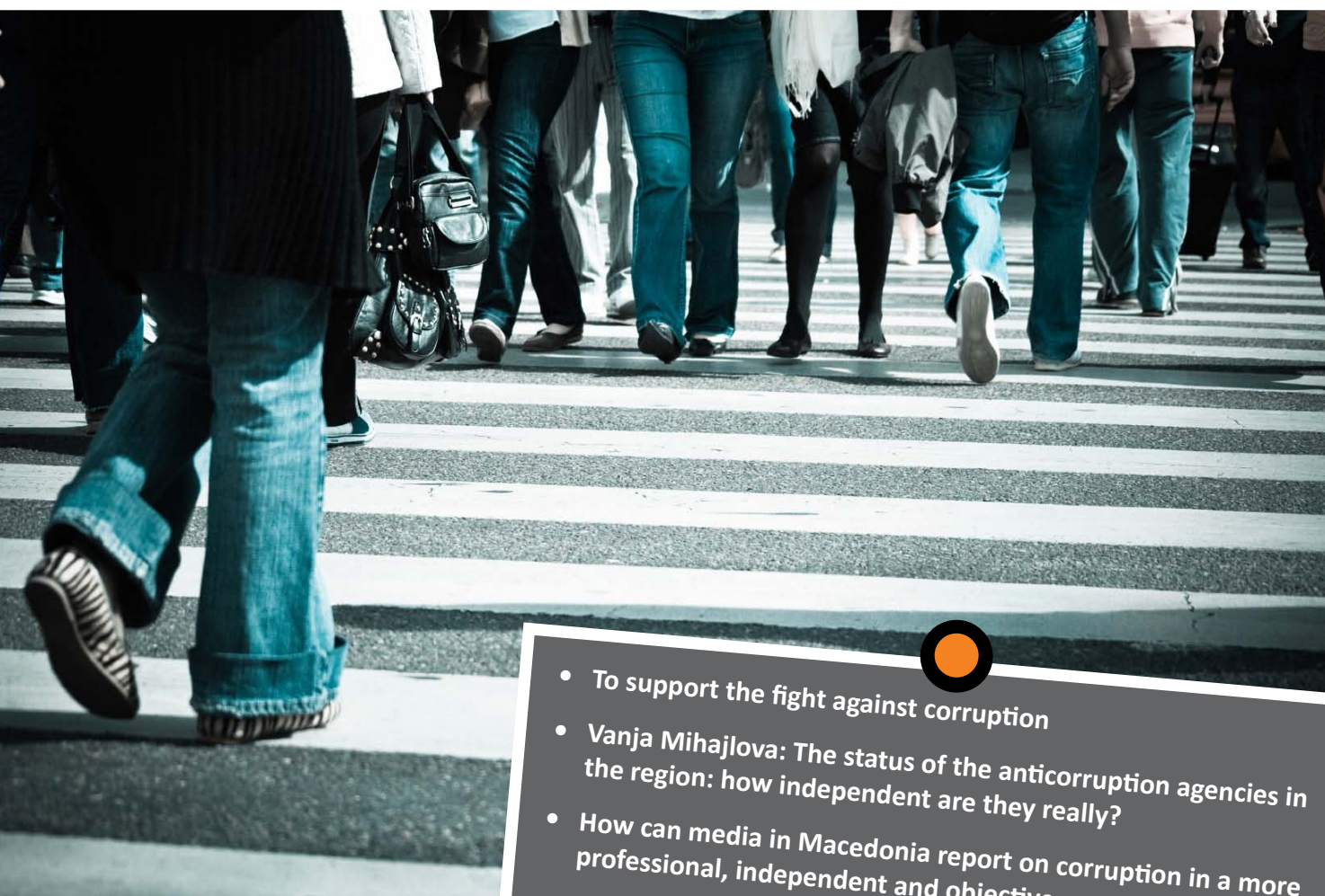


No. 1, January 2010

# MAK

MONTHLY ANTICORRUPTION MAGAZINE



- To support the fight against corruption
- Vanja Mihajlova: The status of the anticorruption agencies in the region: how independent are they really?
- How can media in Macedonia report on corruption in a more professional, independent and objective manner?
- Research: The annual results from the monitoring the public procurement process in RM
- Analysis: Electronic public procurement as a barrier for corruption – reality or myth?
- Opinion: To introduce supervision and control over the public procurement

# About the monthly edition



The Center for Civil Communications was established in April 2005 as a nongovernmental, nonparty, and nonprofit association of citizens. In the past five years we have been working every day on narrowing the room for corruption in Macedonia and promoting the principles of “good governance”, both on central and local level. We are focused on implementing two types of mutually related activities: monitoring and revealing corruption practices, and, on the basis of this, recommending measures and policies for narrowing the room for corruption and enhancing the ability of the journalists and the special role of the media in the fight against corruption in the country.

In the course of our everyday work, we and the experts we cooperate with arrive at numerous information regarding corruption and anticorruption practices in our country, as well as the countries in the region and the world. By publishing this monthly newsletter on anticorruption and “good governance” we want to share this information with the wider public, primarily with the representatives of the public administration, whom we consider the most responsible for the fight against corruption and establishing and respecting the principles of “good governance”.

At the same time, we offer expert analyses, which can serve as sources of ideas and examples for improving the current state with the corruption in Macedonia.

We are open for suggestions and we want you to send us your opinions, ideas, and attitudes on anticorruption topics as well as practices of “good governance”, as well as point to us corruptive practices and generally the existence of a room for corruption. This will serve us as a basis for further articulation of those practices and problems, as well as help in conducting our future anticorruption activities.

Corruption is one of the greatest evils in Macedonia, which degrades the development and the progress of the economy, society, and the people who live in it, disrupts the competition and the free operation of the firms on the market, disables the governance of the true values in life and in the work, forces the young, educated people to leave the country and enables illegal benefits and enrichment of state officials at the expense of impoverishing the other people and destroying and abusing the public goods.

Therefore, by pointing the corruption practices and offering ideas, good examples, and solutions from the country and abroad, we feel that this monthly newsletter will ultimately contribute to decreasing the corruption in the country and enhancing the “good governance”.

center@ccc.org.mk

**ISSN 1857-7075**

**Center for Civil Communications**  
Str. Kocho Racin 26/1-2, 1000 Skopje  
phone (02) 3213 513  
[www.ccc.org.mk](http://www.ccc.org.mk)



**Publisher:**  
Center for Civil Communications

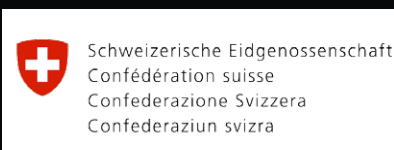
**Editorial Board:**  
German Filkov, Sabina Fakic,  
Ana Petrusseva, Elena Ristevska

**Proof reading:**  
Tatjana B. Eftimoska, MA

**Design, Layout and Print:**  
Vincent Grafika

**Circulation:**  
200

“This publication was allowed by Civica Mobilitas Programme – implemented by CIRa and financially supported by SDC. The content of the material represents standings of its author(s) and not necessary reflect the opinion of CIRa and SDC”.



## IN THIS ISSUE

Corruption is widespread everywhere in the world, especially in the Balkans region. The citizens of Monte Negro believe that it is present in the health care the most, in Serbia, as of this year, the Agency for Fighting against Corruption started working, while the newly elected president of Croatia won as an anticorruption candidate. The esteemed British newspaper Financial Times calls upon the EU to support the fight against corruption in the Balkan countries. Spain can't seem to put an end to the corruption scandals in the construction business on a local level, while in China it is esteemed that in the past 30 years the state officials put 50 billion dollars in their pockets. This news is on the front pages of this newsletter.

In addition, the anticorruption expert, Vanja Mihajlova, analyzes and compares the role and independence of the anticorruption bodies in the countries from the region and offers recommendations for enhancing the efficiency of this body in our country.

This is followed by a brief outline of the results from the recent research, which has shown that the media in the country do not play their socially important role in the fight against corruption, as well as recommendations for measures that need to be taken for the sake of more professional, independent, and objective reporting about this serious problem. The public procurements are also in the focus of this issue. The annual investigation of the public procurements process in our country shows that there is still a serious room for abuse and inefficient spending of the public money.

The expert on public procurements, Darko Janevski, analyzes the advantages and weaknesses of the application of the electronic procurements from the perspective of their role in decreasing corruption.

**Misoslav Trajanovski, a legal expert on public procurements, recommends an implementation of supervision and control of the public procurements in our country.**

We hope that the offered topics will trigger your interest and contribute to each and every one of us, in his/her line of work, to help in the direction of a greater and more consistent application of the principles and policies of “good governance”.



## No. 1 year 1

The logo for MAK, featuring the letters 'm', 'A', and 'K' in a stylized font. The 'm' and 'K' are white, and the 'A' is orange.

**MONTHLY ANTICORRUPTION MAGAZINE**

# CONTENTS

• 4 NEWS

- **6 ANALYSIS**

## Vanja Mihajlova: The status of the anticorruption agencies in the region: how independent are they really?

- **10 RESEARCH**

## How can media in Macedonia report on corruption in a more professional, independent and objective manner?

## • 13 PUBLIC PROCUREMENT

**Research:** The annual results from the monitoring the public procurement process in RM

## Analysis: Electronic public procurement as a barrier for corruption – reality or myth?

**Opinion: To introduce supervision and control over the public procurement**

---

## THE AGENCY FOR FIGHTING AGAINST CORRUPTION BEGAN WORKING IN SERBIA

Belgrade, 1 January, 2010 (BETA) – The Agency for Fighting against Corruption officially began working today. The law on the agency, by which this independent body was formed, was adopted in October 2008, while its implementation began today. In the course of 2009, the Parliamentary Assembly of Serbia elected members of the Board of the Agency, and this body elected the director Zoran Markovic and his deputy, Vladimir Jankovic.

The Agency has undertaken the jurisdiction, cases, and the employees in the Board for resolving conflicts of interests and has begun working with many years of experience in the area, with twenty unresolved cases and 13 employees, and it needs to hire 47 people by June.

In addition to the conflict of interests and reporting property and gifts, the Agency is also authorized for control of the parties' financing and the election campaigns, which up until now was in the jurisdiction of the parliamentary Board of Finances and the State Elections Commission.

At the end of 2009, the work group which the Agency assembled began the analysis of the Law on Financing Parties and the proposal for its modification. The Agency will monitor the implementation of the anticorruption strategy and action plan, as well as the introduction of the plans for integrity in the state institutions.

---

## THE CITIZENS OF MONTE NEGRO SEE THE MOST CORRUPTION IN THE HEALTH CARE

Podgorica, 21 January 2010 (BETA) – The citizens of Monte Negro believe that corruption is present the most in the health care, followed by the inspections, the police and the judiciary, show the results from the survey which was published today.

According to the survey from the first half of November 2009, ordered by the Monte Negro Directorate for Anticorruption Initiative, out of the 1111 respondents in nine municipalities in Monte Negro, 18 percent pointed the health care as the area in which corruption is most present.

13 percent of the respondents pointed the police, while 12,6 percent – the judicial bodies. 19 percent stated that they were asked to give bribe, while 16 percent responded that they offered bribe.

The director of the Directorate for Anticorruption Initiative, Vesna Ratkovic, at the meeting at which the results from the survey were presented, said that half of the respondents judged the state bodies of Monte Negro to be "partly successful" in the fight against corruption.

According to Ratkovic, the citizens would report more cases of corruption if they had greater trust in the protection of their anonymity and if they were certain that the state bodies would act upon the filed report. The chief of the OSCE mission in Monte Negro, Paraskiva Badesku, at the same meeting, established that "further committed and efficient work is essential" in the fight against corruption. She stated that opposing corruption is among the highest state priorities of Monte Negro.

---

## FT: TO SUPPORT THE FIGHT AGAINST CORRUPTION

London, 14 January, 2010 (FoNet) – The European Union should offer greater support in the fight against corruption in Serbia and in the other Balkan countries, writes the London "Financial Times".

The fight against corruption in Croatia gained new incentive with the election of Ivo Josipovic as president of the state, who promised to fight organized crime and corruption uncompromisingly, the newspaper states.

The "Financial Times" evaluates that the fulfillment of this promise is of key importance for admission in the EU not only of Croatia, but also of other, "more unstable" states on the territory of former Yugoslavia. Croatia, since the assassination of the journalist Ivo Pukanic in 2008, has made progress in the fight against corruption and organized crime with staff changes in the police and the judiciary, as well as with a series of investigations on corruption of eminent official representatives, a move that shattered the myth that in the Balkans this problem is insoluble.

Still, the authorities in Zagreb have to move forward in dealing with the officials who want to combine "politics with profit", and their determination in this fight, apart from the support of the public at home, also depends on the pressure of the EU, states the "Financial Times".

The newspaper states that Brussels is right to insist that Zagreb should solve the issue of corruption before its planned accession in the EU in 2012, and not after it, even at the expense of prolonging the accession. The experience with Romania and Bulgaria, which were granted accession in the EU before dealing with the organized crime and corruption, represents a warning that the acceptance of new members should not be rushed.

Brussels has a real influence on the countries only before, not after their accession into the European Union, estimates the "Financial Times".

The newspaper highlights the example of Greece, where 29 years after its accession into the EU, corruption is spread as much as in the other Balkan states.



The "Financial Times" states that Brussels should combine the strict requests with adequate support of the candidate countries prior to their planned accession in the Union.

### **CORRUPT CHINA OFFICIALS POCKET 50 BILLION: MEDIA**

BEIJING, Jan 10, 2010 (AFP) — Thousands of officials have fled China over the past 30 years with some 50 billion dollars in public funds, state media said Monday, as the government scrambles to stem the tide of corruption.

As many as 4,000 officials have disappeared, using criminal gangs, mainly in the United States and Australia, to launder their ill-gotten gains, buy real estate and set up false identities, the Global Times said.

A joint task force involving 15 Chinese ministries has been set up to choke off graft in government ranks, the paper said.

In 2009, authorities investigated 103 cases involving the outbound travel of more than 300 officials, the paper said, citing a party official tasked with disciplinary issues.

In one case, the disappearance to France in 2008 of Yang Xianghong, a top Communist Party official in Wenzhou city, led to the arrest of his wife, who was charged with trying to launder 20 million yuan (2.9 million dollars), it said.

The paper did not detail how the 50 billion dollars were funneled overseas, or how the officials were linking up with criminal gangs abroad.

Chinese President Hu Jintao has for years made fighting official corruption a priority, saying that the scourge is a matter of life and death for the ruling Communist Party.

In recent years, China has sought to negotiate more extradition treaties with Western nations to help it repatriate and punish officials fleeing overseas with public funds.

### **SPAIN SEES ENDLESS SEASON FOR POLITICAL SCANDAL**

January 4, 2010 (NPR) — Corruption has a long tradition in Spain. But lately, the country has experienced an explosion of scandals.

Hundreds of mayors and other officials across the country are being investigated for bribery and influence peddling, and police have seized assets worth billions of dollars. The government and the opposition agree that things have to change.

Boadilla del Monte, a small hill town about a half-hour west of Madrid, has achieved notoriety in Spain because of its former mayor, Arturo Gonzalez Panero. He

was forced to resign earlier this year after being implicated in an influence-peddling network that extended to Madrid, Valencia and the Costa del Sol. A court in Madrid has frozen millions of dollars of his assets. Nieves Castillejo used to work for a catering firm that handled parties in the mayor's home.

«There was more money there than a mayor should be earning,» she says. «You could see it in the paintings, the statues and in the catering itself — like caviar and other things.»

Castillejo says the corruption was an open secret in the town. «We knew it smelled like fish, but we didn't realize the scope,» she says.

Boadilla del Monte is just one of many Spanish municipalities tainted by scandal. According to the Interior Ministry, nearly a thousand people have been arrested in anti-corruption probes in the past five years. Police have seized assets worth more than \$4 billion, including artworks, luxury cars and hundreds of prize fighting bulls.

Many of the scandals revolve around the concession of building permits. During the past decade, Spain was the focus of one of Europe's biggest housing booms. Rezoning a plot of land for construction could multiply its value many times over.

In Valencia, politicians also got money and gifts in exchange for contracts to organize public events, including Pope Benedict XVI's visit to the city in 2006. The firm that was subcontracted to televise the Mass led by the pope allegedly diverted more than 2 million euros in illegal gains, according to the newspaper El Pais. Images on television news shows of police arresting mayors or other local government officials have become almost a daily ritual of late.

Political science professor Manuel Villoria says the many years of the Franco dictatorship, which lasted from 1939 to 1975, left Spaniards distrusting the political system. Favoritism persists because many people rely on contacts, or enchufes as they are called in Spanish, to get things done.

«Even judges call me and ask, 'Hey, why didn't such-and-such student get admitted to your university? Can't you do something about it?' « says Villoria, a board member of the Spanish chapter of Transparency International, a nongovernmental organization that promotes honest government.

«Even judges! That's how pervasive it is in our culture,» he adds.

But politicians at the national level worry about the bad rap their parties are getting as a result of the scandals. The ruling Socialists and opposition conservatives plan to propose a new local administration law this spring. Experts say that for anything to really change, the law would have to rein in the nearly dictatorial powers that many Spanish mayors still enjoy.

## THE STATUS OF THE ANTICORRUPTION AGENCIES IN THE REGION: HOW INDEPENDENT ARE THEY REALLY? ?

*There are different types of anticorruption services with different jurisdictions in the world. Regardless of the type, their independence is a prerequisite for a successful fight against corruption and removing the political influence on their work. There is a need for changes in the current status of the members of the State Anticorruption Commission, the procedure for their election, the control over the work and the criteria for relieving the members, according to the experiences and solutions of other countries.*

The necessity of forming specialized anticorruption agencies for purposes of preventing and fighting corruption is pointed in several international documents. The Convention against Corruption of the UN from 2003 is of special importance, which requires the states to form special anticorruption services and provide the necessary preconditions for their efficient functioning. Within Europe, the 20 Guiding Principles and the Punitive Convention against Corruption stand out as more prominent documents.

There are different types of anticorruption services in the world, and they have different jurisdictions:

1. Anticorruption services which undertake investigative measures and file charges for corrupt criminal acts. This is the most frequent type of anticorruption services, but there are various subtypes. These are usually specialized departments within the Ministry of Internal Affairs or a certain number of specialized prosecutors in the Public Prosecution.

2. Agencies for preventing corruption, whose main function is gathering information on corruption, identifying the risks for corruption and suggesting legal remedies to the authorized bodies, suggesting amendments to the laws, elaboration and implementation of ethical codes, training, internal control, etc. In certain cases, these agencies can submit initiatives for prosecution to the Public Prosecution office. These agencies are most often independent or quasi – independent, in cases when they answer for their work to the government or to a certain minister.

3. Agencies for education and support – their work is mainly aimed at preparing materials for public education, which includes campaigns for raising the citizens' awareness against corruption, enabling interaction with the civil sector or cooperation with the business community.

4. Agencies which manage anticorruption strategies – they often have the form of multidisciplinary commissions or working groups and boards, comprised of representatives from various institutions, which convene when necessary.

5. Anticorruption agencies with multiple goals – the most frequent model of independent anticorruption service, which is well staffed and materially provided. These services are free of political influence, have wide jurisdiction for investigating corruption and filing charges for cases of

corruption, for freezing the assets entailing the possibility to request from the public institutions to reform the procedures and decrease the risk of corruption, to cooperate with the business community, to conduct training of the public and mobilize the public support (one example of this type of service is the Independent Commission against Corruption from Honk Kong, which is one of the most efficient services and stands as a model in the world)

Regardless of the type, the independence of anticorruption services is pointed out as one of the most crucial issues and as a precondition for a successful fight against corruption and removing the political influence over the work of this body. While the independence of the anticorruption services is considered as a relative issue, there is a general consensus that these services should be depoliticized.

### The status of anticorruption services in the region

#### Albania – Group for anticorruption monitoring

This body was formed in 2000, comprised of a Managing Board and a permanent anticorruption department. The Managing Board was comprised of representatives from the Ministries of Justice, Internal Affairs, Finance, the Public Prosecution, the State Auditor, the Procurator, as well as representatives from the civil sector and the business community. The body was coordinated by a minister, which means it was under complete control of the government and it could hardly be expected to initiate a procedure against a minister or some other high governmental official involved in corrupt practices. This body was dissolved in 2005, after a change of government. Afterwards the Directorate for Internal Revision and Anticorruption was formed, as part of the prime minister's cabinet. This body is in charge of internal administrative control and preventive and analytical work for fighting corruption. Given that this body as well is under direct authorization of the prime minister, it does not belong to independent and autonomous agencies.

In spite of this, with the law passed in 2003, a High Inspectorate for Reporting and Control of the Material Possessions was formed. It is run by a general inspector, who is elected by the Parliament at the suggestion of the president of the state, which ensures his greater autonomy and independence. Due to the high degree of corruption in this country, the international community requests that an anticorruption agency which would be independent and out of the government's umbrella is formed.

#### Bosnia and Herzegovina

No anticorruption agency has been established yet. In the project entitled as The Anticorruption and Public Integrity Program, which was made with an expert foreign aid, an

anticorruption agency is envisioned to be formed and the work in this direction is in progress. The experience of Slovenia is used in this instance.

### **Croatia – Office for Preventing Corruption**

The new law for the Office for Preventing Corruption and Organized Crime was passed in July 2009. The Office was first formed in 2001. This anticorruption body belongs to the group of those bodies that have authorization to undertake investigative actions and bring charges for criminal acts linked to corruption and organized crime. The Office functions within the Public Prosecution of Croatia and this arrangement brings into question its independence, since it is under direct control of the chief Public Prosecutor and the Ministry of Justice. The Office is run by a director who can be appointed from the deputies of the chief Public Prosecutor. He is appointed by the chief Public Prosecutor after a previous review from the Minister of Justice and the Collegiate of the Public Prosecution Office. He can be relieved from his office with the relieving of the chief Public Prosecutor (which speaks of his dependence), as well as in case he refuses or hinders a revision of his financial state. The director of the Office for Preventing Corruption and Organized Crime has rights and responsibilities as a Public Prosecutor. The budget of the Office is part of the budget of the Public Prosecution, which does not allow greater freedom and independence in managing the resources for its functioning.

The absence of independence of the director of the Office is also reflected in the fact that the act of systematization of working positions is reached with a previous approval of the Minister of Justice, while its work is assessed by the chief Public Prosecutor.

### **Slovenia – Commission for Preventing Corruption**

The Commission was established in 2004, as part of passing the Law on Preventing Corruption. The Commission is comprised of a president, vice - president, and three members. The president and the vice – president of the Commission are appointed by the Parliament, at the proposal of the president of the state from a pool of candidates who responded to a public announcement, while the remaining three members of the Commission are appointed by the Parliament. Six month prior to the expiry of their mandate, the president of the state initiates a procedure for public announcement for selecting new candidates. In order to ensure an election of expert and experienced persons, the proposals for candidates must be elaborated with submitted written evidence. In addition to other criteria, the president, his vice – president, and the members of the Commission must have at least ten years of working experience and enjoy the public trust for working in the office. The mandate lasts six years, without a right for reelection. Their position, in accordance to the law, is incompatible with working in another public office, a position in the local government, in a political party or a trade union organization, a job in the local government or an institution that does work of public interest. The president and the vice – president are employed in the Commission and they are engaged full time in their offices, while the members of the Commission (who are university professors) may work in their offices part time. Such a status, in addition to a full engagement in their office and increasing the efficiency of the Commission, prevents a conflict of interests and incompatibility of the office with another office or duty.

The employees in the Administrative office of the Commission are in the capacity of civil service workers. The finances for the

functioning of the Commission are included in the budget of the state, at its proposal, and it disposes with them autonomously.

The president and the members, in addition to other reasons stipulated in the law, may be prematurely relieved of their duty if they are involved in activities which are incompatible with their office or because of a breach of the Constitution or the law.

Bearing in mind that each body should be liable to control by another body, the direct control over the activities of the Commission for Preventing Corruption (among other things, in terms of incompatibility of the office, limitations on receiving gifts, control over the material condition of the persons liable to this duty, etc.) is conducted by a commission formed by the Parliament. The Parliamentary commission is consisted of a chairperson and six members, of whom the chairperson and three members belong to the opposition, and the decisions are reached with a majority of votes. The Anticorruption Commission of Slovenia is considered as one of the most successful, not only in the region, but farther as well.

### **Serbia – Agency for Fighting Corruption**

The Law for the Agency for Fighting Corruption (in the further text: Agency) was passed in October 2008, while the Agency began working on 1 January, 2010. Prior to that, there was a Council for preventing corruption, formed with a decision by the Government. The Law defines the Agency as an independent and autonomous state body, which has the status of a legal subject. The Agency answers for its work to the Parliamentary Assembly of Serbia. The finances for its functioning are provided by the budget of the Republic of Serbia, as well as from other sources in compliance with the law.

A Board and a director represent the bodies of the Agency. The Board elects and relieves of his duty the director of the Agency, supervises the work and the financial state of the director, decides on appeals lodged against the decisions of the director, and does other work stipulated in the law.

As member of the Board can be elected person, who in addition of general working condition in the public administration, must also have faculty degree and minimum nine years of working experience. Beside other restrictions that apply to officials, the law does not allow, member of the political party to be elected as a member of the Board. The board has nine members that are elected by the National Assembly on the proposal of: The Administrative Board of the National Assembly, President of the state, President of the Government, The Supreme Court, State Audit Institution, associations for protection of the citizens and Commission for public information, based on mutual agreement; Socio-economic Council; The Bar Association of Serbia and Associations of Journalists of Serbia – by mutual agreement. The mandate of the board members is four years, with the right for another re-election. The board members are entitled to monthly allowance in the amount of two average net salaries in Serbia. The mandate of the board members, beside other condition determined by the law, can be terminated because of malpractice of the function, if he became a member of a political party or undermines the reputation of the Agency. The decision for dismiss, based on the board proposal, is adopted by the National Assembly. In order to protect the reputation of the Agency, the Board can suspend the member against who are taken action for dismissal. The President of the Board is chosen by its members. As Director may be elected a person, that beside fulfilling general working conditions in state authority, has graduated Law School, has at least nine years of working experience and its not member of a political party. The director

is elected on public competition announced by the Board of the Agency. The mandate of the director is five years with right for one re-election. The director can be dismissed for the same reasons as other board members. The procedure for his dismissal is led by the Board and it's initiated upon the proposal of the president of the board or at least three members. The director has its deputy, who is also elected in open competition and has same mandate and criteria as the director. The director and its deputy are employed in the Agency. The salary of the Director is at the level of the Ministers salary, and his deputy on the level of salary of state secretary. Position and method of selection of Council members and the director should ensure independence from political influence and avoid conflict of interests, but also more responsibility, independence and transparency in the implementation of the function.

### Montenegro – The Agency for anticorruption initiative

It's established in 2001 by the decree of the Government of Montenegro. In accordance with the Strategy for administrative reform for the period 2002 – 2009, among other regulations, in 2004 the Decree for organization and working regulation of state administration was adopted, on who's basis is established the Directorate for Anticorruption initiative. Until 2007, this body has fulfilled duties of: propaganda-preventive initiative action for extermination of corruption, suggestion of the government, adoption and application of European and other international standards in this area, improvement of the transparency of business operations and others.

The Ministry of Finance controls the work the agency. The competence of the Administration is extended with the amendment of the Regulation on organization and the work of state administration in 2007, and now this body works on: raising awareness about the problem of corruption and conduct researches on the level of corruption, cooperation with the NGO and business sector to eliminate corruption, adoption of an action plan for prevention of corruption and pursue other activities of preventive and educational nature. The director is managing this body.

According to the status of the agency because its established with government decree, and not by the law, and therefore acts within the Ministry of Finance, and the Government, the agency ranks among those who are not independent and has no autonomy in their work.

### Kosovo - Kosovo Anticorruption Agency

Founded in 2004, based on the Law on Prevention of Corruption. The funds for the functioning of the Agency are provided from the state budget, as proposed by the Agency. The agency is managed by Director who, among other conditions, must be older than 35 years. The mandate of the Director is five years and may be reelected once. Directors are elected by public announcement and appointed by the Assembly in narrow choice of two of all registered candidates. If no one of the proposed candidates is chosen, the procedure is repeated. By law, the office director of the agency is incompatible with any other office in government, Parliament, local government, a political party or union association, as with any public work in domestic or international organizations. Such criteria should provide avoidance of conflict of interest and excluding or limiting the impact of the centers of power, as a precondition

for independence and autonomy in the fulfillment of the obligations. The agency has a professional staff, but also external experts and professional may be engaged.

Director may be dismissed, among other, for malfunction, or if he hurt the law in carrying out its obligations. Direct control of the Agency has council consists of nine members, of which: three are appointed by the Kosovo Assembly and one member appointed the President of the Government, the Public Prosecutor's Office, local government and civil society. The council members are entitled to compensation for their engagement. The mandate of the council members is two years and they may be reelected. Council has a president and vice president which are elected from members of the council for two years period. The council proposes to the parliament list of two candidates for the position of the director. Agency has the responsibility every 6 months to report to the Council on the structure and level of the private property, for conflict of interests, gifts and finished investigations.

### Macedonia – State Commission for Prevention of Corruption

Macedonia's anti-corruption agency was founded in 2002 and belongs in the category of preventive commissions. It is made of 7 members appointed by the parliament, and they report to the parliament. Thus it is de jure independent because it is not elected by the government. Criteria for members foresees that they have: degree in law or economy studies, at least 8 years of working experience and to be reputable. With the changes in the law of 2006, there is an open call for members. The proposal list of members that have applied is prepared by the parliament's commission for appointments which submits the list to the parliament. The members elect the president of the commission on their own, from their ranks, with a mandate of one year, which enables that diff members can rotate in the position. They report to the parliament and submit an annual report of their work. The members are not fully employed by the commission, they get a fee for their work but are usually employees of other institutions. The commission has the status of a legal entity with a secretariat. The status of the members of the commission since it was founded has been in the focus of the experts since there have been suspicions for conflict of interest but also not enough efficiency of the commission. The legal status of the members (the fact they are not employed by the commission) makes this commission unique not only in the region but also wider. There have been some attempts to change this but those have not been approved. Explanations and excuses that if the members are employed it would affect their impartiality and would make them dependent on the state budget are seem as absurd as the fee they are now receiving is also coming from the state budget. On the other hand, practice in other agencies has shown that the members receiving salaries from the state budget has not affected their independence in performing their tasks. Thus it is considered that in order to remove this anomaly in the commission there should be changes in the current status of its members, in the procedures of their selection, the control of their work and the criteria for their discharge.



## HOW CAN MEDIA IN MACEDONIA REPORT ON CORRUPTION IN A MORE PROFESSIONAL, INDEPENDENT AND OBJECTIVE MANNER?

*The results of the monitoring and the analysis of the way in which the media inform about corruption point to the general conclusion that the media in Macedonia do not fulfil their role in the fight against corruption and there is still plenty of room for enhancing the professionalism and the manner of reporting on corruption.*

The media are a powerful weapon in the fight against corruption throughout the world.

They have a dominant influence on creating the perception of corruption in the society and the attitude of the authorities towards corruption – whether they tolerate it or fight against it. Through a professional and quality reporting on corruption, the media contribute to increasing the pressure of the public on the holders of the publicly awarded power to demonstrate transparency, accountability, and responsibility, to increasing the awareness of the harmfulness of corruption, and to exerting pressure on the authorized institutions in order to take measures for solving cases of corruption.

The fact that it concerns a low-risk, high-profit activity in which it is in the mutual interest of the participants to keep silent about the act – contributes to the widespread corruption and the difficulty of the media to obtain information which can expose or prove a case of corruption. Hence the need for greater persistence and thoroughness in researching these cases.

Of course, to what extent the media will truly play the role of controllers of the corruption depends on the political, economical, and legal ambience in which they act. The main factors that determine the efficiency and success of the media in their fight against corruption are the freedom of speech, access to information, ownership, competitiveness, credibility, and availability of the media.

The still insufficient capacity of the media and journalists in Macedonia for discovering and researching corruption is one of the key problems pointed in the State Program for Prevention and Repression of Corruption. In order to overcome this problem, the program points to “conducting an analysis for the media oversights, preparation of training programs, as well as investigative journalism training.” It is in this direction that the Center for Civil Communications undertakes activities for strengthening the role of the media in the fight against corruption.

This in-depth analysis of the writings on corruption in the media represents a starting point, so that the weaknesses are detected and concrete recommendations are offered for improving the journalistic and media standards.

### RESULTS OF THE MONITORING

The results of the monitoring and the analysis of the way in which the media inform about corruption point to the general conclusion that **the media in Macedonia do not fulfil their role in the fight against corruption** and there is still plenty of room

for enhancing the professionalism and the manner of reporting on corruption.

The key flaw of the current reporting of the media on corruption, from a professional standpoint, is **the lack of respect for the basic professional standards in journalism**.

In a large number of the news articles sources are missing, as well as fundamental journalistic principles, such as a fair and balanced approach.

In addition, what is surprising is **the insufficient presence of investigative journalism** in this area, as the almost only way to discover and disclose corrupt activities, which, in the nature of things, do not wish to be disclosed; thus, it is necessary for the media to invest additional efforts to expose them. The problem becomes more serious if we bear in mind that this conclusion stems from a monitoring which was conducted on printed media, which by definition should offer more investigative and analytical news articles. On the other hand, deprived of such vital information, the public (citizens) can not reach relevant decisions for important issues concerning their private, professional, and social life.

Bearing in mind that, on the one hand, there are a lot of news articles on corruption, while

on the other hand they are not grounded on journalistic research and are not processed in-depth and analytically, but rather initiated by the organs of government, it can be concluded that in the public there is an impression that the media have the freedom to openly inform about corruption without any pressures, whereas, in fact, **they create a distorted image of the problems with corruption in Macedonia**.

This general assessment stems from the following conclusions of the monitoring:

- **Corruption is present as a topic in the Macedonian media**, which means that they are interested in writing and publishing news articles related to corruption and in this way satisfy the interest of its audience about this topic.
- The exceptionally small number of news articles instigated by information that the journalist arrived at through an original and independent research and, on the other hand, dominant number of news articles instigated by some event (arrest, trial, press release, news conference, etc.), point to the conclusion that **there is a lack of investigative journalism in this important area, which leaves a broad room for the abuse of the media by the “creators” of such events. In this way, the media do not fulfill their role as government controllers.**
- The correlation between the small number of news articles on corruption that originate from independent and original

research of the journalist and the news articles published or at least announced on the front page, points to the conclusion that **the media would have more news articles to publish on the front page if they had more independent and original research.** In addition, if the media had more of their own research and analysis on corruption, they would be able to publish these news articles on the first couple of pages, instead of the so far dominant publishing in the “Crime” section.

- The fact that there is a prevalence of short news and reports points to the conclusion that **the topics related to corruption are dealt with superficially and informatively, without deeper, more comprehensive and more detailed analysis and research,** i.e. only as presenting news from some event.

- **The news articles on corruption suffer from a lack of authenticity, relevancy, trust, and credibility,** since for the greatest part they are not signed by the journalist who is the author of the article, they have no authentic (original) photograph from the claim or the act of corruption, nor do they offer any evidence or proof for the allegations for corruption. This is one of the most serious remarks of the monitoring, as it points to an insufficiently serious approach of the media to the huge problem of corruption in Macedonia.

- The fact that a large number of the news articles on corruption have only one source, consult only one side of the story and do not consult the person suspected of corruption, i.e. **the fact that journalists take the statements of those who create the events without a gain of salt, again testifies to an unprofessional approach and leaves a broad room for abuse and manipulation of the media.**

Reporting in this way, the media do not implement in their work some of the basic professional standards in this area: a fair and balanced approach to the participants in the story, which means consulting all sides of the story and their balanced, i.e. unbiased treatment.

## RECOMMENDATIONS

Based on the results and conclusions of the monitoring, the Center for Civil Communications proposes the following recommendations for enhancing and strengthening the role of the media in the fight against corruption in Macedonia:

- **The media should continue to report on corruption on a daily basis, but with application of the techniques of investigative journalism and with greater usage of the possibilities the new technologies offer.** Bearing in mind that the participants in the corruption have a mutual benefit, and thus a mutual interest to keep silent, it is almost impossible to reveal cases of corruption without application of the investigative journalism techniques.

- **The media, i.e. their editors and owners, should support and encourage the investigative journalism a lot more** as a proven effective tool in the fight against corruption in the country, whereby, ultimately, the credibility, popularity, and profit of the media are directly increased. By increasing the number of investigative stories about corruption, **the media would be able far more to announce the investigative stories on the front pages and the headlines,** thus further increasing their popularity, and, consequently, their audience.

- **The media should direct more resources (people, equipment, etc.)** to investigative research and reporting on corruption, as well as to use more the available (international and domestic) funds for supporting investigative journalism.

- **The media should invest in enhancing the skills and knowledge of their journalists, support and encourage their**

**participation in trainings for investigative journalism** and for discovering and reporting on issues related to corruption.

- **The media should use more often the legally guaranteed protection** from pressures, threats and blackmailing for a more professional, independent, and objective investigating and informing about corruption. According the Law on prevention of corruption “any force, prevention, or influence in another way over the media to announce or not to announce information on cases of corruption is forbidden”. Furthermore, the journalist is given the right to unobstructed access to all sources of information, in compliance with the law. The same law stipulates that “no one may exclude the public from the hearing for corruption before a competent body or juridical person, except for a preliminary procedure proclaimed as a secret.”

- **Whenever possible, the media should support and encourage the practice of signing the news articles on corruption with the full name and surname of the journalist – author of the article,** which would increase the authenticity of the articles, the personal credibility of the journalists, as well as the credibility and the relevance of the media and the trust in them, which in turn signifies a bigger audience. On the other hand, the unsigned articles on corruption leave a room for doubting the accuracy and authenticity of the claims, as well as the honesty of the medium’s intentions or of some of the sources for publishing the article.

- **The journalists should strive a lot more to consult the participants in the corruption, all the mentioned or concerned parties in the story, as well as to attempt to procure and offer evidence to prove the claims and accusations for corruption.** In this respect, the media should use far more the legal provision for protection of the sources of information, which stipulates that “no one may ask a journalist who has announced information on a corruption act to reveal the source of information, except in a procedure before a court.” On the other hand, not consulting the suspects in a case of corruption can mean abuse of the medium. In this case, the law stipulates that “anyone announcing information on somebody’s corruption is obliged to respect the presumption of innocence and the principles of true, objective, and impartial informing, as well as other principles of the code of professional ethics.” Likewise, “no one may use the media for false accusation of somebody of corruption.” In addition, when publishing news articles on corruption in the future, the media should take care to uphold at least the minimum standards of their profession – publishing facts, consulting all sides of the story and giving them equal treatment.

- **The media should abandon the practice of publishing news articles on corruption without a single quoted, stated, or consulted source.** In addition, one of the fundamental journalistic rules should always be taken into consideration – the journalists are the ones who relate the facts of the story, while the sources relate their attitudes, opinions, feeling, etc.

- The media should be more restrictive towards the “blind” and superficial covering of events of corruption and **the journalists should strive to verify the information obtained at the events and use them as an occasion for further investigation and analysis.** Otherwise, the media expose themselves to the danger of serving as a means of advancing someone’s private, party, and business interests.

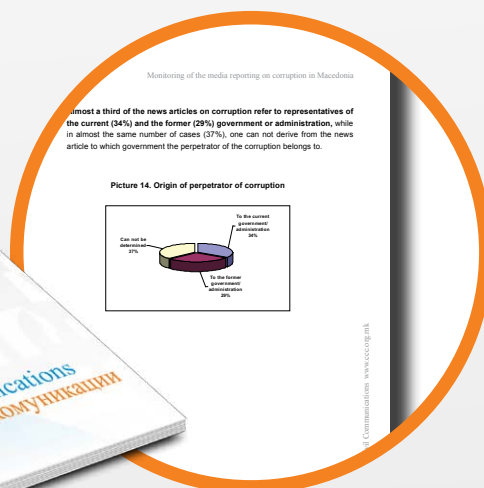
- **The news articles on corruption should be accompanied more often with authentic, instead of general and thematic photographs and illustrations,** thus increasing their authenticity, relevancy, credibility, and trustworthiness. The photographs, as well as the written part of the article, are a very

important element which complements the story and increases its appeal, especially in this era of wide availability of interesting contents all around us.

- **The journalists should broaden the list of sources of information on corruption**, not depending merely on the state institutions (the police, the courts, the prosecutor's office, etc.). In this respect, it is necessary when reporting on corruption to seek sources of information in order to access more in – depth into discovering the reasons and the system problem that created the preconditions for corruption in the corresponding area.
- **The journalists should use more intensely the information and experience of the authorized institutions for fighting against corruption** (The State Anti – corruption Commission, The State Audit Bureau, The Financial Police, The Agency for Prevention of Money Laundry, etc.)

• **The media should consider employing legal advisors** who would help the journalists with their news articles on corruption, enabling them to discover as much information as possible, while at the same time not leaving room for any lawsuits against the journalists and the media. In media who already have jurists, all that is necessary is their greater involvement in terms of checking the news articles from the standpoint of respecting the law regulations.

• **The media owners should provide full legal protection of their journalists in the court cases against them** due to published articles on corruption. In this way, the journalists would be more encouraged to research and report on corruption, feeling secure that the medium is behind them and abandoning self -censure, which is the result of fear that in case of a lawsuit, they would have to bear any sentences themselves.



## RESEARCH

**A wide room for improving the public procurement process in Macedonia**

The Center for Civil Communications from Skopje, in the period from November 2008 to November 2009 analysed the implementation of public procurements in the Republic of Macedonia as regulated under the Public Procurement Law. The analysis aimed to assess the implementation of public procurements in the light of the new Public Procurement Law and the application of basic principles of transparency, competitiveness, equal treatment of economic operators, non-discrimination, legal proceeding, cost-effectiveness, efficiency, effectiveness and cost-effective public spending, the commitment to obtain the best bid under most favourable terms and conditions, as well as accountability for the public procurements implemented.

The present analysis of the public procurement process in the Republic of Macedonia was performed based on the monitoring of selected sample of procedures, which was comprised of a total of 160 procedures announced by central level contracting authorities (equally divided into 4 quarters) whose call for bids were published in the "Official Gazette of the

Republic of Macedonia" in the period November 2008 - October 2009. Monitoring activities start with the publication of calls for bids, followed by attendance on public opening of bids and data collection on the procedure course, and used in-depth interviews and structured questionnaires submitted to the contracting authorities and the economic operators, applications for free access to public information, analysis of data obtained from reports and publications of the Bureau of Public Procurements and the State Commission on Public Procurement Appeals, as well as the in-depth interviews carried out with other stakeholders.

The present annual report summarizes the monitoring results and reiterates the 10 key findings common for the previous four quarterly monitoring reports. The report also provides the key recommendations aimed to amend the relevant legislation and/or to improve the enforcement thereof.

#### 10 KEY REMARKS ON PUBLIC PROCUREMENT PROCEDURES IN MACEDONIA

Insufficient transparency and accountability on behalf of state institutions as regards public spending in public procurement procedures. Several parameters indicate that the share of institutions which lack accountability as regards the public procurements implemented is as high as 40%.

- High share of public procurement procedures annulled. Decision on annulling the procedure was adopted in 25% of monitored procedures. This negative trend of increased share of annulled public procurement procedures was also confirmed with data obtained from the EPPS.

- Contracting authorities take too long to perform bid-assessment and take the decision on the selection of the most favourable bid, which results in unnecessary delays in the public procurement procedure as a whole. In the procedures from the monitoring sample, decisions were taken within a period of 30 to 90 days.

- Contracting authorities often use inadequate and manipulation-prone criteria for the selection of the most favourable bid.

- Tender documents are sometimes used as means to manipulate the public procurements procedures.

- Bid's bank guarantees are set too high. Bank guarantees were required in more than 60% of procedures in the monitoring sample, and were set in the maximum amount of 3% of the bid's value.

- Low utilization rate of e-procurements. The utilization rate of the EPPS in 2009 accounted for only 2.5%.

- High share of implemented procedures where transparency and application of public procurement rules were unsatisfactory, which provides for malpractices.

- Absence of supervision over public procurement procedure implementation and realization of public procurement contracts.

- Increased number of appeals lodged by companies against the decisions on public procurement and increased rate of such appeals approved by the SCPPA, which indicate that contracting authorities show an increased trend of making errors in the procedures.

#### KEY RECOMMENDATIONS AIMED TO IMPROVE THE PUBLIC PROCUREMENT PROCESS

- The Public Procurement Law should incorporate penal provisions for contracting authorities that do not comply with the legal provisions, as is the practice in many states from the region and beyond.

- The Public Procurement Law should precisely stipulate the terms and conditions on procedure annulment and introduce the obligation on submission of argument-supported notifications related to the bids' rejection.

- The Public Procurement Law should stipulate the deadlines on decision-taking for the selection of the most favourable bid or on procedure annulment, the duration of which should start from the public opening of bids.

- Contracting authorities should comply with the legal obligation to submit explained notifications to participants in the procedure, for which a unified template can be developed, including the detailed description of the bid-assessment process and the decision taken.

- The Methodology on Points-Based Ranking Criteria developed by the Ministry of Finance should be adequately amended, or the Bureau of Public Procurements should develop guidelines for recommendations on the bid-assessment criteria for the selection of the most favourable bid, where certain criteria (prone to manipulation) will no longer be subject of bid-assessment, but an eligibility or participation criteria for economic operators.

- Contracting authorities should pay more attention and time to development of tender documents, notably to technical specifications, and the BPP should develop unified templates for certain procurement types.

- Contracting authorities should publish tender documents on their websites or on the EPPS' website and discontinue the common practice on imposing charges for tender documents.

- The amount of bank guarantee should not be always set at the maximum threshold of 3% of the bid's value.



- Contracting authorities should more often use the EPPS, as a system that enables application of the basic principles underlying the public procurements.
- The Bureau of Public Procurements should undertake an analysis of the scope, legal justifiability, transparency and competitiveness, and should it deem reasonable, should suggest limited use of negotiation procedures, and exclude from this group certain non-priority services to which the public procurement rules can be applied.
- The Bureau of Public Procurements should be involved in the supervision of legal proceeding in public procurements.
- Rules should be adopted in the light of regulating the realization of signed public procurement contracts.
- Special type of public procurement audit should be stipulated in the legislation.
- Bureau of Public Procurements' reports on the public procurement system should provide a more comprehensive analysis and relevant comments on all public procurement elements.
- Contracting authorities should secure continuity in the work of persons trained in the field of public procurements.
- The State Commission on Public Procurement Appeals should continue to publish on its website the decisions taken in appeal procedures and provide detailed rationales thereof.
- The Public Procurements Law should stipulate that the SCP-PA should ex officio annul appealed procedures for which the contracting authority has not submitted the requested documents.



## ELECTRONIC PUBLIC PROCUREMENT AS A BARRIER FOR CORRUPTION – REALITY OR MYTH?

*Electronic systems, including the e-procurements, may only reduce the corrupt activities, but cannot fully eradicate corruption in public procurement. The reason is the human factor, which cannot be completely eliminated from the public procurement procedures. This is why, we ask: how is it possible for the e-procurement to reduce corruption?*

The public procurement is an area consuming great deal of funds, primarily money of the taxpayers. The public procurement is an area engaging numerous administrative human resources, which participate in its preparation and realization. The public procurement requires dedication of the people and funds from the companies, whose business activity depends and is oriented towards the bodies procuring goods and services. Obviously, many players, each of them with different interest, are involved in the public procurement and this requires many resources (human, financial and time).

Having in mind these undisputed facts, the policy makers started seeking ways for more successful application and implementation of the basic principles in public procurement, transparency, non-discrimination, efficiency and rationality. At the beginning of last decade, the rise of ICT made the European experts aware of the opportunities for using the electronic systems in the public procurement area. The first written rules on e-procurement in EU occurred in the 2004 Directives. The aim is through their increased utilization (the expectation is 50% use by 2010) to increase the efficiency, to make savings of the

budgetary funds and to reduce the corruption. The corruption as a phenomenon is present in the public procurement throughout the world, varying from country to country.

Several notes on the term e-procurement in order to be better understood. Electronic public procurement does not mean publication of information related to specific public procurement procedures on the Internet. Electronic public procurement is a possibility for communication and interaction among the participants in the procedure. The posting of the public call for procurement on the Internet is a good step towards improving the dissemination of information, but it is not sufficient for public procurement. However, if the bidders submit the offer, the minutes from the public opening are created or the decision on selection of participants is automated and happens "online", then we can speak of electronic public procurement.

The view that the electronic systems, including the e-procurement, eliminate the corruption is illusionary! Possibility for reducing the corrupt activities – yes; possibility for eradication of corruption in public procurement – no! The reason is that we cannot entirely eliminate the human factor. And whenever it is present there is room for corruption. The electronic public procurement systems cannot replace the human input in the development of tender documentation and technical requirements or facilitate its preparation. The electronic public procurement systems cannot evaluate and appraise the subjective criteria, such as the quality or esthetic characteristics. And precisely the way of formulating the tender documentation and technical requirements and the manner of evaluation and appraisal of subjective criteria are the points subject to greatest manipulation.

During the development of tender documentation, one may include criteria and conditions for participation of bidders, which evidently or covertly want to restrict the competition and favor certain bidders. For instance, the condition for the bidder to have a certain amount of annual turnover, which may be quite high, or that more points will be given to the bidders with a guarantee, although we know that only few bidders have this turnover or that only the preferred bidder is able to offer longer guarantee. In both cases, these conditions can be completely irrelevant for evaluation of the bidder i.e. the offer, but are required only to favor certain offer. During the evaluation of the offer, there is no formula to guide the public procurement commission, but it is all left to their discretion on deciding who will get the highest score, which of course opens the room for manipulation. The electronic systems, currently, cannot be used during the selection of conditions and criteria or during the evaluation of the criteria without using the formula. They simply serve for recording the selected criteria and given points.

In such case, we ask the question: how can e-procurement systems reduce the corruption? In which segments e-

procurements contribute for reducing the abuse and corrupt activities in the public procurement? A great advantage of the electronic systems is the traceability of undertaken activities. The authorized person is able to check in the database in any given moment which activity was undertaken, the time when it was undertaken and the person that has taken the activity. So, if a member of the Commission attempts to change the points given to a certain economic operator, this activity will leave trace in the system, which cannot be deleted. The destruction of a certain document in hard copy or its replacement with a new one (e.g. the evaluation report) is much easier and no one has to witness this.

The offers are protected from any early opening or amending during the evaluation process. The protection is provided by encoding the documents during the submission and then they are kept in this form until the moment of public opening when they are decoded. Simply put as long as they are encoded no one is able to open them; even if someone opens them they are not readable because the content is presented in hieroglyphs. After the official opening, the possible changes of the contents or any other abuse are impossible, because they are electronically signed. The electronic signature with digital certificate allows not only to identify the person that compiled and sent the offer, but it also provides protection from any changes in the process. Any attempt to change anything, even the punctuation, would be disabled or will be recorded and a report will be issued that certain changes have been made to the original document, depending on the used certificate. The offer sent in hard copy in a sealed envelope is archived until the public opening and a number of people can have access to it. The possibility to open the envelope before the deadline, to read the data, to notify the competition and to re-seal the envelope is much higher.

The conclusion is that the electronic public procurement in some parts of the public procurement procedures eliminates the possibility for abuse, manipulation and corrupt practices. These are the flagrant, illegal actions such as replacement, adding or erasing documents and data. However, the e-procurements are not able to prevent the more sophisticated type of corruption, which is difficult to prove. The law is quite liberal in terms of selection of criteria, conditions for participation and requirements in the bid, i.e. their nature depend on human intervention. The electronic public procurement has other numerous advantages with more visible results, such as the reduction of administrative costs for the participants, savings in the budgetary funds and efficient (fast) procedures. Although the e-procurements have "weakest" results in countering the corruption, even the possibility for reducing the corruption, which is definitely provided by these electronic systems, is a huge step forward.

By Darko Janevski, expert of e-procurements

## TO INTRODUCE SUPERVISION AND CONTROL OVER THE PUBLIC PROCUREMENT

*Contrary to Macedonia, in the other countries the administrative or state bodies for monitoring and promotion of the public procurement process, besides the other competences are also authorized to supervise the process of public procurement i.e. the procedure for granting public procurement contracts. This practice raises the need for giving authorization for supervision to the Public Procurement Bureau, i.e. control over the public procurement process in Macedonia.*



Pursuant to article 232 of the Law on Public Procurement, the audit of the use and spending of the funds for public procurement is performed by the State Auditing Bureau. The audit covers the contracting bodies (procurers) defined in article 4 of the Law, primarily the state bodies and the local self-government units, as well as the public enterprises and legal entities, which are financed i.e. spend budgetary or public funds.

The above stated provisions of the Law on Public Procurement (partially) correspond to the provisions of the Law on State Auditing, which among the other things defines the state auditing as a procedure for checking the financial transactions on public expenditures in terms of the legal and purposeful use of funds. According to the provisions of the Law on State Auditing regulating the competences of the State Auditing Bureau, this body although not strictly stipulated, besides the activities defined in article 10 of the cleared text of the Law, also performs activities defined in other laws. So, it is not questionable that the State Auditing Bureau audits the financial transactions related to public procurement. However, this auditing is not supervision of the legality of ongoing public procurement procedures, but it is a post festum control of the financial transactions associated with the public procurement.

The issue on controlling the public procurement or the supervision over the ongoing procedures is solved differently in other countries.

The administrative or state bodies on monitoring and promotion of the public procurement process, besides the regular competences such as monitoring the implementation of the public procurement acts, organization of training courses, particularly for the employees in the contracting authorities, etc, have, to a higher or lesser extent, an authorization to supervise the public procurement process i.e. the procedure on granting contracts for public procurement. This is explicitly stipulated in the laws of Slovakia and Albania.

In the Croatian law on public procurement, the authorization for supervision is stipulated in a manner that the Public Procurement Office (Bureau) is authorized to prevent and provide instructions as well as to initiate misdemeanor procedure. For exercising its authorizations, the body may seek tender documentation from the contracting authorities as well as other information on the ongoing public procurement to be submitted within certain time limit (in this way it practically performs supervision). Furthermore, this body gives its opinion regarding the identified irregularities and provides guidelines on how to rectify them.

The Serbian law on public procurement stipulates that the competent body for public procurement should notify the bodies responsible for auditing of public funds, budgetary inspection

and other bodies competent for initiating misdemeanor procedure on the irregularities detected in implementing the public procurement procedures.

For Croatia and Serbia it is specific that the competent public procurement bodies are authorized to initiate misdemeanor procedure. In Slovenia this competence is provided for the National Auditing Commission. Another specific feature of the Croatian and Serbian laws is the authorization granted to the competent bodies for monitoring and promotion of the public procurement process for initiating procedure in front of the State (National) Appeal Commission for protection of public interest.

Regarding the supervision, we have to mention the provision in the Albanian law, which stipulates that the Public Procurement Agency may perform supervision, but also a special body is established (representative – public procurement attorney) which also supervises the public procurements, but in the interest of the economic operators and protection of their rights and interests.

In our country, the Law on Public Procurement from 2004 stipulates that the inspection supervision is performed by the Ministry of Finance, i.e. the central internal auditing, in terms of checking the:

- Provision of funding for the procurement;
- Implementation of procurement procedures;
- Organization of the bodies for implementation of the procurement;
- Registration of procurement;
- Development of procurement documentation
- Realization of contracts.

However, the experience from implementation of these provisions in practice showed that this supervision was never performed.

With the existing Law on Public Procurement, this or similar type of supervision is not foreseen. However, the practice shows and requires implementation of provisions that will authorize the Public Procurement Bureau to perform supervision i.e. to control the process of public procurement, by giving recommendations and opinions, which would be mandatory for contracting authorities and prescribing measures for terminating the public procurement procedure until the irregularities are removed, prior to the phase of deciding on the best offer.

## About the Center for Civil Communications

The Center for Civil Communications is a non-governmental, non-profit and non-partisan association of citizens, with a mission to improve and develop the communication among all factors in the society of the Republic of Macedonia about the processes of wider societal importance as well as to monitor, analyze and promote the social-political and economic processes in the country, mostly in the field of anti-corruption, local government and economic development.

The Center for Civil Communications fulfills its mission through organization and implementation of surveys, analyses, monitoring, training, seminars, roundtables as well as publishing of reports, publications and manuals.

In the past five years, the Center for Civil Communications has focused its work on two sets of interrelated activities: monitoring and discovering the corruption practices and based on this providing recommendations on the measures and policies for reducing the corruption and capacity building of journalists and media for fulfilling their special role in the fight against corruption in the country.

The most significant activities that have been implemented include the following:

### Project on Transparent Local Governance (2009-2012)

The project develops mechanisms for increasing the transparency, accountability and responsibility of local governments in Macedonia, encouraging the participation of citizens and local business community in the decision making process in the local government and sharing the best practices and experiences among the municipalities in the country and the region. The project activities will contribute for reducing the level of corruption in the local community and increasing the trust of the citizens and business representatives in the local authorities. The project is implemented in partnership with the non-governmental organizations: EHO from Stip and NGO Info Center from Skopje and is funded by the USAID Macedonia.

### Monitoring of Public Procurement on Central and Local Level (2008-2010)

The project analyses the implementation of public procurement procedures and system in the country in light of the new Law on Public Procurement, from the aspect of transparency, competitiveness, equal treatment of economic operators, non-discrimination, legal, economic, efficient, effective and rational use of budget funds, getting the best offer under the most favorable conditions and accountability for the funds spent during the public procurement process. Total of 160 randomly selected public procurement procedures are monitored and analyzed on annual level, through direct monitoring of opening the offers, in-depth interviews with the bidders and the institutions that open the tenders, gathering information from the Public Procurement Bureau and other involved institutions. The results of the monitoring include recommendations for promoting the public procurement process. The project is funded by FOSIM.

### Enhancing the Role of Media in Fight against Corruption (2008-2009)

The project promotes the journalistic standards on researching and reporting corruption and builds the capacity of media on fulfilling their role in the fight against corruption. The starting point is an in-depth analysis of the way in which the Macedonian media report on corruption and identifying the main weaknesses in this reporting. Based on this, recommendations are developed for promoting the journalistic standards. The implementation is through training of 12 investigative reporters from leading media in the country. These activities will contribute for overcoming one of the main problems detected in the National Strategy on Reducing Corruption – inappropriate media coverage of corruption. The project is funded by USAID Macedonia.

### Measures for Reducing Corruption in Macedonia (2007-2008)

After the first phase of the project identified the most vulnerable areas of corruption in Macedonia, this project has developed and recommended total of 156 specific measures that should be undertaken in order to narrow the space for corruption. The project included comparison of the best practices in the other countries, series of workshops where experts and representatives of the stakeholders discussed and proposed ways to narrow the room for corruption, prioritize the measures and sending them to the competent institutions and media for monitoring their implementation. Most of the measures were implemented, particularly those for granting higher independence to the second instance National Commission for Complaints on Public Procurement, which was transferred from the auspices of the government to the Parliament, the independent legal status of the Public Procurement Bureau, which is no longer under the Ministry of Finance, etc. The project was funded by the Balkan Trust for Democracy.

### Reduction of Corruption: Exchange of Experience and Good Practices in Investigative Reporting between the Journalists from Macedonia and Romania (2008-2009)

In partnership with the Romanian Center for Investigative Reporting, 10 investigative researchers from Macedonia were trained from the leading Romanian trainers in investigative reporting about the advanced techniques of investigating journalism. After the training, the journalists had an opportunity to be in the Romanian media where together with their colleagues from Romania worked on investigative stories, which were published in the Macedonian media. As a result of the project, a network of investigative reporters was established within the Center for Civil Communications. The project was funded by the East-East program.

### Series of trainings for journalists from local media on investigative reporting and reporting on the local government (2008)

The Center delivered 4 regional trainings for 30 journalists from the local media on strengthening their capacities and abilities for researching and reporting on the work of the local government in light of the increased competences of the local authorities, which also increased the role of local media in reporting on the issues of the interest of local citizens. The project resulted in developing a Manual on Journalist Reporting for the representatives of the local media in Macedonia. The project was funded by the USAID Macedonia local government activity.

In addition, the Center for Civil Communications in the past period has published a series of Corruption Reports in Macedonia (2005 and 2006), supported by the Balkan Trust for Democracy, trained the members of entire newsrooms from 16 local TV stations from throughout the country on reporting the issues of local interest, through the support of the US Embassy to Macedonia, participated in the expert team that developed the three-year National Strategy on Combating Corruption, and was a member of the Committee that granted the good governance award in Macedonia, etc.