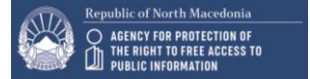




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**Promoting Transparency and
Accountability in Public
Administration in North Macedonia**



EuropeAid/139891/DH/SER/MK

Methodology for Selection of a Criterion for Selection of Pilot Institutions for Implementation of Training and Mentoring

This document is prepared within the “Promoting Transparency and Accountability in the Public Administration” project, financed by the European Commission, and implemented by a consortium led by PwC. The document is prepared for the State Commission for Prevention of Corruption and only for the purposes and according to the terms agreed in line with EuropeAid/139891/DH/SER/MK.

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Methodology for Selection of a Criterion for Selection of Pilot Institutions for Implementation of Training and Mentoring

GOAL

This activity envisages implementation of training for representatives/civil servants from pilot institutions. Since the pilot institutions/target groups have not been identified, using several mechanisms, we will try to identify the best method for establishment of criteria for selection of the institutions which will be part of the trainings.

Additionally, we will try to test the SICRA methodology i.e., several of the criteria for selection of a sector with which we will offer several institutions for each selected criterion.

PROPOSED SELECTION CRITERIA

It is necessary to review several tools to make relevant selection of criteria and select the institutions after that. In that direction, SICRA methodology offers several criteria for selection of sector, out of which we emphasize only a few we thought that are most useful for selection of the most appropriate institutions. Namely, the concept of integrity includes compliance with several principles (good governance, decision making process, ethics, transparency, accountability of the public funds spending and showing integrity in the public representation). Hence, we selected the following criteria for selection of a sector:

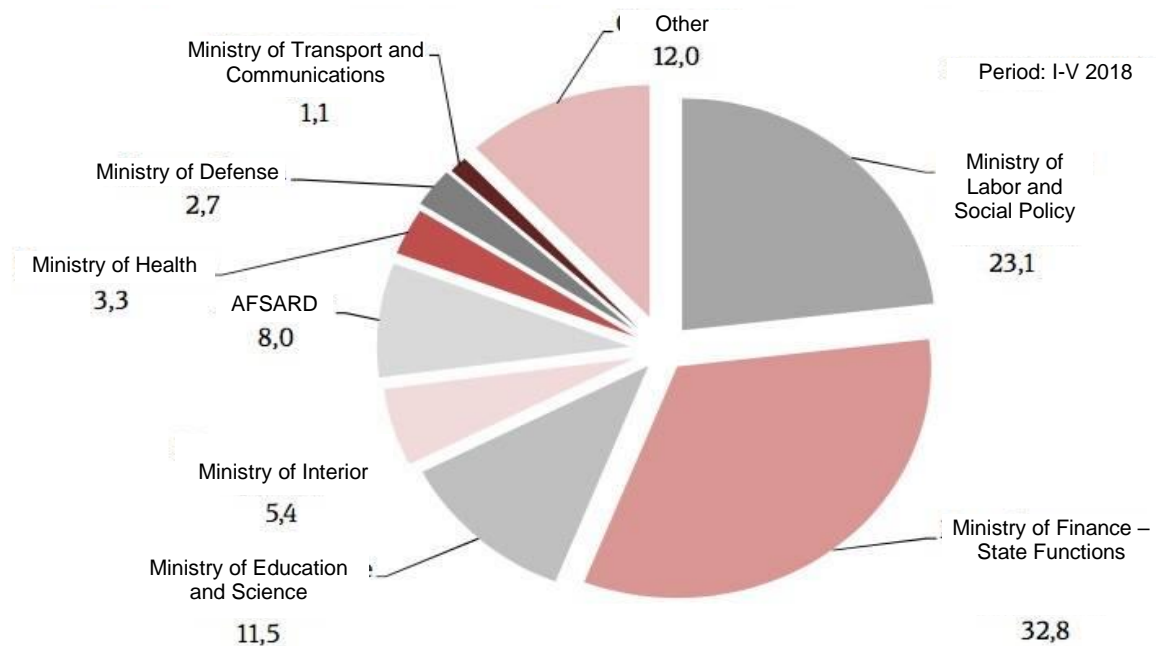
I. Financial criterion that separated the institutions with larger budgets or distribution of budget funds to other public institutions or dispose certain finances from EU funds, collect funds from administrative fees for service provided to the public or are a part/manage the public procurement system etc.

II. Discretionary authorities – a criterion that separates the institutions with wide authorities and power to limit the rights, sanctioning or decision making, decision making for employment, supervision etc.

III. Public contacts – a criterion that separates the institutions that have direct contact with the citizens when the officials and citizens/clients have wide options to instigate non-compliance with the legal procedure in return for inappropriate benefits.

I. Within the executive branch, the institutions that meet the **financial criterion** and which have large available budgets are:

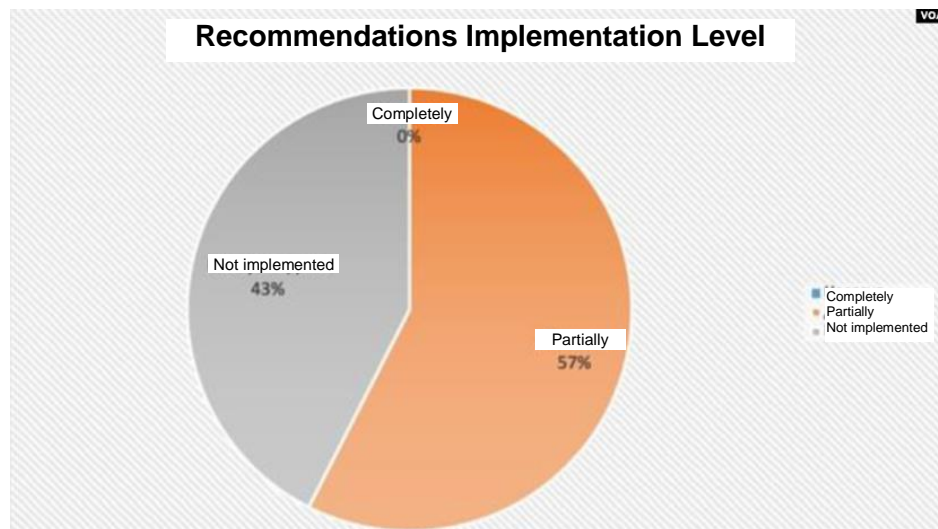
1. Ministry of Finance
2. Ministry of Labor and Social Policy
3. Ministry of Education
4. Agency for Financial Support of the Agriculture and Rural Development (AFSARD)
5. Public Procurement Bureau

Chart 3.4: Expenditure Structure by Budget Users

Source: MoF

II. In the part of the **discretionary authorities** we use the Report of the Monitoring of the Implementation of the Recommendations from the Corruption Vulnerability in the Public Sector Employment Assessment Report prepared by Transparency International. The recommendations apply to legal amendments regarding public administration in order to strengthen the professionalization and integrity of the administrative officers which is expected directly to influence the reduction of the possibility for corruptive influence in the employment procedures.

In March 2021, the Government has issued a Plan to Combat Corruption “Action 21”, where item 13 applies to the part of the recommendations in the Report regarding procedures for filling job vacancies through employment procedure, promotion, and staff mobility procedure for public sector employees. This item envisages that it is necessary that the Ministry of Information Society and the Administration Agency should prepare a Plan to Amend the Regulations in the area of Administrative Officers and Public Sector Employees. The amendments to these laws are late.



Source: TI MK

The problem with the discretionary authorizations in the employment procedures and the influences notes in this area are the biggest problem that endangers the trust in the state institutions.

For the state-owned joint stock companies that realize employment according to the Law on Employment Relations which does not provide any criteria, their founder i.e., the Government, has not established criteria for clear and transparent evaluation of the employment selection criteria. In such circumstances, the employment decisions are often based on subjectivity of the responsible person who using discretionary authority enables employment of party members or close persons.

Due to the above, we would like to emphasize the following institutions as most important in the process of professionalization of the public administration, but also competent for enacting laws, issuing consents for amendments of the job description acts, internal organization rulebooks, preparing a law on higher managerial service, administering and decision making in the employment process, discretion rights for selection of staff etc. We shall also take into account the recommendation in the 2021-2025 National Strategy for Combating Corruption: "It is key strengthen the integrity in the RIA preparation process. Namely, according to the Rules of Procedures of the Government, the ministries are obligated to obtain opinions from SCPC regarding the legal proposals that are subject to RIA, but until now, in 2018, only one law has been submitted to SCPC for an opinion and anticorruption review.

Hence, in this criterion we are emphasizing the following institutions:

1. Ministry of Information Society and Administration
2. Administration Agency
3. Government of RNM
4. Assembly of RNM
5. State Audit Office

III. Within the criterion – **public relations** – we are emphasizing the sectors/areas that meet the SICRA method i.e., to enable corruptive and unethical actions, for example, through public authorities, inspections, fines for the citizens for traffic regulations, import of goods, abuse of

the office, benefits in the educational process etc. The sector recommendations provided in the 2021-2025 National Strategy for Combating Corruption are also taken into consideration. If we review the situation in the 2020 SCPC Annual Report: "Analyzing the submitted reports, in addition to the institutions operations area, most of the reports are about officials in the executive branch and local government as persons with highest risk of conflict of interests in the execution of public function, followed by the education and judiciary."

The situation is presented in Chart 7.

2020 SCPC ANNUAL REPORT

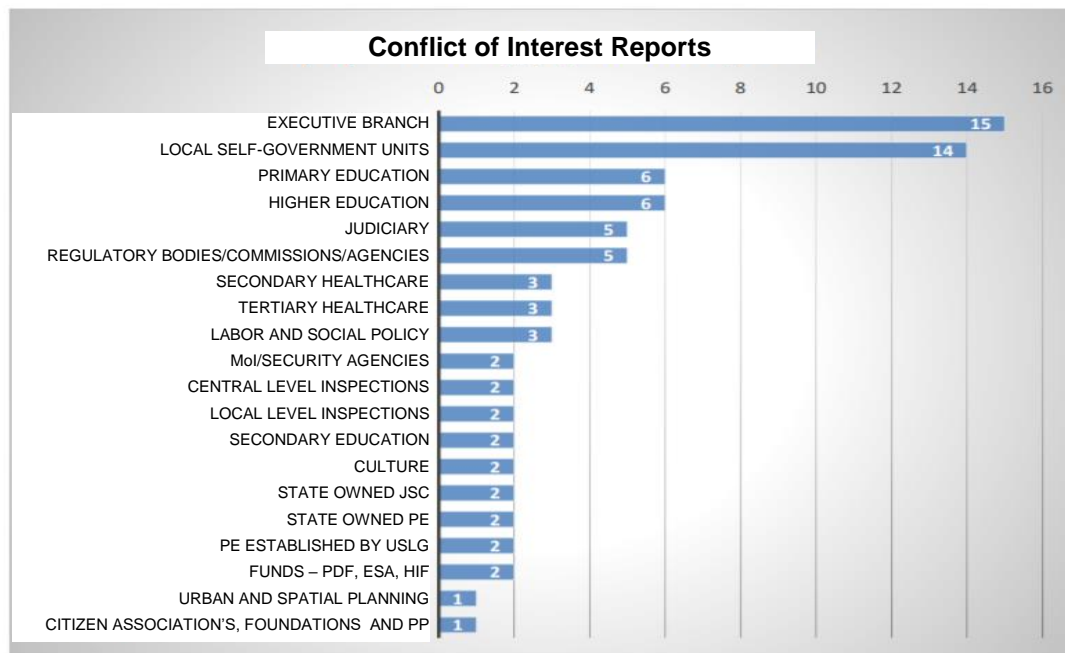


Chart 7

Hence, we are emphasizing the following institutions:

1. Education (State Educational Inspectorate, all education levels)
2. Law enforcement authorities (MoI, Customs Administration, Financial Police Office)
3. Inspections (Inspection Council or other authorities that are competent to perform inspection supervision)
4. Health (Ministry of Health, public healthcare institutions, Agency for Medicines etc.)
5. Judiciary

Proposal Conclusion:

The proposed criteria are given here. Several options are possible: to choose the most important criterion which will in turn give the institutions or to apply combination of two or several criteria and choose pilot institutions for the training from each criterion. That will provide the analytical and methodological approach for selection, and also an opportunity to monitor the situation after the trainings, by various sectors because the weaknesses by criterion and by sector are already detected in several documents (the National Strategy for Combating Corruption and the 2020 SCPC Annual Report, various reports by EU and international organizations in the area of corruption and rule of law monitoring).

Financial criterion	Discretionary authorizations	Public contact
1. Ministry of Finance 2. MLSP 3. MoES 4. Agency for financial support of the agriculture and rural development (AFSARD) 5. Public Procurement Bureau	1. Ministry of Information Society and Administration 2. Administration Agency 3. Government of RNM 4. Assembly of RNM 5. State Audit Office	1. Education (State Educational Inspectorate, all education levels) 2. Law enforcement authorities (Mol, Customs Administration, Financial Police Office) 3. Inspections (Inspection Council or other authorities that are competent to perform inspection supervision) 4. Health (Ministry of Health, public healthcare institutions, Agency for Medicines etc.) 5. Judiciary

Some of the institutions have their own strategies for combating corruption, their own codex of behavior¹, special ethical and integrity codices², have detected the risks and the consequences which puts them on a high position in the integrity and combating corruption system.

Other institutions³ have high participation in various projects for combating the organized crime and corruption and we assume that they have successfully build their initial internal capacity for establishment of the institutional work integrity system.

Before all, we have in mind item 30 of the European Parliament Resolution from 25 March 2021 regarding the 2019/2020 European Commission reports for North Macedonia. Item 30 says:

“Item 30. Urges the new government to prioritise public administration reform by embedding and systematically applying merit-based standards in public appointments and promotions, advancing the culture of transparency, professional independence, accountability, integrity and equitable gender and ethnic representation across the civil service and state-owned enterprises, while ensuring adequate whistleblower protection; calls for a thorough follow up on the recommendations of State Commission for Prevention of Corruption”⁴

Hence, we are detecting several key areas important in the reform process for combating corruption:

- Public administration report
- Надзор над отчетноста и доброто управување

¹ Customs Administration website, accessed on 08.06.2021, Ethical Code of the Customs Officers Customs Administration Integrity and Combating Corruption Strategy etc. <https://customs.gov.mk/index.php/mk/za-nas-mk/borba-korupcija-mk>

² State Audit Office website, Ethics and Integrity Code, <https://dzt.mk/mk/etika-integritet>

³ Financial Police Office website, List of projects, <https://finpol.gov.mk/mk/proekti>

⁴European Parliament resolution of 25 March 2021 on the 2019-2020 Commission Reports on North Macedonia (2019/2174(INI)) https://www.europarl.europa.eu/doceo/document/TA-9-2021-0114_EN.html

- Professional civil service

Thus, we are detecting the following institutions from the from the identified criteria:

- SAO
- MISA
- Inspection Council

State Audit Office, although first institution in EUROSAI⁵ region that has held a workshop self-assessment of their institutional integrity level (2013)⁶, however, according to the competence to perform supervision over the work of the public institutions, justifies the need to become an institution that implements an integrity system in order to strengthen the accountability and the other institutions which are under their audit supervision.

Having in mind the SAO position in the system for combating corruption and informing the Assembly through audit reports for several key stakeholders/institutions in the part of financial control, undoubtedly, SAO can be a pilot institution, but also a relevant partner for cooperation on the implementation of the integrity system. It is an institution which has already detected the inconsistencies in several processes, in several institutions, where we would expect guidelines how to improve the implementation of the integrity system.

Additionally, we have in mind the contextual developments in the legal framework: draft amendments to the Law on Administrative Servants. And **MISA** is closely connected to the processes of amendments and approval of systematization acts, they are managing the public administration reform process, have mapped the institutional setting of the entire public administration⁷ and will be able to be a key partner of SCPC in the implementation of the integrity system.

⁵ European Organization of Supreme Audit Institutions

⁶ Information from the SAO website <https://dzt.mk/mk/metodoloski-akti>

⁷ MISA website - mapping <https://mapaja.mioa.gov.mk/>

PUBLIC ADMINISTRATION OF THE REPUBLIC OF NORTH MACEDONIA



MISA – Mapping of the public administration

MISA is beneficiary of the “Support to state reorganization” Project Identification N° EuropeAid/139876/DH/SER/MK, funded by EU which maps the public administration system, functioning, competences, efficiency and effectiveness. Hence, the inclusion of MISA in the piloting of this phase can only contribute to build partnership approach and support of the entire integrity system regarding various settlement of the public administration. Additionally, it can also contribute for sharing of knowledge and lessons learned in the part of the state reorganization. The complementarity of both these projects, SCPC’s and MISA’s, financed by the EU is an added value of the entire piloting activity.

Inspection Council⁸ - competences of the Council are regarding the inspection services in the state administration authorities i.e., the central government, all inspectors, irresectable whether they are employed in the inspection services in the state administration authorities or in the local self-government units and in the Council itself. With the development of inspectors’ performance, they are part of the system of effective public administration. Due to the importance of providing support to the public administration reform process, especially in the

⁸ Inspection Council website <https://is.gov.mk/overview/>

part of strengthening of the integrity and combating corruption, rule of law, having in mind the competence of all these institutions and the potential, the piloted trainings and knowledge should be distributed at central and local level, we think that it should be in the selection of the pilot institutions.

PROPOSED – DYNAMICS, methods and deadlines:

1. Selection of a criterion and selection of 5 pilot institutions – SCPC, ASPIJK (KOMSPI) SAO, MISA, Inspection Council
2. Starting of the trainings process (agenda, invitation, presentation, holding of the training and mentoring) **December/February**

REFERENCE DOCUMENT

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9. European Parliament resolution of 25 March 2021 on the 2019-2020 Commission Reports on North Macedonia (2019/2174(INI)) https://www.europarl.europa.eu/doceo/document/TA-9-2021-0114_EN.html