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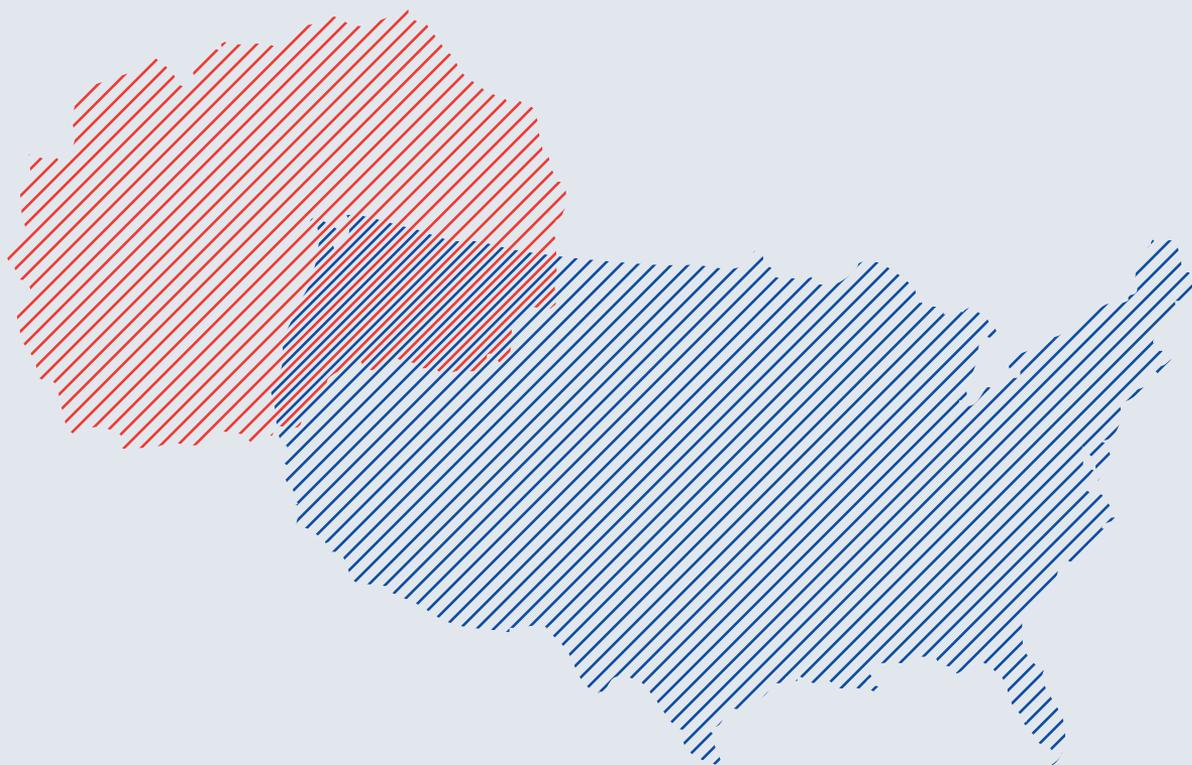
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# Renewed U.S. Contribution to the Fight Against Corruption in North Macedonia

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*The views expressed in this document do not necessarily reflect the views of the US National Endowment for Democracy and the Institute for Democracy 'Societas Civilis' - Skopje.*

# Impressum

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North Macedonia has been plagued by rampant corruption and severe challenges for the Rule of Law. The faulty institutions, the languishing economic growth and the social inequality are primarily a result of the limited efforts to implement the anti-corruption reforms, the rule of law and the lack of political consensus in this struggle. As a result, tackling corruption is increasingly important for the citizens and is recognized as a top priority for democratization and a precondition for the European integration of the country. In developing countries, such as North Macedonia, bilateral cooperation and support from strategic partners are essential for an effective fight against corruption. Another critical factor here is the U.S., which supports these processes through political, financial and administrative assistance.

Since the establishment of bilateral relations in 1995, the U.S. in North Macedonia, among other things, has supported the strengthening of the democratic institutions, the rule of law and the fight against corruption and discrimination. This year, the newly elected president of the USA, Joe Biden, and his administration added the fight against corruption to the list of leading priorities regarding North Macedonia and the Western Balkans. The U.S. government made several decisions and drafted several reports that underline the negative impact of corruption on many parameters of the economic and societal development in the country. They foresee concrete steps for dealing with the issue. In addition, the fight against corruption will be a key pillar at the 2021 Summit of Democracies, initiated by the U.S. President Joe Biden and North Macedonia will attend as well. The increased focus on these topics also marks a new chapter in the relationship between the U.S. and all institutions, civic and international organizations in the country that deal with corruption. Still, it also raises certain expectations from their performance.

This policy brief offers an overview of the new U.S. international policies for dealing with corruption and their influence on the Macedonian anti-corruption efforts and institutions.

# The U.S. focus on international politics in terms of the fight against corruption

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The new U.S. president, Joe Biden, was elected in late 2020. Upon entering into office in January 2021, the president made a number of decisions that position the fight against corruption in the focus of their policy for North Macedonia and the Western Balkans.

In June 2021, the U.S. government adopted a Memorandum<sup>1</sup> that establishes the fight against corruption as a core interest of national security and points out that the institutions will promote good governance, transparency and prevention of corruption in the U.S. and abroad. By signing this Memorandum, the U.S. government vows to carry out a series of activities for strengthening the capacities of domestic and international institutions that work on topics related to asset recovery, establishing global anti-corruption norms, promoting financial transparency, prevention of money laundering etc. The U.S. will also double down the efforts to build the resources for investigative, financial, technical and political assistance for states that have demonstrated that they have the will and are striving to reduce corruption. The Memorandum also foresees holding corrupt individuals accountable and identifying, blocking and recovering property.

The blocking of property of persons involved in corruptive acts is part of the executive order for the Western Balkans<sup>2</sup> of the U.S. president, adopted in June 2021, which enables the American government to sanction every person that contributes to the destabilizing situation in the region. The sanctions include suspension of entry and blocking of property of any person that undermines the democratic institutions, security, territorial integrity and the implementation

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<sup>1</sup> Memorandum on Establishing the Fight Against Corruption as a Core United States National Interest. The White House, Presidential Actions, June 2021. Available at: <<https://www.whitehouse.gov/briefing-room/presidential-actions/2021/06/03/memorandum-on-establishing-the-fight-against-corruption-as-a-core-united-states-national-security-interest/>>

<sup>2</sup> Executive Order on Blocking Property And Suspending Entry Into The United States Of Certain Persons Contributing To The Destabilizing Situation In The Western Balkans. The White House, Presidential Actions, June 2021. Available at: <<https://www.whitehouse.gov/briefing-room/presidential-actions/2021/06/08/executive-order-on-blocking-property-and-suspending-entry-into-the-united-states-of-certain-persons-contributing-to-the-destabilizing-situation-in-the-western-balkans/>>

of the peace talks in the Western Balkans, including the Prespa Agreement. The decision also targets any person accused of serious corruption and bribery in the region, including cases that involve current or former state officials at any government level.

The basis for the adoption of this decision is the Global Magnitsky Human Rights Accountability Act, which the U.S. government can use to introduce sanctions for persons of any nationality found guilty of a violation of human rights and corruption. Apart from the U.S., the Global Magnitsky Human Rights Accountability Act has been adopted by parliaments in most countries, including Great Britain, Canada, Estonia, Lithuania, and the European Parliament, also adopted the Act in December 2020.

Recently, the U.S. introduced sanctions based on the Act for three Bulgarian state officials accused of misuse of public institutions for personal gains in the region. The sanctions prohibit a former M.P. in the Bulgarian parliament, who was also a businessman and a deputy of a public institution and the companies and organizations he is linked to, to have access to the American financial system. After the U.S. introduced the sanctions, the Bulgarian government black-listed these persons and their associates. It announced that it would prohibit the local and national governments from cooperating with them.

## Specific steps for North Macedonia

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Reducing corruption is one of the three main priorities of the 2020-2025 Development Strategy for North Macedonia of the U.S. Agency for International Development (USAID).<sup>3</sup> The Strategy recognizes corruption as the central issue that prevents social cohesion and undermines the credibility of the political parties, public institutions and the rule of law. The strategic aim of reducing corruption foresees improvement of the previous investments in civic society and the government's capacities to emphasize the fight against corruption. The Strategy will support the efforts for strengthening the transparency and accountability of political parties as a critical factor for targeting the malignant influence in society and the local efforts to bolster the mechanisms for transparency and accountability.

In achieving its priorities, the Strategy states that there will be country-led partnerships between the private sector and civil society. In September of this year, the U.S. government, through USAID, increased the grant from 8.2 to 56.6 million dollars for achieving the goals of the Strategy, that is, improving economic competitiveness, increasing the contribution of the young people to the society and dealing with corruption.<sup>4</sup> 50% of these funds will be invested in the strategic goal of reducing corruption.

According to the State Department Investment Climate Report, corruption is also singled out as one of the main investment barriers that American companies face in North Macedonia.<sup>5</sup> According to this Report, the insecure business climate in the state is primarily a result of severe corruption, frequent changes to laws and regulations and their inconsistent interpretation and implementation. Corruption and bribery are also present in public procurement, and there are allegations of corruption in the administration. The Report points to an issue that needs

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<sup>4</sup> "Government: the US increases the value of the grant for partnership with North Macedonia from 8.2 to 56.6 million dollars." Nova TV, September 2021. Available at: <<https://novatv.mk/vlada-sad-ja-zgolemija-vrednosta-na-grantot-za-partnerstvo-so-severna-makedonija-od-8-2-milioni-na-56-6-milioni-dolari/>>

<sup>5</sup> 2021 Investment Climate Statements: North Macedonia. U.S. Department of State, July 2021. Available at: <<https://www.state.gov/reports/2021-investment-climate-statements/north-macedonia/>>

to be worked on, namely the frequent changes made to laws and regulations, the sluggish implementation of the rules and the slow implementation of new laws.

The opposition parties quoted the findings of the Report on the investment climate on a number of occasions, more specifically, the summary procedure misuse and the rampant corruption among the government officials.<sup>6</sup> On the other hand, prime minister Zaev stated that according to the Report findings, corruption was detected in the administrative work of public institutions, not among the ministers and officials. The prime minister added that the Report findings would improve the fight against corruption.<sup>7</sup>

The U.S. Embassy to North Macedonia will work to root out corruption in administrative processes through an administrative service digitalization project, implemented jointly with the Estonian Center for International Cooperation and the Secretariat for European Affairs. The project will provide technical support for North Macedonia's development and the promotion of good governance and economic growth through the digitalization processes. Among other things, the project is expected to lay the foundation for the cooperation between North Macedonia and Estonia in the other sectors that are of key importance to the country's development, such as civil society, the private sector and the young people.<sup>8</sup>

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<sup>6</sup> "VMRO-DPMNE and the AA: The State Department confirms that the corruption is the main issue." Slobodna Evropa radio, July 2021. Available at: <<https://www.slobodnaevropa.mk/a/31375258.html>>

<sup>7</sup> "Corruption festers among public officials, not the ministers: prime minister Zaev on the State Department report." Faktor, July 2021. Available at: <<https://faktor.mk/sluzbenicite-se-leglo-na-korupcija-ne-ministrите-premierot-zaev-za-izveshtajot-na-stejt-departmentot>>

<sup>8</sup> "Together with Estonia, we will help you enter the EU because a stable Macedonia is a geostrategic interest for the US, stated the representatives of the US embassy." Sakam da kazam, September 2021. Available at: <<https://sdk.mk/index.php/instagram/so-estonija-ke-vi-pomagame-da-vlezete-vo-eu-zatoa-shto-stabilna-makedonija-e-amerikanski-geostrateshki-interes-velat-od-ambasadata-na-sad/>>

## What next?

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The fight against corruption is the centrepiece of the foreign policy of the new U.S. administration. The increased efforts and investments in tackling corruption in North Macedonia demonstrate that the country was recognized as a partner in solving the global issue. This means that the institutions are expected to take concrete steps to overcome corruption at home. The progress in this area is essential also for North Macedonia to be still seen as a partner in the fight against corruption, not as part of the issue. The government and the anti-corruption institutions must prioritize dealing with corruption to extend the strategic partnership and the political, financial and technical support for the development and democratization of the country it has received. For that reason, the activities focused on implementing the anti-corruption reforms by the government and the other institutions that have anti-corruption competencies need massive reinforcement.

The assembly assumes the central position in the fight against corruption. The M.P.s select the management and supervise the work of the key institutions that deal with corruption, such as the SCPC, the SAO and the Commission for Protection of Competition. The support that the M.P.s from the ruling and opposition parties expressed towards the U.S. anti-corruption measures demonstrates political will and is a foundation for a joint approach in dealing with corruption. The next step would be for the M.P.s to substantiate the support by taking concrete steps within their competence for dealing with corruption. This can be done, among other things, by carrying out essential hearings about the annual reports on the work of these institutions and supervisory hearings about dealing with corruption in certain areas of their work. In this way, the M.P.s may encourage accountability and proactivity of the anti-corruption institutions and request specific deliverables from their work.



## About IDSCS

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IDSCS is a think tank organization that researches the development of good governance, the rule of law, and European integration of North Macedonia. The mission of IDSCS is to assist the civic involvement in the decision-making and strengthen the participatory political culture. By strengthening the liberal values, IDSCS contributes to the coexistence of diversities.

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## About the project

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Anti-Corruption Talks in Parliament is a project aimed at strengthening the oversight role of the MPs in the fight against corruption. The project is funded by the National Endowment for Democracy from the United States.

## About the author

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## Link

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