditional international tender. This decision was facilitated by a special law enacted by the Assem-

[97] Center for Civil Communications, Municipal Procurements in 2024, Municipalities spent a record €190 million on public procurements in 2024, and the city of Skopje is not first in terms of tender value for the first time.

bly of the Republic of North Macedonia.[98] The circumvention of established procedures diminishes competition and heightens the perception of potential corruption or clientelism in the awarding of contracts.

A significant advancement is the enhancement of active transparency within institutions. Government entities have commenced the independent publication of information pertaining to concluded contracts and expenditures, thereby contributing to an overall improvement in the active transparency index.[99] Nevertheless, it is imperative to undertake further measures to enhance oversight. Audit reports indicate that institutions involved in procurement require more comprehensive internal controls, improved training for public procurement authorities, and a more effective system for sanctioning violations of tender regulations. Additionally, ongoing scrutiny by the media and civil organizations serves as a crucial mechanism for holding authorities accountable and ensuring the integrity of public procurement processes.[100]

4.5. Chapter 18: Statistics and its role in Cluster 1 "Fundamentals"

A fundamental horizontal prerequisite for credible analysis, monitoring, and public accountability is the establishment of an independent and reliable statistical system. The notion of "trust in data" is intrinsically linked to the confidence in the policies derived from such data, as well as to the ability of institutions to demonstrate tangible results in the fight against corruption. This principle was clearly articulated during the Fourth Session of Working Group 6 of NCEU-MK, where it was asserted that without the ability to measure outcomes, improvement is unattainable. Furthermore, the absence of reliable official data renders the formulation of public policies uncertain, thereby hindering the verifiability of anti-corruption measures.[101] In this context, it has been emphasized that adherence to Eurostat standards is not merely a technical formality; rather, it is an essential prerequisite for an effective system of governance, economic planning, and institutional integrity. Consequently, the responsibilities of the State Statistical Office are twofold:

---

[98] To avoid regular public procurement procedures related to the construction of the corridors, amendments to 9 laws were made in one day under a fast-track procedure: the Law on Protection of Cultural Heritage, the Law on Construction, the Law on Agricultural Land, the Law on Expropriation, the Law on Urban Planning, the Law on Mineral Resources, the Law on Forests, the Law on Labor Relations, and the Draft Law on Amendments and Supplements to the Law on Establishing Public Interest and Nominating a Strategic Partner for the Implementation of the Project for the Construction of the Infrastructure Corridor 8 and Corridor 10-d.

[99] Center for Civil Communications, Active Transparency Index 2025, 16 September 2025.

[100] Center for Civil Communications, Report on Monitoring Public Procurements (July-December 2023), June 2024.

[101] The session was held on 10 September 2024, titled "Data We Trust: A Prerequisite for a Stronger Economy and Effective Fight Against Corruption".

to ensure professional independence and the quality of methodologies, and to guarantee that the national statistical system is capable of producing timely, comparable, and verifiable data that supports policy formulation and oversight.

In the context of the NCEU-MK dialogue, practical guidelines have been proposed to enhance this role. These guidelines emphasize the necessity for more advanced and integrated systems for data collection, sharing, and analysis. They also advocate for mandatory transparency through the publication of data in an open format, the development of data management capacities within the public sector, and the incorporation of quantitative indicators related to the rule of law and corruption control in strategic documents. These measures effectively link Chapter 18 with the preventive anti-corruption framework, encompassing public procurement, financial control, and risk management.

In this context, digital infrastructure and data management emerge as institutional concerns rather than solely technical matters. The recommendations from NCEU-MK suggest that open data, a centralized government cloud infrastructure, and mandatory interoperability among institutions—including tax administration, procurement oversight, and treasury operations—are essential prerequisites for enhancing fiscal transparency and automating the detection of fraud and risky patterns. This perspective broadens the institutional approach to anti-corruption, encompassing systems management, data standards, and cybersecurity, thereby highlighting the intersecting responsibilities of various departments.

Concurrently, the institutional capacity across the entire public sector continues to be constrained, primarily as a result of persistent resource shortages and deficiencies in human resources management. Nevertheless, it is essential to note an important distinction regarding the legislative framework: following several years of preparation, the new Law on Administrative Servants[102] and the new Law on Employees in the Public Sector[103] have been enacted. Nevertheless, the impact of their reforms is postponed. While the laws officially take effect upon publication, their implementation will commence on 1 January 2027. An exception exists for specific key provisions of the Law on Administrative Servants, including classification and certain aspects of the payment system, which will come into effect on 1 January 2026.

This indicates a relatively prolonged transitional phase, during which critical elements such as depoliticization, the effectiveness of the merit system, and

[102] Law on Administrative Servants, Official Gazette of the Republic of North Macedonia No. 144/2025.
[103] Ibid.

career management will rely more on institutional practices and regulations than on the formal implementation of the new legal framework itself.

During the sixth session of Working Group 6 of NCEU-MK, the topic of administrative capacity was addressed as a fundamental requirement for combating corruption. This encompasses the transparent management of public expenditures, the implementation of digitalization, the availability of open data, institutional accountability, and the continuity of human resources.[104] Throughout the discussion, it was underscored that "a professional administration devoid of political influence" is essential for both the European Union integration and the internal development of the Republic of North Macedonia. Experts have indicated that it is imperative to provide professionals within institutions the opportunity to apply their expertise, as this is a fundamental requirement for fostering a motivated and effective administration. Furthermore, it was illustrated through examples of inconsistencies in personnel planning and the misuse of temporary engagements and contracts that, in the absence of clear managerial accountability and measurable performance indicators, institutions are unlikely to diminish politicization and clientelism solely through legal provisions.[105]

A robust statistical system is essential for the formulation of sound policies and the effective monitoring of outcomes, particularly in the realm of the rule of law. The Republic of North Macedonia is supported by a professional statistical office, the State Statistical Office (SSO), which has historically operated with a significant degree of autonomy.

According to the European Commission, the Republic of North Macedonia is moderately prepared in the field of statistics and has made commendable progress over the past year. A noteworthy achievement of these efforts is the successful execution of the Population Census in 2021, the data processing of which culminated in the publication of final results in December 2022. Additionally, the publication of population estimates marks a significant advancement after several decades of stagnation. This census marked the first such endeavor in two decades, and its successful execution has significantly bolstered confidence in the capabilities of statistical institutions. Notable advancements have been made in aligning sectoral statistics with European standards. For instance, the quality of macroeconomic statistics and national accounts has seen considerable enhancement, accompanied by the introduction of new indicators in accordance with the European Statistical System, such as trade by invoicing currency and various business statistics. The

[104] The session was held on 17 July 2025, titled: "Administrative Capacities for Advancing Value for Money in Public Spending: What Can We Learn from EU Experiences?"

[105] Opinion expressed by Dragan Tevdovski, Professor at the Faculty of Economics in Skopje, UKIM and permanent expert of NCEU-MK.

aforementioned observations suggest a discernible inclination towards the adoption and implementation of contemporary methodologies within this domain. Nevertheless, it is imperative to persist in initiatives aimed at enhancing the professional autonomy of the statistical system. As an essential analytical instrument, statistics must remain insulated from the influence of trivial, short-term political maneuvering aimed at immediate benefits. A crucial initial step in this endeavor is the selection of leadership based on expert criteria.

While significant progress has been achieved, the State Statistical Office must continue to concentrate on specific statistical domains. It is particularly essential to enhance the quality, timeliness, and harmonization of key official data that are instrumental in the formulation of public policy and the oversight of fiscal matters. The harmonization of macroeconomic statistics with the standards set forth by the European System of National and Regional Accounts (ESS 2010)[106] necessitates that government finances—including deficit, public debt, and budget balances—be reported in accordance with a unified European methodology. This approach is essential to ensure comparability with the financial data of EU Member States.

Recommendations for enhancing the timeliness of GDP data emphasize the necessity for expedited publication and consistent revision of economic indicators, which are crucial for prompt economic and fiscal decision-making. Furthermore, the regular administration of surveys, such as the Income and Living Conditions Survey, underscores the importance of maintaining continuous and stable data on poverty, inequality, and social status, areas where certain delays have been observed to date.

The execution of the Agriculture Census in the Republic of North Macedonia is crucial for acquiring precise data regarding the structure of the agricultural sector. This information serves as a foundation for the development of agrarian policies and the allocation of subsidies, in alignment with the European Union's Common Agricultural Policy. The State Statistical Office commenced preparations for the Agriculture Census in 2024, and it is essential that this process is successfully finalized following several years of postponement.

In the context of Chapter 18, Statistics, the challenge of ensuring adequately trained human resources for the sustainable operation of the national statistical system persists. While the personnel at the State Statistical Office demonstrate a commendable level of technical proficiency in utilizing SDMX,[107] the absence of specialized staff for the processing, analysis, and documen-

[106] European System of Accounts.

[107] SDMX (Statistical Data and Metadata eXchange) is an international standard for the exchange of statistical data and metadata among institutions.

tation of statistical data has been recognized as a significant risk factor. The expansion of the SDMX system into new statistical domains is currently in progress. A new statistical node dedicated to economic statistics was established in March 2023, followed by the incorporation of areas such as transport and structural business statistics, with regular data submissions to Eurostat. However, without further enhancement of human capacities, there exists a risk that technical advancements may not lead to institutional sustainability. This could adversely impact the quality, timeliness, and continuity of the statistical data essential for evidence-based policymaking.

In summary, the statistical sector may be regarded as technically robust; however, it requires ongoing financial and political support to sustain the quality and reliability of the data.

4.6. Inter-institutional cooperation in preventing and combating corruption

Inter-institutional coordination should not merely be regarded as a "general challenge"; rather, it represents a tangible functional deficiency that can be substantiated through assessments of capacities, data accessibility, and system outcomes. For instance, the European Commission's 2025 Report indicates that the National Coordination Center for Combating Organized Crime is operational; however, a considerably larger allocation of resources is necessary to effectively address serious and organized crime. Additionally, investigative centers within public prosecutor's offices "continue to experience" a lack of adequate human and financial resources.[108] Moreover, they lack adequate access to pertinent databases and equipment, which directly accounts for the ineffective exchange of information and the limited operational synergy among institutions. Furthermore, the same report highlights the repercussions of this fragmentation, as evidenced by the subpar performance of financial investigations. In 2024, only 18 financial investigations were reported to have been conducted concurrently with cases of organized crime and money laundering. This indicates that the institutional collaboration in investigation, financial monitoring, and confiscation does not operate systematically or with the requisite urgency. These findings align with the positions expressed in the NCEU-MK, particularly within the framework of Working Group 4, which focuses on Justice, Freedom, and Security. This group explicitly underscores the necessity of enhancing information exchange among the Ministry of Interior, the Public Prosecutor's Office for Organized Crime, the Financial Police, the Financial Intelligence Unit, and the Customs Administration. Furthermore, it advocates for the establishment of

[108] European Commission, North Macedonia 2025 Report.

reliable data platforms and Joint Investigative Teams (JITs) to address the existing institutional "fragmentation" in managing complex cases.[109] Furthermore, the documentation from the 17th session of the Working group 4 of NCEU-MK explicitly indicates that the exchange of information is "fragmented and uncoordinated."[110] It highlights the existence of overlaps and conflicts in jurisdiction among the Financial Police, the Public Revenue Office, the Ministry of Interior, and the Public Prosecutor's Office. To address these issues, it is imperative to establish clear inter-institutional protocols and to implement coordinated amendments to relevant legislation, thereby delineating unambiguous jurisdictions, deadlines, and procedures for collaborative action. In the domain of public finance oversight, there exists a formal framework for collaboration, exemplified by the Memorandum of Cooperation established between the Assembly of the Republic of North Macedonia and the State Audit Office in 2022, alongside ongoing public initiatives for continuous coordination. However, the European Commission's report for 2025 indicates that the effectiveness of parliamentary oversight and the follow-up on audit recommendations require enhancement. Furthermore, the newly proposed legislation concerning state audit, intended to bolster the Assembly of the Republic of North Macedonia's role in monitoring individual audit reports, remains under governmental review.

4.7. Key weaknesses and risks in preventing corruption

Notwithstanding the measures implemented, numerous systemic weaknesses continue to exist, hindering a more effective response to corruption and the complete establishment of the rule of law. Notably, clientelism and political influence, along with inadequate accountability and transparency, are especially pronounced in the Republic of North Macedonia.

Entrenched party affiliations and clientelistic practices persist in undermining the overall integrity of institutions. Appointments to managerial positions within the public sector are frequently influenced by party loyalty or personal connections, rather than adhering to the meritocratic principles. The SCPC, alongside recommendations from civil society organizations, consistently highlights the detrimental impact of extensive discretionary powers held by decision-makers, which fosters nepotism and political influence in the processes of public office appointments. The outcome is a public administra-

[109] The session was held on 30 October 2025, titled: "Challenges in combating financial crime in the Republic of North Macedonia: The importance of efficient financial investigations".

[110] Bulletin 12 of Working Group 4 – Justice, Freedom, and Security (Chapter 24): "The effectiveness of the institutional response in the Republic of North Macedonia to EU recommendations for confiscation and management of criminal assets".

tion and judiciary characterized by “mixed loyalties,” wherein certain officials feel beholden to political parties or “personal patrons” rather than solely to the law. This scenario fosters informal networks of mutual protection and services, which become breeding grounds for corruption. Furthermore, political elites convey conflicting messages: they publicly advocate for a zero-tolerance approach to corruption while simultaneously exerting informal influence over regulatory agencies, judicial councils, and prosecutorial bodies. Such actions compromise the professional integrity of these institutions and perpetuate the perception that significant decisions are influenced by political considerations.

Simultaneously, the practical application of accountability and transparency remains constrained. While formal oversight mechanisms are in place, they seldom lead to tangible legal repercussions. Managers within public institutions infrequently face accountability for lapses or unmet reform commitments, and the findings of oversight bodies, including routine audit reports from the Supreme Audit Office, are rarely transformed into effective, legally based corrective actions. The follow-up on recommendations is inadequate, and parliamentary oversight of public finances continues to have a limited tangible impact. Likewise, while the SCPC publicly discloses instances of conflicts of interest, such disclosures seldom lead to sanctions or dismissals of officials involved. This situation fosters a prevailing culture of impunity, wherein institutional accountability is regarded as an exception rather than the standard.

In terms of transparency, while there has been some advancement in the proactive dissemination of information, considerable gaps persist, particularly at the local level and within the judiciary, where access to decisions and statistical data remains restricted. Moreover, the absence of sanctions imposed on high-ranking executive officials in recent years, coupled with the lack of political resignations in the wake of serious allegations of misconduct, reinforces the impression that accountability is not an integral aspect of public service.

4.8. Comparative lessons: what do the experiences of other countries show in the fight against corruption

The experiences of various countries, including both EU Member States and regional counterparts, provide invaluable insights into effective strategies for enhancing the rule of law and combating corruption. A comparative analysis reveals that the key elements of successful initiatives often include robust political will, independent institutions, and an engaged civil society. These factors serve as common denominators in the narratives of success.

Within the European Union, countries that underwent the transition process—now recognized as Member States—were required to implement substantial reforms in their judicial systems and anti-corruption policies. Croatia serves as a pertinent example, having joined the EU in 2013 as the final nation from the Western Balkan region to be admitted. Faced with the stipulation of an "unsatisfactory fight against corruption," Croatia established a specialized prosecutor's office, known as USKOK (the Office for the Suppression of Corruption and Organized Crime), as early as 2001. Despite its initial challenges, including resistance and limited resources, USKOK has evolved into a highly effective institution, bolstered by robust political support and enhanced competencies. By 2012, USKOK achieved an impressive conviction rate exceeding 95%, successfully prosecuting prominent political figures for corruption, including a former prime minister, a deputy prime minister, and several generals. This remarkable transformation has significantly reinforced the rule of law and mitigated key obstacles on Croatia's path to full European Union membership. The Croatian experience illustrates that a specialized approach—characterized by focused prosecution and policing, coupled with genuine autonomy in prosecutorial processes—can yield substantial results within a relatively short timeframe, free from the influence of politically "protected" individuals.

Following its accession to the European Union, Romania developed a robust institutional framework aimed at combating high-level corruption, epitomized by the establishment of the National Anti-Corruption Directorate (DNA). At one juncture, this agency emerged as a regional exemplar of efficiency in prosecuting high-ranking criminal offenses. Under the distinguished leadership of Chief Prosecutor Laura Codruța Kövesi, the DNA initiated and successfully processed numerous high-profile corruption cases involving ministers, members of parliament, mayors, and other senior officials. This concerted effort significantly enhanced the perception of criminal accountability among the political elite. The outcomes were strikingly apparent: in 2015 alone, indictments were filed against approximately 1250 individuals, resulting in over 970 criminal convictions. Notably, a substantial portion of criminal assets—estimated at around €1 billion—was returned to the state budget. Despite facing political pressures and attempts to curtail the institution's competencies, DNA successfully maintained continuity in its operations. The Romanian experience unequivocally demonstrates that the key prerequisites for success in anti-corruption efforts include institutional independence, the continuity of reforms, and the safeguarding of anti-corruption policymakers from political influences. The subsequent appointment of Laura Codruța Kövesi as the inaugural European Chief Prosecutor further validates the efficacy of this robust anti-corruption model. Therefore, it is imperative to ensure the resilience of anti-corruption institutions against undue political pressures and to guarantee their stable and effective operation.

The Balkan region offers both positive and negative examples. Slovenia, although a smaller nation, has consistently been recognized as a leader in its anti-corruption framework. Since 2004, it has maintained an independent Commission for the Prevention of Corruption (KPK), which diligently oversees asset declarations and implements integrity initiatives. Slovenia is distinguished by its regulatory and practical capabilities; a recent review by the OECD indicates that Slovenia fulfills over 80% of the criteria necessary for effective anti-corruption policy implementation, positioning it among the top performers in this regard. This situation arises from a combination of a robust legal framework, adequate resources, and a political culture that does not permit significant deviations. Conversely, Serbia and Montenegro are experiencing stagnation in their reform efforts, accompanied by allegations of institutional capture. Although anti-corruption agencies are present, they are perceived as ineffective due to political influence and selective enforcement. This underscores the notion that the mere existence of institutions—such as agencies and commissions—is insufficient; rather, it is the quality of their independence and the support they receive that truly matters.

A number of effective practices emerge as universally applicable frameworks for enhancing the rule of law:

Legal basis for independence: There exists a constitutional or legal assurance regarding the independence of the judiciary, public prosecution, anti-corruption entities, and audit institutions. For instance, numerous EU Member States, including Bulgaria, Slovakia, and Slovenia, have enshrined state audit institutions within their Constitutions, thereby safeguarding their institutional and financial autonomy and shielding them from inappropriate political interference. This approach is likewise advised for the State Audit Office in the Republic of North Macedonia.

Specialization and resources: The establishment of specialized departments dedicated to prosecuting high-level corruption within the system is essential, accompanied by adequate resources and professional expertise. The experiences of Croatia's USKOK and Romania's DNA illustrate that concentrating the most skilled investigators and prosecutors on complex cases produces tangible results. These units should possess proactive capabilities, including financial investigations, asset tracking, special investigative measures, and international cooperation, as well as assurances for independent operation, free from political interference.

Inter-institutional cooperation: The successful combat against corruption necessitates effective coordination among law enforcement agencies, financial intelligence units, prosecution services, and the judiciary. A commendable approach involves the establishment of joint investigative teams for complex cases that engage multiple institutions, such as the police and tax

authorities. Furthermore, in several EU Member States, auditing institutions and anti-corruption agencies have implemented mechanisms to automatically submit their findings to public prosecution authorities, which are then mandated to act. This fosters a functional connection between preventive and repressive measures.

Preventive tools and transparency: Countries such as Estonia and Latvia have achieved notable advancements through digitalization and enhanced transparency, with public procurement and administrative decisions accessible online, thereby minimizing opportunities for misconduct. In Slovenia, the electronic portal "Supervizor" (now known as ERAR) offers insights into transactions between public institutions and private companies, allowing citizens and the media to scrutinize the expenditure of public funds. A comparable strategy is employed by the national open finance portal in the Republic of North Macedonia (open.finance.mk). These initiatives have demonstrated efficacy in identifying suspicious patterns, particularly in instances where companies linked to public officials are awarded a substantial number of contracts.

Integrity and ethics: Several countries have established comprehensive integrity programs that encompass training for public officials, the formulation of codes of conduct with explicit standards, and the implementation of whistleblower protection mechanisms. For instance, in the United Kingdom, the Committee on Standards in Public Life oversees the adherence to the Nolan Principles—namely, integrity, objectivity, accountability, and others—among individuals in public office. While the institutional frameworks may vary, it is imperative to recognize that fostering a culture of integrity must be a fundamental component of reforms, rather than being limited solely to punitive measures.

In the context of the Republic of North Macedonia, comparative experiences distinctly suggest that the pathway to advancement is rooted in three essential areas: the genuine independence of the judiciary and prosecutorial system, the comprehensive enhancement of capabilities to address high-level corruption, and a definitive political commitment asserting that no individuals are above accountability. The experience of Croatia illustrates that the prosecution of high-ranking officials, despite its political sensitivities, is an indispensable measure for facilitating progress in the European Union integration process. Furthermore, cases from Slovenia and the Baltic nations reaffirm that transparency and public oversight serve as robust preventive mechanisms.

From a comparative standpoint, the Republic of North Macedonia is not an exception; the challenges encountered are akin to those faced by others, yet the outcomes distinguish them. The process of European Union integration

provides a robust mechanism of conditionality and oversight, which should be leveraged to effectuate substantial reforms rather than merely declarative ones. This necessitates tangible and quantifiable results, including the effective prosecution of high-level corruption cases, the reform of essential institutions, and the enhancement of integrity and control systems.

Otherwise, the risk of stagnation and an extended transition remains. Therefore, the choice is evident: to adopt successful models and avoid half-hearted solutions, with the aim of establishing a functional rule-of-law state where the rule of law is a tangible reality rather than merely a formal obligation.

CONCLUDING REMARKS REGARDING THE RULE OF LAW

Selective justice: The inadequate enforcement of laws and the selective application thereof constitute significant weaknesses within the system. While the Republic of North Macedonia formally boasts a relatively robust legal framework, its consistent implementation frequently falls short. Judicial practice reveals instances of unequal application of identical legal provisions, wherein ordinary citizens are subjected to more severe penalties, whereas individuals possessing political or economic influence often receive more lenient sentences. In some cases, their court proceedings or prosecutorial investigations are extended to the point of becoming legally obsolete. This selectivity engenders serious systemic repercussions. The demotivation of professional personnel within institutions—such as judges, prosecutors, and inspectors—occurs when their efforts are frequently undermined or rendered ineffective by institutional or political influences. Consequently, this erosion of internal integrity compromises the system, diminishing its capacity to address sensitive cases. Selective justice emerges from a confluence of political pressures and institutional vulnerabilities, which are further aggravated by protracted proceedings, recurrent delays, and frequent alterations in the composition of trial and appellate panels of judges. These issues often result in the obsolescence of cases due to the expiration of statutory time limits, particularly in instances of significant corruption, thereby undermining the fundamental principles of the rule of law.

Compromised judicial independence and financial autonomy: Judicial independence remains jeopardized by the undue influences exerted by the executive and legislative branches, further exacerbated by the judiciary's lack of genuine financial autonomy. The failure to adhere to the legally mandated percentage allocation for the judicial budget relative to the national GDP, coupled with a persistent shortage of human and technical resources, significantly undermines the efficiency of legal proceedings and the quality of judicial protection. These deficiencies manifest in protracted processes, an eleated risk of obsolescence due to the expiration of statutory time limits,

and a constrained ability to manage complex cases involving corruption and organized crime.

Perception of impunity and low risk for offenders: The implementation of lenient penalties, even in instances where convictions for corruption are secured—often resulting in suspended sentences or nominal monetary fines—diminishes the overall deterrent effect on society. This combination of mild penalties and the lack of effective asset confiscation fosters a prevailing perception that "crime indeed pays," given the minimal risk of substantial sanctions. It is imperative to establish clearer sentencing guidelines that prioritize proportionality and deterrence, particularly in cases involving significant corruption and the abuse of official positions.

Poor application of asset confiscation mechanisms: Notwithstanding the enactment of the Law on Confiscation of Property in Civil Proceedings in 2024, its practical implementation has been notably limited. Consequently, punitive measures seldom focus on criminal assets, thereby undermining the substantive impact of judicial decisions. It is imperative to systematically enhance financial investigations and to mandate the consideration of confiscation in all pertinent cases involving corruption and organized crime.

Low trust in institutions: The persistent presence of corruption and selective justice profoundly undermines public trust in institutions. The markedly low level of confidence in the judiciary suggests that citizens increasingly anticipate diminished fairness in the protection afforded by the legal system. This erosion of trust engenders broader social and economic repercussions, notably the concerning emigration of young, educated individuals, which diminishes the Republic of North Macedonia's capacity for attracting investments. Furthermore, the perception of inequitable conditions and corrupt competition fosters widespread apathy and detachment from democratic processes. Ultimately, this scenario threatens to undermine the very foundation of the social contract pertaining to the rule of law.

The principle of the rule of law is declared, not functional: The interplay of clientelism, selective justice, and impunity culminates in a framework where institutions may exist in principle, yet their genuine autonomy and efficacy are significantly constrained and subject to considerable influence from political parties and economic power centers. Mere declarations of political will for justice are insufficient to ensure the supremacy of the rule of law; it is imperative that a system of effective, non-selective, and consistent justice be operationalized for all individuals.

No reforms without institutional cooperation and coordination: The Reform Agenda is significantly threatened by inadequate inter-institutional cooperation and insufficient coordination among relevant institutions. This fragmented approach can adversely impact negotiations with the European Union

and diminish the credibility of reform efforts. Consequently, it is advisable for institutions to earnestly adhere to the recommendations provided by the civil sector, international organizations, and the European Commission. Such adherence aims to systematically address existing weaknesses and enhance the effective implementation of reforms.